bridge housing

linking people to a better future

ANNUAL REPORT 2018



Cover: Elger Street Glebe residents Jonathan, Fatima, Eunice and Dennis.



The Bridge Housing Team

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About this report

The Bridge Housing Limited Annual Report for 2018 is a summary of our operational and financial performance during the 2017–18 financial year. It explains how we work to improve lives and strengthen communities through the provision of safe, affordable housing.

Our Audience

This report is primarily targeted to the following stakeholders: residents, applicants and recipients of our housing management services; members of Bridge Housing Limited; federal and state government partners; the private sector partners who help us deliver more affordable housing; support partners that provide services to our most vulnerable tenants and the Bridge Housing staff members who deliver our services.

Acknowledgement of Country



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

Our Vision

Improving lives through affordable homes and quality services

Our Mission

To be a dynamic organisation, recognised for excellence in meeting housing need, improving resident wellbeing and governing responsibly

Please see Strategic Plan 2018–21 on page 20 for details about the development of our new Vision and Mission.

Follow us

Bridge Housing Limited

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Our Values

Socially responsible	We are committed to encouraging social inclusion and improving the lives of the people and communities we support.
People-focused	The needs of our applicants and residents are at the core of all our activities and decisions. We empathise with them and deliver our services with fairness, respect and sensitivity. We value and support our employees to enable them to perform at their best and achieve their full potential.
Committed and passionate	We put our hearts and minds into our work. We value and encourage innovation and continually seek to improve our performance.
Build relationships	We build relationships based on trust and respect to create positive outcomes for the people and communities we serve.
Professionalism and integrity	We take responsibility for our decisions and actions and provide a consistent high-quality service. Our decisions are based on sound judgement and our culture engenders good governance, transparency and honesty.

Our Strategic Plan 2015–18

Every three years we develop a strategic plan to help us achieve our mission. It identifies the critical factors for success for Bridge Housing, which we then implement through our annual business plans.

The critical factors for our Strategic Plan 2015–18 were:

- Meeting affordable housing need by increasing our property portfolio
- Delivering quality homes and housing services
- Governing effectively
- Managing the business sustainably
- Supporting our people and improving our workplace
- Enhancing our communications and increasing our profit.

In this report, we detail our performance against our Business Plan objectives for 2017–18, which are aligned with and progress the Strategic Plan 2015–18. Our Strategic Plan 2018–21 was approved by the Bridge Housing Board in June 2018 and we will commence reporting in our Annual Report 2019.

Our services

We utilise our property portfolio to provide long-term accommodation for people on low-to-moderate incomes. Bridge Housing has a portfolio of 2,244 properties providing safe and secure homes for around 4,000 people. We own 489 properties and manage 842 properties owned by the NSW Land and Housing Corporation (LAHC), the public housing authority within the NSW Department of Family and Community Services (FACS).

We also:

- lease properties from the private rental market
- manage 249 properties on behalf of other organisations and individuals
- acquire and develop new properties
- provide responsive and planned maintenance services on a property portfolio valued at $522 million.[1]

We provide services across the spectrum of social and affordable housing. We meet the needs of the most disadvantaged people in the community – those who require assistance to maintain a sustainable tenancy – by working with more than 15 support partners under formal agreements and many more services that support individual tenants. (See Acknowledging our partners on page 95 for more details.)

1 This figure is based on an average value of $350,000 and $644,000 (as percent portfolio valuations) multiplied by the number of Bridge Housing properties and properties managed on behalf of the NSW LAHC – a total of 1,331 properties. Leasehold and fee-for-service properties are excluded.

Performance highlights

2017–18 was another successful year for Bridge Housing. We continued to improve the business and our service delivery as we prepared for large-scale growth through the transfer of 1,200 properties in the northern beaches under the NSW Government's Social Housing Management Transfer Program. We delivered our 2017–18 Business Plan and completed the Strategic Plan 2015–18, using them as a solid platform for our Strategic Plan 2018–21.

Our Performance highlights summarise our key achievements from our Business Plan 2017–18.

A detailed report on our Business Plan 2017-18 performance is found at Appendix One on page 96.



Meeting affordable housing need by increasing our property portfolio

- Portfolio size increased from 1,915 properties to 2,244 - above our forecast of 2,035 properties - through successful conclusion of our construction program, tendering and project delivery. (See the Development report on page 70)
- Launched HomeGround Real Estate to support the increase in fee-for-service business opportunities (See Spotlight Two on page 32)
- Successfully tendered in the Social Housing Management Transfer Program (SHMTP), securing the northern beaches package in partnership with Women's Housing Company. This will see the transfer of 1,200 properties to Bridge Housing and Women's Housing Company combined management in August 2019 and will increase our property portfolio by 50 per cent.
- Completed construction and vesting of 158 seniors' homes in Elger Street, Glebe. (See Spotlight Six on page 74)
- Won our third competitive tender to continue to manage Waverley Council's social and affordable housing program of 79 properties
- Grew our fee-for-service affordable housing management by 57 properties (30 per cent)
- Completed the transfer of 54 properties at Balmain as part of the SHMTP Phase 1 in July 2017
- Delivered 36 new dwellings and provided accommodation for 51 people under Land and Housing Corporation's Community Housing Provider Project Management Program
- In partnership with Achieve Australia, successfully tendered and transitioned management of 28 group homes providing disability housing to 130 residents
- Won a tender for $10 million to deliver the Supported Transitional Engagement Program (STEP) to secure housing for 90 rough sleepers over three years. (See Operations Report on page 60)
- Won a tender to receive vesting of 7 x one-bedroom affordable housing units in Leichhardt under two Affordable Housing Projects
- Received $1 million in grant funding from FACS under a Community Housing Assistance Agreement to deliver additional affordable housing.



Delivering quality homes and housing services

- Arrears, vacancies and voids all at, around or better than regulatory benchmark
- Developed a new three-year Building Bridges Strategy to align to our new Strategic Plan 2018–21 and built upon the previous award-winning Community Engagement Strategy, Building Bridges 2015–18
- Established the transition team to deliver the transfer of 1,200 homes on the northern beaches under the SHMTP and ensure that services to current tenants remain unaffected by the change in management of the new properties
- Completed our largest maintenance program delivering 6,141 responsive, planned and cyclical jobs at a cost of $4 million
- Continued our rolling review and revision of housing and assets policies and have revised and developed policies, procedures and fact sheets
- Implementation of a Customer Service Action Plan in response to our mystery shopping results.



Elger Street residents Dennis and Jonathan

3 Governing effectively

- Strategic Plan 2018–21 approved for our next growth phase. (See Strategic Plan 2018–21 page 20)
- Maintained our Tier 1 registration under the National Regulatory System, with our fourth compliance assessment in December 2017
- Secured our sixth consecutive Gold Award for our 2017 Annual Report at the 2018 Australasian Reporting Awards
- Used our Risk Management Plan 2017–18 to continue the effective management and mitigation of key risks
- Completed a fraud risk assessment, including updating our Fraud Risk Management Plan
- Positive Internal Audits of our Work Health and Safety Management Framework and Asset Management System. (See Finance and Corporate Services Report on page 76).

4 Managing the business sustainably

- Operating EBITDA of $2.5 million in 2017–18 an 80 per cent increase on 2016–17. All key financial KPI's maintained. (See Financial Summary 2017–18 on page 82)
- Expanded debt facilities by $10m to $35 million to complete vesting of 158 Units at Elger Street, Glebe All banking covenants were met
- Developed a three year Information Technology Strategy 2018–21
- Implemented new IT systems for mobile technology and a digital records management system.

5 Supporting our people and improving our workplace

- Developed a new Human Resources Strategy to support the 2018–21 Strategic Plan
- Employee engagement increased to 81 per cent. (See Our people on page 46)
- Secured White Ribbon Accreditation, developed workplace policy on Domestic Violence, with 10 days paid leave. (See Spotlight White Ribbon Accreditation on page 58)
- Paid parental leave increased from 6 to 12 weeks. (See Our people on page 46)
- Supported our LGBTQI staff through public support for the marriage equality postal survey
- Launched the Bridge Housing Employee Award Program, designed to align with our values and goals, drive performance and acknowledge outstanding employee contributions.



Enhancing our communication and increasing our profile

- Developed tenant story videos for use on the website, social media and Bridge Business corporate e-news
- Continued to speak at industry forums and participate in industry organisations to drive better policy outcomes
- Commenced redevelopment of our website to create a more modern user experience and stable platform for future growth, to be launched in October 2018.
- Launched a corporate LinkedIn site to better engage with current and prospective employees, and further developed our Facebook platform as a tenant-focused social media tool.

Awards and recognition

We secured national awards for our program innovation and annual reporting

- Our Hand Up rent arrears management program won the national award for Leading Innovation for our program at the Australasian Housing Institute Awards, December 2017
- Our Annual Report 2017 secured our sixth consecutive Gold Award for at the 2018 Australasian Reporting Awards, June 2018.

Challenges

Major challenges we faced during the year included:

- Ensuring that we continued to work and focus on the current business and clients while planning for the transition of 1,200 properties in the northern beaches in August 2019. We mitigated this risk through good planning and a dedicated transition team to bring the northern beaches package under our management.
- Approval of Communities Plus sites at Seven Hills and North Parramatta is on hold as LAHC determines its position[2]
- Identifying suitable premises to meet our future accommodation requirements has also presented an organisational challenge.



CEO John Nicolades and Board members Jill Hannaford and Graham Monk accepting the 2018 Australasian Reporting Award.

2 Bridge Housing is member of two separate partnerships with private developers. The partnerships were selected as preferred proponents through a successful tender in 2016 and 2017 to redevelop these sites for a mix of private, social and affordable housing.

Financial highlights

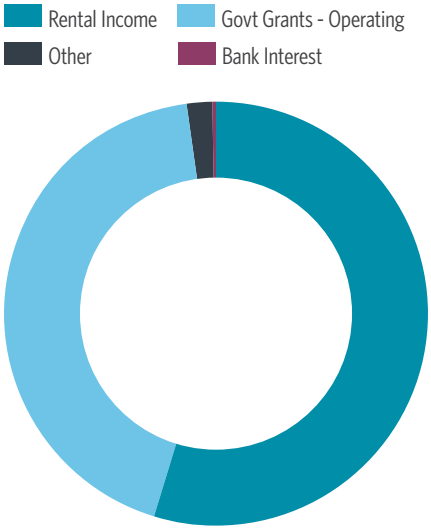
Bridge Housing once again recorded a solid financial result. We continued to invest in capacity-building and property maintenance and strengthened our balance sheet to establish a strong financial base for future growth.

Operating income $37.3m (excluding one off items)	▲ 14%
Operating expenses $34.7m (excluding depreciation and interest)	▲ 11%
Operating Profit $2.5m	▲ 80%
Net Assets $161m	▲ 26%

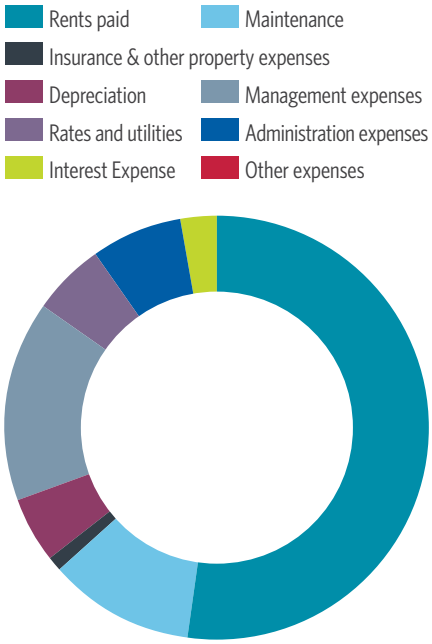
See the Financial summary 2017–2018 on page 82 for further details.

Key results at a glance

Our sources of revenue 2017–18
Expressed as a percentage of total income



Our expenses 2017–18
Expressed as a percentage of total expenditure





Garden at Elger Street Glebe

Bridge Housing profile

Bridge Housing Limited is a Tier 1 community housing provider, registered under the National Regulatory System for Community Housing. Our head office is based in Redfern, Sydney. We provide affordable housing solutions to moderate-to-low income households across the Sydney metropolitan area. At 30 June 2017, Bridge Housing owned or managed 2,244 properties and operated across 20 new local government areas (LGAs), as illustrated by the map on page 10.

Bridge Housing delivered its Nation Building Economic Stimulus Plan (NBESP) leveraging target more than four years earlier than required. Our first development cycle comprised:

- 38 units at Parramatta completed in November 2016
- nine studio apartments for older single women in Ashfield completed in July 2016
- 65 two- and three-bedroom homes on the Bunya estate in Bungarribee in July 2016.

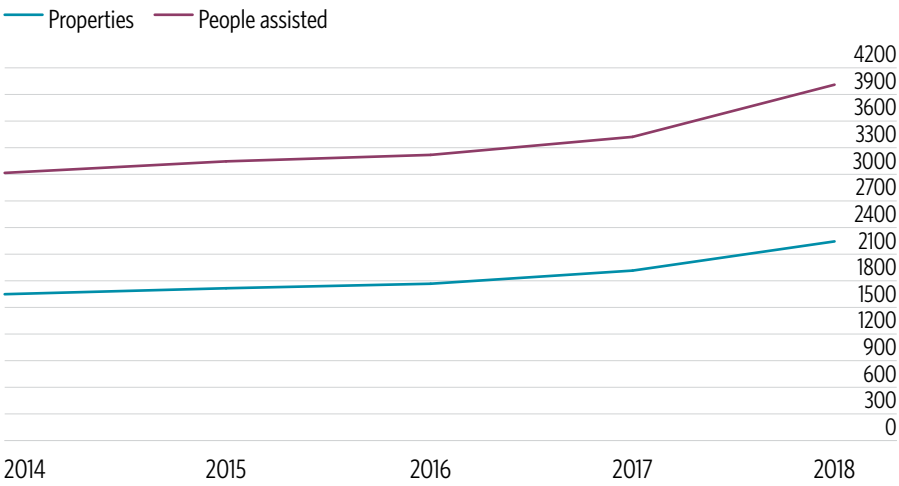
People and properties

Bridge Housing is participating in the most significant growth opportunity in the sector in this state; the NSW Government's Housing Management Transfer program under the Future Directions for Social Housing in NSW plan. The NSW Government is transferring social housing management rights for 14,000 properties to community housing providers across the state to deliver new or replacement social housing dwellings over six years from 2017. In October 2017 we won a tender to manage some 1,200 social housing properties in the northern beaches, in partnership with Women's Housing Company, which will increase our portfolio size by more than 65 per cent.

Where we started

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

People and properties
Number of properties and people assisted, 2014–18



We drive growth with three-year strategic plans and annual business plans. In the three years to 2009 we grew our housing portfolio from 650 to 1,100 homes. Our Strategic Plan 2009–12 built our organisational capacity to include procurement, property development and greater community engagement. We increased our property portfolio to 1,552 properties, assisting 2,790 people by providing secure, affordable housing. Our Strategic Plan 2012–15 continued this focus, increasing the portfolio to 1,716 homes in 2015, and we expanded our area of activity across a total of 14 post-merger LGAs.

See also Our journey on page 11.

This report details our performance against the targets we set in our Strategic Plan 2015–18 and Business Plan 2017–18. During 2017–18, we grew the portfolio by a further 329 homes, assisting more than 4,010 tenants and their families, and positioned ourselves for further and significant growth.

Growth scenario to 2021

We comfortably delivered our Strategic Plan 2015–18 growth target to increase the portfolio to at least 2,000 properties by June 2018. With a combination of development and organic growth, our portfolio reached 2,244 properties by June 30. Our focus in 2017 was to ensure we are structurally 'fit for growth' on a much greater scale, while sustaining high levels of service and staff engagement.

Our first development cycle of 112 dwellings was completed in November 2016, creating 65 new dwellings at Bungarribee, nine studio apartments in Ashfield and 38 apartments in

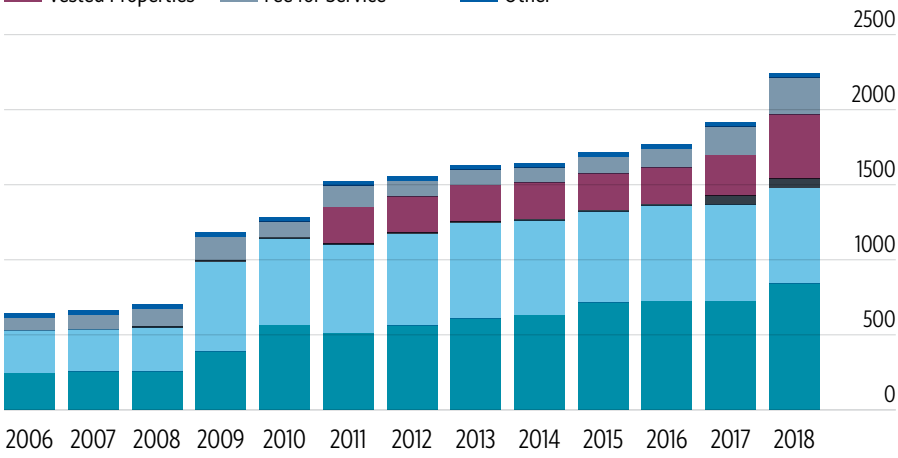
Parramatta. In 2018 we added 158 seniors' units at Elger Street Glebe and 28 group homes, in partnership with Achieve Australia through the Specialist Disability Services program.

In the period of our next Strategic Plan 2018–21 (see page 20), we will deliver Communities Plus projects that will provide up to 105 new social or affordable homes. Communities Plus projects are mixed-tenure redevelopment sites owned by the LAHC and slated for the development of a mix of social, affordable and private housing. They will add an additional 6,000 new dwellings over the next 10 years.

With success in the Social Housing Management Transfer Program Northern Beaches package, Bridge Housing will increase its portfolio to approximately 3,500 by August 2019.

Our commitment to providing affordable and social housing is demonstrated by our diverse strategies for portfolio growth.

Portfolio
Growth by program, 2006-18



Program descriptions

Capital properties

Bridge Housing leases and manages capital properties from the LAHC through the Community Housing Agreement. Properties include existing public housing, such as the South Coogee and Balmain estates, and newly constructed properties, such as those in Canterbury-Bankstown.

Under the funding contract, community housing providers are responsible for allocations, tenancy management, property management, and responsive and planned maintenance. The community housing provider retains all rental income. FACS sets rents through the Community Housing Rent Policy. Rents are fixed at 25 per cent of the tenant's assessable income, plus 100 per cent of their Commonwealth Rent Assistance. Community housing providers allocate properties to eligible tenants from the Housing Pathways housing register (www.housingpathways.nsw.gov.au).

Leasehold properties

Bridge Housing operates the largest leasehold program in Australia, managing 610 properties. Community housing providers source leasehold properties from the private rental market and sign a Residential Tenancy Agreement as head tenant under the *Residential Tenancies Act 2010* and *Residential Tenancies Regulation 2010*. The provider then sublets the property to eligible applicants from the Housing Pathways housing register.

FACS pays a subsidy to providers under the NSW Government's Community Housing Leasing Program. This year our subsidy payment was $13 million. Through efficiencies delivered under this program, Bridge Housing is purchasing new social housing properties in 2018–19.

We also lease properties in the private rental market to meet specific government programs. During 2017–18, we leased 636 properties from private landlords. Our capacity to source private rental properties will be enhanced by our new HomeGround not-for-profit real estate agency, which we launched in April 2018.

Owned affordable housing

These are properties financed, developed and procured by Bridge Housing and rented at 75 per cent of market rent. Projects include Wiley Park, Bungarribee, Parramatta and Leichhardt.

Vested properties

In 2010 Bridge Housing successfully tendered for a package of 242 Nation Building Economic Stimulus Program (NBESP) properties in the Parramatta and Holroyd LGAs. They were vested by the NSW Government in two tranches – 163 properties in 2010–11 and 79 properties in 2013–14. Title was transferred in August 2013. An additional 153 properties were vested with completion of Elger St, Glebe in June 2018.

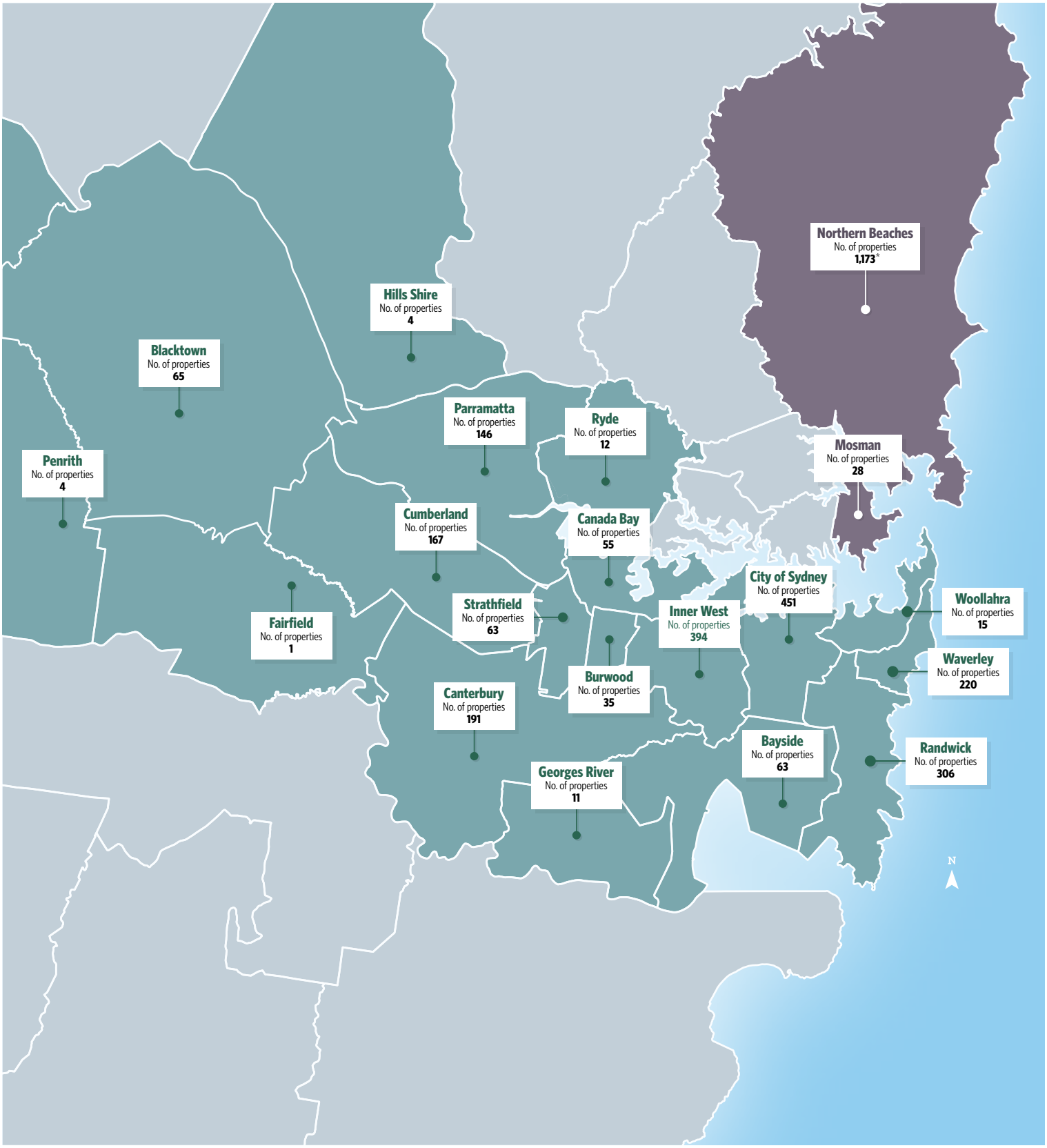
The property title is vested with the community housing provider, and the NSW Government holds a caveat on the title to protect its investment. The program aimed to give community housing providers the security to borrow from financial institutions in order to procure or develop affordable housing.

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 the property management services negotiated. In 2017–18 we managed 249 (affordable and social) properties on a fee-for-service basis for the Sydney Olympic Park Authority, Waverley Council and Canada Bay Council.

2 Supported housing is a subset of the total social housing dwellings, making the total number of properties 1,915.

Our portfolio



* From August 2019

Our journey

1985/86
- South West Inner Sydney Housing Cooperative opens with 35 homes

1993/94
- Amalgamate with Inner West Housing Association

1997/00
- Portfolio grows from 155 to 419 homes through capital and leasehold properties

2001/02
- Merge with Darlinghurst Area Community Housing Scheme

2008/09
- Portfolio grows to 1,180 properties
- Reincorporate as company limited by guarantee and become Bridge Housing Limited
- Transfer 117 (Burwood Area Community Housing) properties
- Win Affordable Housing Initiatives Program tender to purchase 8 units
- Amalgamate with Eastern Suburbs Rental Housing Association



2009/10
- Portfolio grows to 1,282 properties
- Amalgamate with Eastern Suburbs Rental Housing Association
- Registered as a Class 1 Community Housing Provider
- Manage transfer of 96 public housing tenancies in South Coogee and Balmain
- Establish Tenant Advisory Group

2010/11
- Portfolio grows to 1,473 properties



2011/12
- Launch Platform 70 program to house rough sleepers in private rental market
- Win Housing NSW tender to redevelop Elger Street Glebe public housing into 153 seniors homes
- Win Housing NSW tender to manage 128 properties to be built in Canterbury-Bankstown LGA

2012/13
- Win 240 Nation Building properties with title and commitment to develop 75 new properties over 10 years
- Win tender to manage Waverley Council's social and affordable housing portfolio of 79 properties
- Platform 70 meets target and is extended

2013/14
- Win Urban Growth NSW tender to develop 62 affordable homes in Bungarribee, western Sydney, to meet Nation Building leveraging target
- Win tender to manage up to 50 affordable homes in Sydney Olympic Park

2014/15
- Launch Building Bridges tenant engagement plan
- Win tender to manage 18 new units in Telopea
- Launch social media, Bridge Business e-news and Rent Online rent statements
- Secure $18 million debt facility with National Australia Bank
- Tier 1 registration under National Regulatory System

2015/16
- Win tender to manage 27 City of Canada Bay affordable homes
- Launch innovative Hand Up arrears management program
- Renovate and tenant nine units for older, single women in Ashfield
- Streamline contract maintenance system and launch new customer service standards

2016/17
- Launch $25 million development of 65 affordable homes in Bungarribee
- Complete 38 social and affordable housing units in Collett Parade Parramatta
- Launch Reconciliation Action Plan 2017–19
- Develop Places People Want to Live place making approach

2017/18
- Win tender to manage 1,200 northern beaches public housing tenancies
- Develop and tenant 158 seniors' units in Elger St Glebe
- Launch HomeGround not-for-profit real estate business
- Win specialist disability housing tender for 28 group homes
- Launch Pathways to Home initiative for women escaping family violence





Chairman's report

I'm delighted to present the Chairman's report for 2017–18, particularly as we prepare Bridge Housing for the August 2019 transfer of 1,200 northern beaches properties, following our successful Social Housing Management Transfer Program bid. This will be pivotal to our 2018–21 Strategic Plan, and help to drive our growth over the next three years.

I would like share what Bridge Housing has achieved over the period of the current strategic plan and celebrate our success. The number of people Bridge assists with safe and secure accommodation increased from to 3,146 to 4,010 and our staff complement grew from 44 to 65 people. We maintained an average tenant satisfaction level of 80 per cent. Our portfolio grew from 1,761 to 2,244, exceeding our target of 2,000 dwellings. We also completed our first major development cycle, adding 112 properties to our portfolio and undertook our first major borrowing to finance our property development program. It is great testament to Bridge Housing that we have managed significant growth and organisational change while still maintaining high levels of service delivery to our residents and applicants. Our Five year report card on page 84 also provides a snapshot of our financial and service performance.

This has provided a very strong platform from which to launch our Strategic Plan 2018–21. Planning commenced in early 2018 and involved not only the Board but also included management, staff and our residents. There was a common view that our mission and vision should change to reflect our organisational and cultural change and future aspirations.

***Our mission** is improving lives through affordable homes and quality services.*

***Our vision** is to be a dynamic organisation, recognised for excellence in meeting housing need, improving resident wellbeing and governing responsibly.*

We have established five key objectives for the next three years.

- Providing quality homes and housing services
- Growing sustainably to meet affordable housing needs
- Supporting our people and improving workplace wellbeing
- Governing and managing effectively
- Engaging our partners and enhancing our industry leadership.



Chairman Mark Turner

Each objective has a number of critical success factors that enable us to measure its delivery. These are detailed on page 21. Each year we will develop an annual business plan to achieve these objectives. Our disciplined execution of the strategic and business plans has driven Bridge Housing's success since 2006. The whole Board looks forward to working with our management team to deliver our next strategic plan.

I have referred to our success in securing the northern beaches package in the NSW Government's Social Housing Management Transfer Program. The other main focus of our year was on our most valuable asset, our staff. We recognise that domestic violence is a workplace issue and we have therefore introduced a policy of 10 days paid domestic violence leave, as part of our White Ribbon accreditation.

To enhance the assistance Bridge provides to our female employees, on International Women's Day 2018 we announced increased paid parental leave provisions, from 6 to 12 weeks, which apply after two years of service. We believe that this is the fair thing to do, reflects our desire to ensure Bridge Housing supports our female employees, and assists parents in the return to work.

Diversity and inclusion are core values. We support the diversity of our employees, including gender, race, ethnicity, age, and those identifying as LGBTIQ. We were proud of our public support for the successful marriage equality postal survey in November 2017.

Policy environment

Our operating environment on page 34 provides a comprehensive analysis of the impact of current federal and state government policy on affordable housing supply and the prospects for the community housing sector. Federally, the environment is more positive, following the establishment of the National Housing Finance Investment Corporation (NHFIC) in July 2018. The NHFIC proposes to provide funds at a lower cost than banks and for a longer term.

Most banks lend at five-year terms which creates refinancing risks if interest rates increase. The NFHIC proposes to lend at 10-to-15-year terms, enabling community housing providers to manage the interest rate risk. It is positive that both sides of politics supported the NHFIC legislation, notwithstanding their other differences over housing policy.

The NHFIC is a significant step in the right direction but it is not enough to drive new affordable housing supply. Community housing providers require a subsidy to meet the difference between the cost of either the debt or returns required by institutional investors and the income generated from tenant rents, the majority of whom are on very low-to-moderate incomes.[3] Currently neither the government nor opposition have made any commitments to introduce any subsidy or how it may be funded. Unless this is resolved, the supply of social and affordable housing will be unable to meet increased demand.

As we note in Our operating environment on page 34, there are 60,000 people on the social housing waiting lists in NSW. The total number of homeless people in Sydney increased from 18,971 in 2011 to 27,974 in 2016. The number of low to modertae income households experiencing rental stress has increased from 150,000 to 185,000 between 2011 and 2016 . The NSW Government's Future Directions initiatives and Social and Affordable Housing Fund (SAHF) will only add 9,000 additional dwellings over ten years to the affordable housing supply.

By 2031, Sydney's population is forecast to have grown by 1.6 million, which will require 660,000 additional new dwellings. Our industry body CHIA NSW estimates that a minimum of 100,000 new social housing dwellings is required to meet existing and future demand for social housing. This is ten times the current annual rate of affordable housing supply. It is evident in our housing affordability analysis on page 24 that more intervention is necessary and, to this end, the NSW Government needs to provide a more detailed response to this growing crisis than the supply mantra.

Governance

The quality and experience of directors and boards in the community housing sector is a key issue for both the sector and the NSW Government, particularly when substantial assets are being transferred to community housing providers through management agreements or vesting. We continually work to improve Bridge Housing's governance culture and practice. We believe that this leads to a better functioning organisation. Bridge Housing's success is built on a positive relationship between the Board and management and a clear understanding of their respective responsibilities.

This year Bridge Housing appointed two new Board directors; Jill Hannaford and Lynne Ready. Jill has a background in stakeholder engagement with leading infrastructure consulting firm GHD, and co-founded IAP2 (International Association for Public Participation) in Australia. Lynne has public policy and service delivery experience in the government and non-government sectors, including at senior levels of the Department of Family and Community Services (FACS). These appointments also bring gender parity to the Bridge Housing Board, which now has equal numbers of men and women.

Transparency is central to our governance culture, reputation and accountability to stakeholders. It helps to build the credibility of Bridge Housing and that of the community housing sector. During the year, our transparency in external reporting was acknowledged by our sixth consecutive Gold Award in the 2018 Australasian Reporting Awards for our Annual Report 2017. We were particularly honoured to be the only community housing provider to achieve a Gold Award.

It is an honour to be Chairman of a dynamic and growing organisation and I would like to thank my fellow directors for their support and acknowledge the considerable time and effort they give on a voluntary basis.

Thank you also to our many residents who have engaged with Bridge Housing through our formal tenant engagement structures, such as the Tenant Advisory Group, Aboriginal and Torres Strait Islander Advisory Group, Vietnamese Tenant Group and the Coordinating Committee.

It has been a pleasure to work closely with Bridge Housing's Chief Executive Officer, John Nicolades, and I thank John, his leadership team and all Bridge Housing staff who continue to deliver great results to our residents.



Mark Turner
Chairman

3 Some 80 per cent of Bridge Housing's tenants depend on income support. See Key Facts on page 90.

Chief Executive Officer's report

In my 12 years as CEO, Bridge Housing has undergone a significant transformation and I can point to key dates or periods that laid the basis for our growth. Our strategic plans are underpinned by a disciplined approach to growth, building our business and service infrastructure to ensure we maintain existing service levels and manage growth. Our focus has been to reach a point where we had the scale to manage significant growth. I'm delighted to share with you why 2017–18 has been the tipping point in Bridge Housing's journey.

Strategic portfolio growth

Bridge Housing continued to build its portfolio to meet social and affordable housing demand. As our Chairman reported, we exceeded our three-year target of 2,000 dwellings and now have a portfolio of 2,244 properties providing accommodation for 3,335 people. Bridge Housing operates in highly competitive environment in which we compete with other Tier One community housing providers to secure portfolio growth, mainly through NSW Government tenders.

Our future growth is secured through winning the northern beaches package of 1,200 properties under the NSW Government's Social Housing Management Transfer (SHMTP) program, providing 1,664 people with affordable housing. The SHMTP will transfer 14,000 social housing dwellings to community housing management in NSW; the largest transfer ever in Australia. Bridge Housing will commence management of the Northern Beaches package in August 2019 and we are in the process of undertaking organisational change management and building our business systems to absorb an increase in our portfolio from 2,244 to 3,500 properties, or 65 per cent.[4] This represents the largest single increase in our property portfolio and will enhance our capacity to manage a larger portfolio and increase our service area.

The NSW Government's Social and Affordable Housing Fund of $1 billion[5] is the key strategy under Future Directions for the supply of social and affordable housing. In our 2017 Annual Report, Bridge Housing reported that we were part of the Plenary Consortium's unsuccessful SAHF 1 Bid. The SAHF 2 EOI for 1,200 properties was released in February 2018. Bridge Housing decided to bid in its own right following a review of our SAHF 1 experience and learning. We were one of seven successful EOI bids[6] selected by the NSW Government to proceed to the Request for Proposal stage, which we submitted in September 2018.

The Elger St Glebe development, providing 158 social housing dwellings for 173 seniors, was completed in early July 2018. The first stage of 48 dwellings was transferred in May 2018. This social housing development is part of larger estate that is expected to feature 99 affordable and 247 private dwellings.

We took our first significant steps into disability housing and the NDIS through our partnership with Achieve Australia, a well-regarded disability services provider. We tendered for the management of 28 group homes to provide accommodation for 130 disabled people. These newly built group homes are part of the NSW Government's approach to moving people from larger institutions into smaller, more appropriate accommodation.

We continue to build our homelessness services through the Supported Transitional Engagement Program (STEP). We secured NSW Government funding of $10 million over three years to provide a housing first approach in private rental properties for 90 rough sleepers. This builds on Bridge Housing's successful Platform 70 program in 2011. Bridge Housing is the lead partner with Women's Housing Company and Metro Housing to provide the accommodation services while NEAMI will provide the wraparound support services.

Our development activities continued through the Land and Housing Corporation's (LAHC) Project Management Program. Bridge Housing was contracted to project manage the delivery of 50 dwellings over four sites for seniors housing. Subject to performance, these dwellings would then be transferred to our management. Bridge Housing has completed three of the sites, with the final site to be delivered in November 2018. All sites will be transferred to our management.

Bridge Housing's other portfolio initiatives are detailed in the Performance highlights section on page 4.

High quality services

Bridge Housing continued to focus on service innovation, embed the initiatives introduced last year, and deliver good quality services to our residents and applicants for social and affordable housing. These service delivery initiatives are detailed in the Operations report on page 60.

4 Bridge Housing bid with Women's Housing Company for the package. Under the partnership Women's Housing will manage 15 per cent of the dwellings
5 NSW Department of Family and Community Services, Social and Affordable Housing Fund (SAHF), www.facs.nsw.gov.au/about/reforms/future-directions/reforms/SAHF
6 NSW Department of Family and Community Services, Strong response to second phase of social and affordable housing fund, 29 May 2018, www.facs.nsw.gov.au/about/media/news/archive/strong-response-to-second-phase-of-social-and-affordable-housing-fund

Our key service initiative in 2017–18 was the launch of HomeGround Real Estate Sydney (HomeGround Sydney). HomeGround Sydney is a not-for-profit real estate agency providing professional property management services to landlords, ranging from private rental properties to affordable housing. It also seeks to encourage philanthropic landlords to lease their properties at below market rents and to reinvest the income with HomeGround.[7] It is off to a flying start, with 41 private rental properties under management at the end of June 2018. See Spotlight 2 on page 32 for further details.

Our high-quality service delivery was critical in securing the SHMTP tender, STEP and disability tenders reported above. We also successfully secured Waverley Council's Affordable Housing Management Tender for 79 properties for the third consecutive three-year period.

We continued to focus our attention on customer service through the implementation of our Customer Service Action Plan and training provided to our staff through Mary Gober International. We will undertake another customer service review next year as part of our bi- annual review.

Building Bridges, our award winning three-year community-building strategy, moved into its final year. A comprehensive report on activities is available in our Operations Report on page 60. The key highlight was the launch of Bridge Housing's Advance Scholarships for residents and their children, through which we supported 18 people. We built on our Streets Ahead initiative to turn this into a focused employment training program. We successfully secured $500,000 from the Federal Government and partnered with CoAct employment support provider to place 40 tenants who are unemployed or disengaged from employment by September 2019. Through Building Bridges, we engaged 14 per cent of our residents, higher than our target of 10 per cent. Bridge Housing also developed the next iteration of Building Bridges 2018–21, with over 170 residents providing input into its development, and a launch scheduled for October 2018.



CEO John Nicolades

Maintenance

Bridge Housing has a diverse portfolio of 2,244 properties, 30 per cent of which are between 50 and 100 years old. We place great importance on maintaining our properties to provide good quality homes for present and future residents, to reduce our future maintenance liability and to ensure our properties meet or exceed regulatory standards.

During 2017–18 Bridge Housing spent $4 million on maintenance. This consisted of planned maintenance of $1.3 million on 122 properties; 4,193 responsive maintenance work orders to the value of $1.1 million, and cyclical maintenance services such as cleaning and maintaining lawns, grounds and fire services, to the value of $920,000. The Assets team delivered two major upgrade projects, replacing windows at Elliot Avenue, Balmain, an inner-city housing estate built in 1950, and upgrade work to 128 units at Wauchope Crescent, South Coogee.

More information about our maintenance program is provided in our Operations report on page 60.

Our focus on maintenance has resulted in 95 per cent of properties meeting or exceeding the state housing authority's asset standards, compared to the national benchmark of 70 per cent.

Our internal customer survey of residents who have had maintenance on their dwelling shows that over 90 per cent of tenants are satisfied with the maintenance services provided by Bridge Housing.

Bridge Housing transformed the way we deliver our maintenance program to prepare for significant portfolio growth by introducing a head contractor model for repairs and maintenance services in 2015–16. This was extended to grounds maintenance and fire safety contractors in 2016-2017. Our head contracting model has improved the quality of our maintenance and resident satisfaction.

Business sustainability

This year we produced an operating EBITDA of $2.5 million. Our five-year Financial Summary on page 82 and Annual Financial Report 2017–18 provide further details of our positive financial performance.

Our net assets increased by $33 million from $128 million at June 2017 to $161 million in June 2018. This was driven by an increase in cash, the revaluation of our property portfolio, and the vesting of Elger St, Glebe to our ownership. Our non-current liabilities increased by $10 million through the increase in our loan facility to fund the Elger St development.

Bridge Housing's major source of income is rent. The Operations team plays a critical role in our financial sustainability through its management of arrears, voids and vacancies. Our arrears held steady at 1.5 per cent, below the regulator's benchmark of 2.5 per cent.

Voids rose to 24 days, compared to 18 days in 2017–18, but still well below the industry benchmark of 28 days.

7 HomeGround has an ATO ruling which enables property owners to declare the difference between the rent paid and the assessed market rent as tax deduction

Vacancies also rose to 15 days from 10 days in 2017–18, slightly above industry benchmark of 14 days. Staff costs increased as we recruited employees with the skills to build our capacity and manage the risks of portfolio growth through the Property Transfer Program outlined in Future Directions.

Bridge Housing has a debt facility with NAB[8] to finance our property development program, which increased from $25 million to $35 million to finance our $10 million contribution to the purchase of Elger St, Glebe. We continue to meet all banking covenants. Our Five-Year Report Card on page 83 and financial summaries provide further information.

Building our ICT capacity

We developed a comprehensive three-year IT strategy to align with our Strategic Plan 2018–21 to ensure our IT infrastructure supports future growth. It provides a roadmap for system and business improvement; in particular, an infrastructure upgrade, the rollout of a digital strategy and a number of business intelligence improvements. These are discussed in the Finance and Corporate Services report on page 76. We continue to make improvements to our existing systems. We have improved our new mobile platform with Deeplake, equipped our staff with laptops, enhanced our rent review process, and implemented digital records management. These improvements have increased satisfaction with technology from 70 to 75 per cent in the 2018 Employee Opinion Survey. This rating is now 21 per cent above the community housing sector average. See Our people on page 46 for more details.

Risk management

We actively review and manage our risks and update our Risk Management Plan. Our property development activity exposes Bridge Housing to considerably more risk than if we were simply providing tenancy management services. This includes our ability to repay borrowings of $35 million, the financial risk of getting the development approved and building to schedule (development risk), and ensuring we appoint a good builder (construction risk). Having won the SHMTP package, we developed a detailed risk management plan for the northern beaches transfer and this is reflected at a higher level in the Corporate Risk Management Plan.

Our 20-year financial forecast model is a key part of our risk management. It continues to be an important planning tool, enabling us to test the impact of proposed and actual property acquisitions and developments, and financing scenarios in their own right. This model becomes important as we test the impact of portfolio growth on Bridge Housing's overall financial sustainability and as we move into financing property development with debt. Our Finance and Corporate Services report on page 76 provides a comprehensive review of our risk management strategy.

This year our internal audits focused on our workplace health and safety management framework and our asset management program to ensure that Bridge Housing is providing the best possible workplace protection to our staff and that our asset management is providing the best possible maintenance services and safe accommodation for our residents. The internal audits found room for improvement in areas with a low risk rating and these changes will be implemented in 2018–19. A detailed report on our internal audit is in the Finance and Corporate Services report on page 76.

Developing our people

Our employees are our key asset. Through them, we provide high quality services to applicants and residents. Their commitment, energy and ideas drive Bridge Housing's success so we place considerable emphasis on developing a positive workplace culture, improving our systems and processes, and providing learning and development opportunities for our staff.

We celebrate the diversity of our employees and workplace and respect our employees' gender, culture, sexual preferences and religious identification. We were proud to support our LGBTQI employees by publicly supporting the Yes vote in the marriage equality postal survey and this has extended to engagement with our LGBTQI tenants to show that Bridge Housing is a workplace and service provider that accepts people in all their diversity.

Bridge Housing believes that domestic violence is a scourge, a workplace issue, and that employers have a responsibility to assist staff through the trauma of domestic violence. We achieved White Ribbon Accreditation in October 2017 and introduced a 10-day paid leave policy for staff experiencing domestic violence in addition to the existing leave provisions. Bridge Housing also increased its support of new parents through development of new parental leave policy which increases paid parental leave from 6 weeks to 12 weeks for employees with more than two years' service.

We undertook our seventh successive Employee Opinion Survey (EOS), achieving a 98 per cent response rate and 81 per cent employee engagement – the latter up from 79 per cent in 2017. This is a very positive result and reflects Bridge Housing working to maintain a positive culture as we grow. We also continue to score very strongly on key organisational measures: the progress result, which reflects employee's perception about organisational performance, grew from 79 per cent to 88 per cent, indicating most employees are satisfied with the organisation's progress and success in delivering outcomes. Organisation direction grew from 93 per cent to 98 per cent, and the rating given to mission and values was consistent with last year at 96 per cent. Our people on page 46 provides more analysis of the EOS results.

Staff turnover decreased to 21 per cent from 24 per cent. While we accept that a degree of turnover is inevitable, we undertake comprehensive exit

8 Bridge Housing's debt facility with NAB has a term of five years and will be refinanced in 2019. To protect the company against possible interest-rate fluctuations, we have hedged a proportion of the debt for 10 years to mitigate this risk and to take advantage of the current low cost of long-term funds.

interviews to help determine why people leave and how Bridge can better retain staff. However, in the absence of industry benchmarks, it is difficult to determine if our turnover is characteristic of the community housing industry generally. Our people on page 46 provides a fuller report on the above initiatives.

The health and safety our employees and contractors is of paramount importance both within the office and offsite as they undertake home visits or maintenance work inspections. We work closely with our staff through our Work Health and Safety Committee. This year there were no incidents and our four workplace inspections did not identify any significant issues. The Finance and Corporate Services report on page 76 provides a comprehensive guide.

Increasing our profile

Bridge Housing uses a number of approaches to increasing its profile and informing the Board and community of our work and, indirectly, the work of the community housing sector. These channels include social media, undertaking presentations on housing policy locally and internationally, and by being actively involved in sector industry and advocacy organisations.

Bridge Housing began using social media to tell its story in 2013–14. Since then, we have made increasing use of Twitter, LinkedIn, Facebook and YouTube and have developed a greater understanding of how best to use these platforms. Our Twitter and LinkedIn accounts are focused on commentary on housing policy and related social policy matters. We also use these platforms to highlight Bridge Housing programs and service initiatives. Facebook is orientated to our residents, with our Communities team using Facebook to promote initiatives and programs flowing from Building Bridges. This year our use of social media was more regular, targeted and linked across the social media platform and we have made greater use of engaging photographic and video content.

Key profile-raising initiatives this year include:

- The Difference We Make tenant videos. In July 2017, we launched four videos featuring residents in their homes talking about what being a Bridge Housing resident means to them. They are evidence of the outcomes we support residents to achieve in their lives.
- Better targeting our social media engagement by creating a new corporate LinkedIn page to connect with staff and prospective employees, and focusing our Facebook page on residents. Our corporate LinkedIn had 223 followers by June 30 and our Facebook page had 604 followers.

The graphic on page 18 summarises the impact of our key digital communication tools. We warmly thank our partner National Australia Bank for inviting us to their social media hub during 2017–18 to share insights about Bridge Housing's social media performance.

This year Bridge Housing staff were invited to give presentations both locally and internationally. Helen Tighe, as Director Housing, spoke at the 2018 Affordable Housing Conference in June 2018 and I was delighted to be invited to Saudi Arabia to speak on the role of the community housing sector in Australia. We were also delighted to sponsor CHIA NSW's 2018 Affordable Housing Conference June 2018.

Bridge Housing staff are active in our industry bodies. We believe these organisations are essential to help grow and promote the community housing sector and to undertake policy advocacy with government. I was elected as an independent director of the Community Housing Industry Association, the newly-formed national peak body of the community housing providers. Bridge Housing's general managers continue to actively participate in various sub-committees of the NSW Federation of Housing Associations, PowerHousing Australia and the Australasian Housing Institute. Our activities are described in more detail in the Our advocacy work section on page 30.



CEO John Nicolades with the 2017 Annual Report

Looking to the future

Our Strategic Plan 2018–21 will set the framework to manage Bridge Housing's growth over the next three years and take advantage of any new opportunities which may emerge at federal and state levels. It will support us in delivering substantial portfolio growth through the SHMTP, STEP and other initiatives, and guide our planning, operations and change management processes.

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



John Nicolades
Chief Executive Officer

Bridge Housing on social media

Website

Average monthly sessions: **4,431** (4,352[9])

Average monthly page views: **12,968** (12,903[9])

Average monthly users: **3,086** (3,205[9])

Most visited pages: Apply for a home, Affordable housing, Contact Us

Bridge Business

Average distribution: **983**

Average unique opens: **32.6%**

Click rate: **13.1%**

Twitter[10]

Followers: **948**

Mentions: **393**

Top influencers: WhiteRibbonAust, RBGSydney & TexanInOz (Royal Botanic Gardens), CloverMoore

Sentiment: **39%+, 60% neutral, 1%-**

Reach: **466,322** (51,663[9])

Spread: **570,450** (36,313[9])

LinkedIn BridgeHousingAu

37% growth in followers to **223**

Facebook BridgeHousingAu

65% growth in followers to **604**

Top Twitter Impressions	**December 14, 2017: 33,919 impressions** Bridge Housing Ltd @BridgeHousingAu #@BridgeHousingAu welcomes extension of SEPP 70 Xmas present for affordability from @NSWPlanning and the Minister. This is a significant shift @GladysB @nswfha @CHIA_News @IWCouncil @CanadaBay @RandwickCouncil @beachescouncil @CityofRyde pic.twitter.com/v655FXUyjc
Top Twitter Engagement	**December 11, 2017: 56 engagements** Bridge Housing Ltd @BridgeHousingAu #BridgeHousingAu raises the bar with Design Guidelines for developing great homes that meet tenant needs: http://ow.ly/ezTB30h8uD7 @PruGoward @LaneCoveMP @nswfha @CHIA_News pic.twitter.com/lfNQKEbIX7
Top Linkedin posts	August 2017: Home Ground: **3,465 views**, **36 likes**, **12 comments** June 2018: Annual Report award: **3,875 views**, **69 likes**, **19 comments**, **2 reshares**
Top Facebook posts	15/01/2018: 10:05: **Your amazing West Team Housing Manager Sage Lukacs has won the 2017 inaugural** #BridgeHousingAu **1,100 reached**, **381 clicks on post**, **316 comments, reactions or shares**

Definitions

- **Impressions:** The number of people who see a post
- **Engagement:** The number of people who interact with a post
- **Reach:** Potential audience for a post
- **Spread:** Number of unique authors who reshare content
- **Sentiment:** The emotions behind social media mentions

9 2016-17 figures
10 NAB social media monitoring reports May 2017 to June 2018



Elger Street resident Sarah

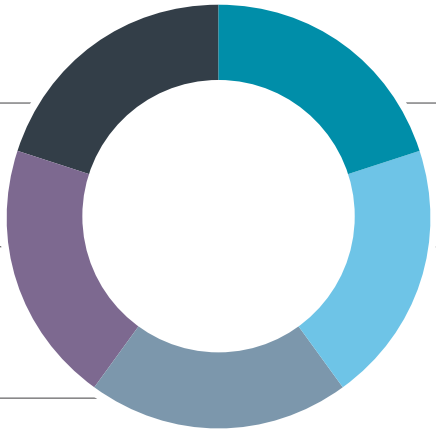
Strategic Plan 2018-21

Bridge Housing's three-year strategic planning cycle has positioned the organisation for significant, sustainable growth over 12 years. In that period, we have grown from managing 650 properties to 2,244. Our fifth Strategic Plan, for 2018–21, builds on these successes and positions us for future growth, to be delivered initially through the 2018–19 Business Plan.

1 Providing quality homes and housing services

2 Growing sustainably to meet affordable housing needs

3 Supporting our people and improving workplace wellbeing



4 Governing and managing effectively

5 Engaging our partners and enhancing our industry leadership

Consultation

In preparing the Strategic Plan 2018–21, we consulted widely within the Bridge Housing community and externally with government, support partner agencies and private sector partners. We held workshops with tenants, staff, management and the Board to ensure that a range of voices were heard and that we considered priorities from all levels of the organisation, and from our tenants. We are grateful to all those who participated for their enthusiasm, honesty and visionary thinking.

This has contributed to an ambitious but achievable fifth strategic plan that connects strategic planning to detailed business planning and regular reporting as core parts of Bridge Housing's corporate governance and business performance. It also drives our growth. The Strategic Plan 2018–21 will be supported by annual business plans, which will contain detailed actions aligned to the strategic objectives and critical success factors set out in this plan.

What's changed

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

Vision

Our vision has changed from: *To be a leading not-for-profit provider of quality affordable housing,* to

Improving lives through affordable homes and quality services.

Mission

Our mission has changed from: *To improve lives and strengthen communities through the provision of housing and services for low to moderate income households,* to

To be a dynamic organisation, recognised for excellence in meeting housing need, improving resident wellbeing and governing responsibly.

The Strategic Plan 2018–21

The new plan identifies five critical success factors or strategic objectives. Effective governance plays a crucial role in delivering the other critical success factors.

These success factors and associated strategies form the basis of three annual Business Plans, which will collectively deliver the Strategic Plan 2018–21. The Strategic Plan 2018–21 is available on our website at www.bridgehousing.org.au.

For further information on how we performed in 2017-18 against the Strategic Plan 2015–18 please see 2. Our Performance highlights on page 4 and Appendix One on page 96.

1 Providing quality homes and housing services	Engage our residents and strengthen local communities
	Uphold a customer focus across our services
	Deliver quality, proactive tenancy management
	Successfully transition and embed new residents in the Northern Beaches
	Maintain properties to a high standard that meets resident needs
2 Growing sustainably to meet affordable housing needs	Increase the number of properties we own through tenders, procurement and development
	Increase the number of properties we manage
	Take an adaptive approach to our organisational structure which supports growth and change
3 Supporting our people and improving workplace wellbeing	Attract, recognise, reward and retain quality staff
	Develop, train and support our people
	Create a more flexible, fit for purpose workplace
	Retain and build on our positive organisational culture as we grow
4 Governing and managing effectively	Maintain strong corporate governance and organisational management
	Maintain strong financial management, risk management and operational performance
	Meet our regulatory and compliance responsibilities
	Undertake leading practice in strategic and business planning, monitoring and reporting
	Adopt evolving technologies that improve resident outcomes and organisational performance
	Measure and report on the outcomes of our services
5 Engaging our partners and enhancing our industry leadership	Communicate proactively and work closely with our partners and stakeholders
	Build on our strong brand and reputation
	Increase our philanthropic engagement and support
	Advocate strongly for continued growth and development of the community housing sector

Spotlight 1: Managing the challenges of rapid growth

Under the NSW Social Housing Management Transfer Program (SHMTP) the NSW Government is transferring 14,000 tenanted public housing properties to community housing providers. This is the largest transfer of public housing in Australia.

Bridge Housing, with the Women's Housing Company, won the tender for the northern beaches service package under the SHMTP in October 2017. This was one of three metropolitan area packages, out of a total of nine SHMTP packages in this NSW Government tender round.

From August 2019, Bridge Housing and the Women's Housing Company will assume management of some 1,200 social housing tenancies on the northern beaches, as well as the delivery of all housing assistance services currently offered by the Department of Family and Community Services (FACS) Housing Office in Brookvale. It increases our portfolio from 2,244 to 3,444 properties, or by 65 per cent, and is the largest single transfer of properties to Bridge Housing's management. Our staff will increase from 53 FTE to 79 FTE, an increase by 47 per cent, as we take over the service functions of the NSW Government. In short, represents a significant and transformative change to Bridge Housing's organisational structure and service delivery.



Staff workshop on our cohesive operating rhythm

To prepare for this significant change, Bridge Housing developed a transition plan and appointed a project team to manage the transfer. One key element was the development and definition of Bridge Housing's approach to operating business. The Bridge Housing Operating Model identifies our key business priorities and articulates our operating rhythm to deliver quality services for our tenants and stakeholders, monitored by management tools and practices. To help us develop this model, Bridge Housing contracted Coxswain Alliance, a business improvement specialist.

Bridge Housing's vision of being a leading provider of quality affordable housing, improving the lives of our tenants and our communities, is core to our operations. We understand that defining our key priorities and monitoring and reviewing their delivery assists us to achieve this vision. Coxswain Alliance helped us establish a cohesive operating rhythm (OR) that was supported by our management operating system (MOS).

A MOS is a set of management tools and practices that help us to plan our work, do our work, check-in on our progress and performance, and take timely action to address issues.

An OR is how we structure the use of these tools and practices, providing a recognisable and expected pattern for all our teams and driving the right behaviours.



Staff participate in team huddles

Together, our OR and MOS will enable us to better adapt to our changing environment and be fit for growth. They provide opportunities for us to work more consistently and improve our ability to deliver quality service to our clients, tenants and stakeholders.

Daily or weekly team huddles were a key feature of the model. Huddles are targeted team briefings that are held at the start of each work period to review actual performance against the plan for the previous period and to communicate the plan, priorities and targets for the next work period. Huddles were supported by visual management boards (VMBs) to provide a simple low-tech indicator of performance at a glance, to guide the team huddle and to provide a consistent way to plan and communicate key information about performance across the business.

Achievement against these targets and priorities was reviewed through daily walk-the-floors by the managers, which enabled them to hear first-hand from their staff what had occurred against the plan. They provide an opportunity to give direction, follow up, give and receive feedback, solve problems and coach. Collectively, these elements drove important behaviours, such as setting clear directions, following up, and ongoing performance review.

The development of the Bridge Housing Operating Model saw the delivery of a sustainable OR and MOS. We now have the structure, discipline, and routine in place to effectively manage and deliver to our customers' expectations. We have had some great wins, as demonstrated by our ongoing performance improvements across all areas, and our culture has developed. This is evident in our openness to and acceptance of change, increased focus on the team and overall Bridge Housing goals, and improved communication and collaboration amongst the teams and across management levels.



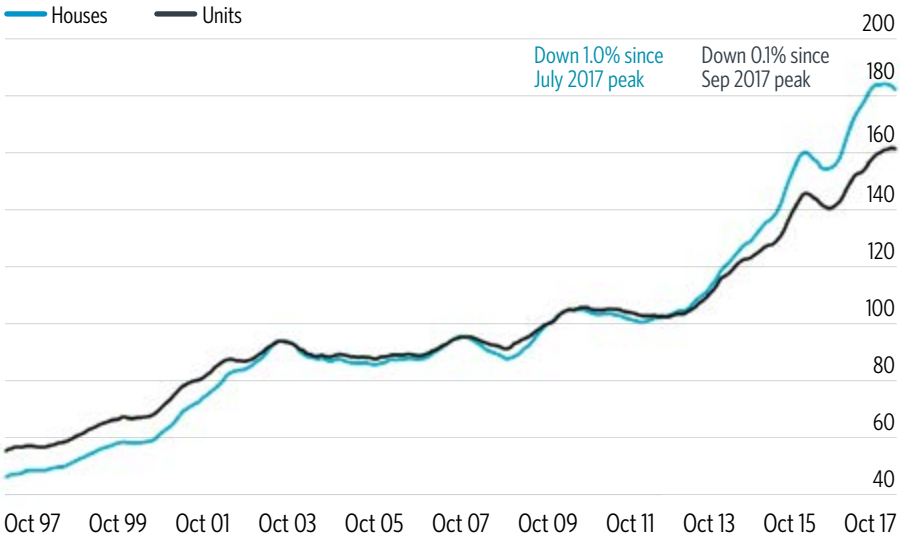
HR Manager Jenny Woolley participates in a workshop

Housing affordability

Our eighth consecutive annual report on housing affordability in Sydney and across our operating region continues to show acute affordability pressures for low-to-moderate income households. Despite the 3.9 per cent[11] fall in Sydney property prices since June 2017 there is very little evidence that this will increase affordability for very low-to-moderate income households. As the chart below indicates, the decrease comes off a base of historically high dwelling prices and rents.

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

Sydney house and unit performance over time



Source: CoreLogic hedonic home value series

How we measure affordability

Bridge Housing uses the definition of 'affordability' adopted by the Centre for Affordable Housing (a division of FACS):

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

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

- people on very low incomes, defined as less than 50 per cent of the NSW or Sydney median income, depending on where they live, such as workers in lower-paid occupations like 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, such as some childcare workers, secretaries and cleaners
- people earning a moderate income, defined as between 80 per cent and 120 per cent of the NSW or Sydney median income, such as teachers, police officers and nurses, particularly those in the early stages of their careers.

Case Study 1: Transitional homeless

Amala, 29, and her two-year-old son went to live with her parents in severely overcrowded circumstances to escape family violence. The Salvation Army and Women's and Girls Emergency Centre then provided her with refuge accommodation and nominated her for Bridge Housing's transitional housing program.

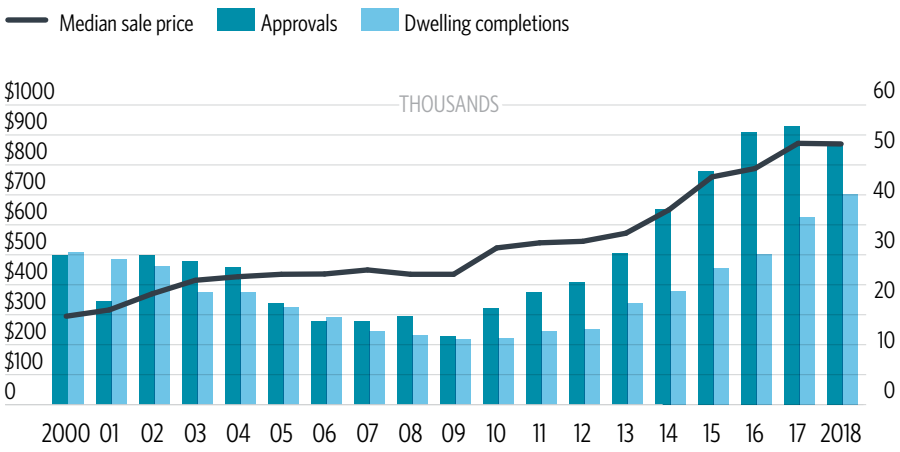
She has been living in a home in Woolloomooloo since April, where she is eligible to stay for up to two years. Her income is $670 per week including Commonwealth Rent Assistance and a parenting payment.

Amala is working with support services to plan her exit to the private rental market, and is attending a TAFE certificate course in Youth Work with a long-term goal to complete a university degree. She is trying to get her son enrolled in day care so she can obtain part-time work and increase her income.

11 Australian Bureau of Statistics, 6416.0 - Residential Property Price Indexes: Eight Capital Cities, June 2018, http://www.abs.gov.au/ausstats/abs@.nsf/mf/6416.0

Does Supply Improve Affordability

Median Dwelling Price, Approvals and Completions, Sydney 2000-18



Affordability trends

Pressure on housing prices will continue to increase, purely through population growth. Sydney's population was 4.3 million in 2011 and by 2036 is expected to reach 6.4 million. Housing this population will require an additional 726,000 new dwellings, or 30,000 dwellings per year. In January 2017, the incoming NSW Premier Gladys Berejiklian said that affordable housing was one of her top priorities.

The NSW Government's main policy prescription for affordable housing is increasing housing supply. Beyond a number of affordability measures in the 2017 State Budget, mainly targeted to first home buyers, there were no new affordable housing initiatives in the 2018 Budget. Unfortunately, while supply is necessary, it is not sufficient. Despite record numbers of completions, Sydney's median housing price continues to climb. We analyse the NSW Government's response in Our operating environment on page 34.

The impacts of pressure on housing prices are illustrated in the Demographia 14th International Housing Affordability Survey released in January 2018[12] which measures affordability in 92 international housing markets by calculating housing costs as a multiple of median incomes: the 'median multiple,[13] On Demographia's rating scale, a median multiple over 5 is 'severely unaffordable'. Sydney was already unaffordable in 1981, with a median multiple of 5; by 2014 it had increased to 9.8, and in 2018 the median multiple is now at 12.9. Sydney has the distinction of being the least affordable housing market in Australia and the second least affordable market in the world after Hong Kong. Melbourne runs a close second, with a median multiple of 9.7, up from 8.7 in 2014, and is the fifth least affordable market internationally.

Declining housing affordability, which decreases the number of affordable rental properties, has a disproportionate impact on households on very low and low incomes. Anglicare Australia's ninth Australia Rental Affordability Snapshot shows the precarious position of households dependent on income support payments and low-waged workers on the minimum wage.

The report drives home the fact that location and access to services are as important to affordability as rents. Most affordable rental properties for households on income support or the minimum wage were in outer-ring areas, which required long commutes to work or services.[14] Anglicare's report reinforces the experience of many of the people who are now tenants of Bridge Housing or waiting to be allocated social and affordable housing.

Case study 2: Priority waiting list

Jess is a 35-year-old single mother with three young sons, the youngest of whom has autism. Jess and her children were forced into temporary accommodation in October last year to escape domestic violence. She receives an income of $630 per week including Commonwealth Rent Assistance and a parenting payment.

Jess was assessed as being in need of priority housing assistance, given the multiple supports she requires in the Canterbury-Bankstown area. She is working with St Vincent De Paul, and is learning English with the hope of finding employment. Bridge Housing and our support partner will continue to support her to sustain her tenancy and when her transitional housing concludes in October 2019.

It is important to emphasise that the biggest impact of the housing affordability crisis is in compromising people's right to a home. There is more to having a home than simply having a roof over your head. Our home is the foundation of our wellbeing and health. A home is defined as much through the people we share it with, its objects, sounds, smells, tastes, textures and memories, as it is by its architecture or location. A home supports and reflects our cultural connections and identities; it is a place that takes shape through our habits, interests and visions. We know our home and our home knows us.

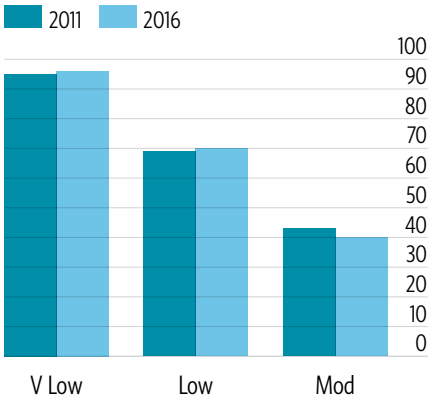
Anglicare Australia, 2017 Australia Rent Affordability Snapshot

12 Demographia, 14th Annual Demographia International Housing Affordability Survey: 92 Major Markets, 2017: 3rd Quarter, http://www.demographia.com/ accessed 29 July 2018

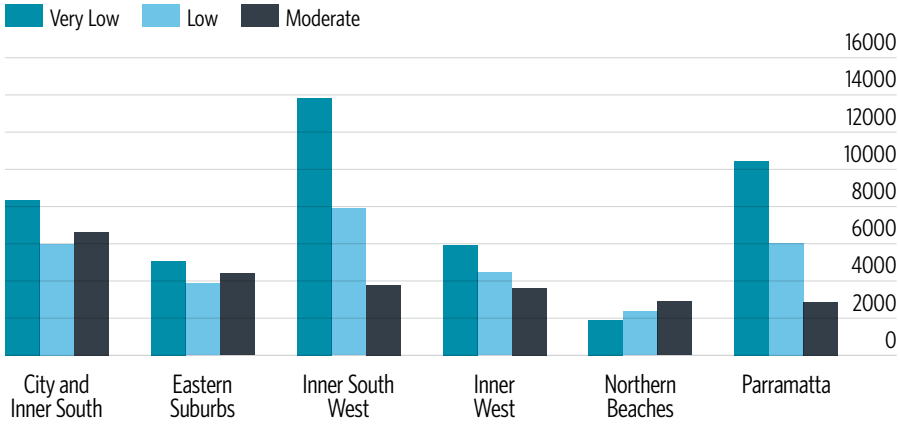
13 The Demographia International Housing Affordability Survey rates middle-income housing affordability using the 'Median Multiple.' The Median Multiple is widely used for evaluating urban markets, has been recommended by the World Bank and the United Nations, and is used by the Joint Center for Housing Studies, Harvard University. The Median Multiple and other similar housing affordability price-to-income-multiples are used to compare housing affordability between markets by the Organization for Economic Cooperation and Development, the International Monetary Fund and The Economist.

14 Rental affordability Snapshot 2018: Anglicare Sydney – Greater Sydney and the Illawarra www.anglicare-ras.com/the-findings/ accessed 29 July 2018

Rental stress
Change in % of Renters in Affordability Stress
Greater Sydney 2011 to 2016 Census



Rental stress
Sydney 2016 Census



For many households, even those on moderate incomes, home ownership is a receding dream. The decline in home ownership is shown most graphically in the 2016 Census:

- Home ownership in Sydney declined from 68.6 per cent in 1991 to 65.5 per cent. Of home owners, 62.3 per cent of people own their home outright and 34.5 per cent of owners are still paying off a mortgage. In Sydney, the proportion still paying off their homes is 33.2 per cent
- Renting has risen from 26.9 to 30.9 per cent of households nationally and in Sydney to 34 per cent of households.

The rate of home ownership decline and renter increase is underpinned by declining rates of home ownership across all age groups, particularly those aged 35–44 years and 25–34 years. Unsurprisingly, the groups hardest hit are those on low incomes.[15]

Housing stress

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

Across the Sydney region, between the 2011 and the 2016 Census, the number of households in rental stress increased from 152,000 to 185,000, up 17.5 per cent.

The number of low-to-moderate income households experiencing rental or purchase stress increased from 281,000 to 296,000 between 2011 and 2016. The Rental Stress charts above shows the number and percentage change in low-to-moderate income households from 2011 and 2016 and the incidence of housing stress across Bridge Housing's operating region, the City of Sydney City, and the City of Parramatta and how this compares with the Sydney region.

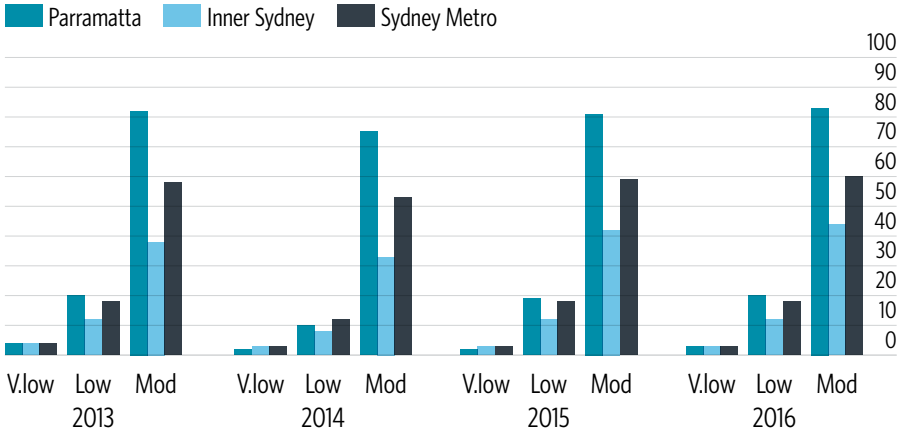
Case study 3: Long term social housing

Eric is a 74-year-old widower on the aged pension. His income is $526 per week including Commonwealth Rent Assistance.

In 2013, Eric and his wife, who suffered complex medical conditions that required daily hospital visits, were forced from the private rental home they had been living in Dulwich Hill for more than 30 years. Unable to afford the increasing market rents in the area, and needing to access medical services, the couple was approved for priority housing assistance and private rental subsidy through FACS.

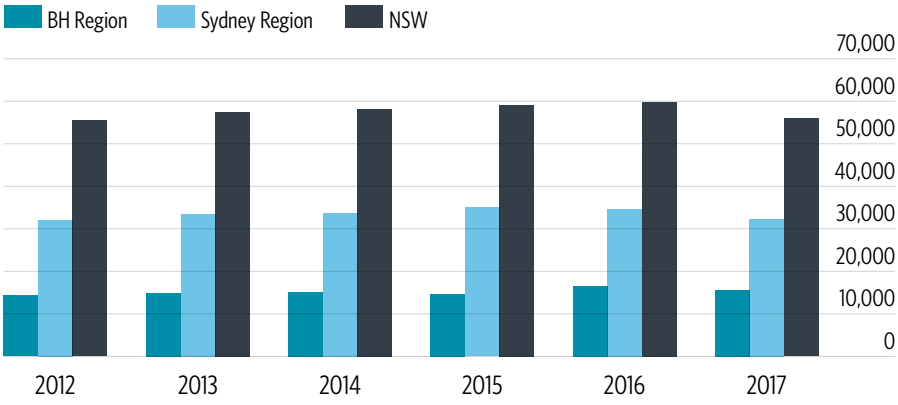
In 2017 when Eric's wife passed away, Bridge Housing allocated him a one-bedroom unit in senior's housing in Elger Street, Glebe. The property is affordable, has lift access and is close to the support services and amenities Eric requires.

Affordable rental
Percentage of available properties by income and region, 2013-16



15 Simon Thomsen, Home ownership for younger Australians is at 35-year lows, Business Insider, 17 July 2017, www.businessinsider.com.au/charts-home-ownership-for-younger-australians-is-at-35-year-lows-2017-7, viewed 20 September 2017

Social housing applicants
Number of applicants by NSW region, 000's 2012-17



Affordable properties

Between 2009 and 2015,[16] there was a decrease in the supply of affordable rental properties for very low, low and moderate-income households across the Sydney region, particularly in inner Sydney and to a lesser extent in the Parramatta LGA. There has been some very marginal improvement in housing affordability for moderate income households.

The potential for people to purchase a home 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 trends in the national housing market.

What we are doing

Bridge Housing began its affordable housing program in 2006. It includes properties we manage on behalf of other organisations and those we have developed ourselves or in partnership. This year we added a further 329 dwellings to our portfolio, including through the vesting of 158 units at Elger Street, Glebe (formerly referred to as Cowper Street, Glebe) and 38 units through the Community Housing Project Management program. Since 2016, through our development program, we have delivered an additional 112 social and affordable homes for long-term rental.

In July 2016, we completed 65 affordable three-bedroom dwellings on Urban Growth's Bungarribee Estate, Blacktown. We completed the conversion of an older block of units in Ashfield into nine one-bedroom self-contained units for older single women in July 2016. In February 2017, we completed 38 one- and two-bedroom units in Parramatta. We have further developments in the pipeline.

Through our management program, we have competitively tendered to win management contracts for Waverley Council's Affordable Housing Program (28 units); the Sydney Olympic Park Authority Affordable housing program, now increased to 24 units; and City of Canada Bay's affordable housing program (27 units). In addition, we have management agreements with private developers under the State Environmental Planning Policy No 70 – Affordable Housing.

We have also partnered with private sector developers through the NSW Governments' Communities Plus program. Unfortunately, because of the downturn in the market, these developments may now not proceed.[17]

The Development report on page 70 provides further information.

Social housing demand

The length of social housing waiting lists is an indicator of the housing needs of low income households and is just the tip of the iceberg. In NSW, the waiting list is called the Housing Register. In 2017 the number of applicants fell by 4,000 households to 56,000 households but the drop in waiting list numbers was through a FACS administrative decision to remove suspended applications from the waiting list. The reduction is not because of lower demand for social and affordable housing and nor is it because of increased social housing supply, as there has been negligible social housing supply over the past five years. Another explanation is reluctance of people to apply for social housing, given the very long waiting times of up to five to ten years, particularly in Bridge Housing's operating region.

The Social Housing Applicants chart shows the changes in housing demand by region.

Across Bridge Housing's operating region, a total of 15,606 households are waiting for social housing, with an average wait time of between five and 10 years.

What we are doing

In 2017–18, through the completion of Elger St, Glebe and our project management properties, and the new group homes and vacancies in our existing portfolio, we provided

Case study 4: Priority waiting list

Toula found herself and 11-year-old son homeless following a relationship breakdown with her husband and a period of couch surfing with friends. Toula suffers from cancer and her son has cerebral palsy.

She was approved for priority housing in 2017 and offered transitional accommodation. Her income of $760 per week includes a carer allowance and Commonwealth Rent Assistance.

In June 2018 Bridge Housing selected the family from the NSW Housing Register and housed them in a Nation Building property in Greenacre, where they have access to a specialist school, and to Liverpool Hospital so they can continue treatment for their medical conditions.

16 This data is collected from the Local Government Housing Kit Database operated by the NSW Department of Family and Community Services. The Department has not updated rental affordability data since December 2015. NSW Department of Family and Community Services, Local Government Housing Kit Database, www.facs.nsw.gov.au/resources/nsw-local-government-housing-kit/chapters/local-government-housing-kit-database. Accessed 28 July 2018.

17 Through Communities Plus the NSW Government requires that developers purchase a Land and Housing Corporation site to deliver 30 per cent social housing, with the private housing developed to be sold into the market. Market conditions have softened over the past 12 months, which makes the feasibility of these projects uneconomic for private developers

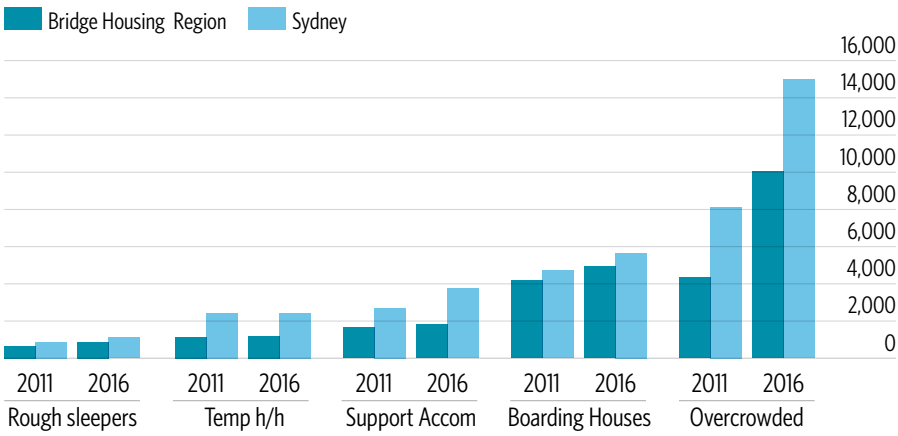
secure and affordable housing to 272 households, compared to 287 households in 2016–17. How we manage social housing allocations is also explained in Spotlight 3 Housing Pathways on page 44.

Homelessness

The 2016 Census revealed in stark terms how the lack of affordable housing supply creates the conditions for increased homelessness. While rough sleepers constitute the public face of homelessness, there are significantly more people living in insecure boarding house accommodation and overcrowded accommodation. This is the invisible face of homelessness and symptomatic of decreasing rental affordability, particularly in Sydney.

Since 2001, homelessness numbers have increased. Nationally, homelessness increased by 10.4 per cent from 2001 to 2011. In the Sydney Metropolitan region, the 2016 Census showed the number of homeless people increased to 28,000 from 19,000 in 2011. In five years, homelessness has increased by 30 per cent.

Homelessness
Type by Sydney Region, 2011-16



The Homelessness chart shows two critical trends. The first is that in NSW homelessness is concentrated in the Sydney metropolitan region and within Bridge Housing's operating area, which is the highest cost housing region in Australia. The second and related trend is that severe overcrowding is the most significant driver of homelessness. Between 2001 and 2016, overcrowding accounted for 75 per cent of the increase in homelessness – the direct cause of this is the fall in affordable housing options, which has forced increasing numbers of people to share and/or couch surf. 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 both our mainstream social housing program and specialised homelessness programs. We have a proud record of innovation in homelessness accommodation, working effectively with support providers since the early 2000s through My Place and the MISHA Project (Michael's Intensive Supporting Housing Accord). More recently, we have achieved significant success through Platform 70 and Connect 100. We continue to deliver Connect 100, through which we housed 15 people in secure and affordable accommodation in 2017–18. In 2017–2018, we successfully tendered for the Supported Transitional Engagement Program (STEP), a $10 million program that will house 90 rough sleepers over four years from 2018–2019.

We also use our capital properties and those we lease from the private rental market to provide further housing. This year we provided 534 new social housing tenancies. Of these, 47 were experiencing some form of homelessness (primary, secondary or tertiary)[18] and 65 were transitional tenancies of up to 18 months.

Case study 5: Affordable housing

The Abboud family were renting in the private market at $430 per week for a two-bedroom unit in the Granville/Auburn area. The husband, 34, works full-time and his wife, 29, is a stay-at-home mother. They have two young children and have a weekly income of $1473, including a parenting payment.

When the Abbouds learnt they were expecting their third child, they knew they had outgrown the apartment but could not afford to keep renting in the private market in the same area. Bridge Housing offered them a three-bedroom home in our affordable housing development in Bungarribee, where they pay $450 per week in rent, or 30 per cent of their total household income.

Case study 6: Waverley affordable housing

Mardie and Sam are in their early 30s and are self-employed business owners with a combined income of $1200 per week. While on a moderate income, they were really struggling renting in the private rental market in Bondi – paying $650 per week or 54 per cent of their income – while trying to establish their businesses.

Bridge Housing allocated them a home in Bondi under the Waverley Affordable Housing Program, where they now pay $450 per week. It will eventually provide a pathway for them back into the private rental market or home ownership.

18 Homelessness Australia, What is Homelessness www.homelessnessaustralia.org.au/about/what-homelessness
Primary homelessness is experienced by people without conventional accommodation (e.g. sleeping rough or in improvised dwellings);
Secondary homelessness is experienced by people who frequently move from one temporary shelter to another (e.g. emergency accommodation, youth refuges, "couch surfing");
Tertiary homelessness is experienced by people staying in accommodation that falls below minimum community standards (e.g. boarding housing and caravan parks) as well as insufficient accommodation (severe overcrowding, at risk conditions)



Elger Street residents Eunice and Jonathan

Our advocacy work

Bridge Housing plays an active role in building the capacity of the community housing sector and creating opportunities for it to be at the forefront in addressing the housing affordability crisis in NSW. We also advocate on behalf of vulnerable tenants and communities at the level of government and within the industry and private sector.

Yes to marriage equality

Bridge Housing strongly supported and advocated in our community for the right of lesbian, gay, bisexual, transgender, intersex and queer (LGBTQI) people to marry under Australian law in the lead up to the November 2017 marriage equality postal survey. We made public pledges on the Vote Yes website, and our own website and social media platforms, including via an open letter. This human rights issue also captured the imagination of staff, who showed their support in the Redfern community.



Bridge Housing votes Yes for marriage equality

A workplace that supports women

In October 2017, we achieved accreditation as a White Ribbon Australia workplace. This put us at the forefront of our industry as a workplace and community with zero tolerance for violence against women. We also supported employees who experience family violence by introducing a new leave policy of up to 10 days a year.

Bridge Housing participate in International Women's Day every March 8 as public recognition of the importance we place on women's empowerment and participation in our organisation and in every sphere of life. We held a breakfast this year at which we announced our new paid parental leave policy. This increase paid leave from 6 weeks to 8 weeks for new parents after two years employment and to 12 after three years employment.



GM Operations Rebecca Pinkstone at International Women's Day breakfast

Services to our industry

Bridge Housing plays an active role in the community housing industry as a member of industry organisations including the national Community Housing Industry Association, Community Housing Industry Association NSW (formerly NSW Federation of Housing Associations), PowerHousing Australia and the Australasian Housing Institute (AHI).



Bridge Housing at International Women's Day #PressForProgress



CEO John Nicolades in Saudi Arabia

Our CEO, John Nicolades, is a member of the CHIA national board. He relinquished his role as a director of the NSW Federation of Housing in December 2017. Rebecca Pinkstone, General Manager Operations, is chair of the AHI NSW Branch, for which Bridge Housing provides meeting facilities.

Sponsorship

In 2017–18 we provided financial support and sponsorship for:

- Professor Duncan Maclennan, et al. Making a Better Economic Case for Housing Policies. 2018: A Report to the NSW Wales Federation of Housing Associations
- 2018 Affordable Housing Conference, June 2018, Sydney
- Affordable Housing Forum of the South Sydney Regional Organisation of Councils in July 2017
- Strategic Commissioning of Social and Affordable Housing Project in August 2017.

Please see Bridge Housing in the community on page 92 for more information about our community outreach.

Conferences and seminars

Title	Presenter	Date	Conference/seminar
Experiences of organisations that have consistently performed well in ARA awards	John Nicolades	Jun 2018	Panel member, ARA Seminar on Reporting: Engaging with Stakeholders in the Digital Transition
Meanwhile Use: Innovation in Delivering Transitional Housing	Helen Tighe	Jun 2018	CHIA NSW Everybody's Home: Affordable Housing Conference
University of NSW Masters of Planning student field trip tour: Elger Street, Glebe	Chris Dib	Feb 2018	UNSW Masters Course
Emerging role of Australian community housing providers	John Nicolades	Dec 2017	7th Annual Non-Profit Sector Development Forum, Dhahran, Saudi Arabia
Hand Up Think Tank	Rebecca Pinkstone	Nov 2017	National Housing Conference, Sydney

Spotlight 2: HomeGround Real Estate Sydney

In April 2018, Bridge Housing launched HomeGround, an innovative real estate agency with a social purpose to drive investment and increase the supply of affordable housing in the Sydney private rental market.

HomeGround Real Estate Sydney (HomeGround Sydney) is a not-for-profit real estate agency providing professional property management services to landlords and tenants. The agency has been established to address the housing affordability issues and financial pressures experienced by low-to-moderate income households in Sydney and to reduce the risk and incidence of homelessness. It is the first interstate branded agency of the successful HomeGround social enterprise model which was founded by Launch Housing in Victoria four years ago.

HomeGround Sydney has received generous support from philanthropic, government and industry partners who are seeking new ways to alleviate the effects of housing affordability, homelessness, and social disadvantage. About $400,000 in financial and in-kind sponsorship has been invested in HomeGround Sydney, including funds from a private philanthropist, the City of Sydney, PwC Australia and the REA Group, which owns the realestate.com.au website.

The official launch by the Lord Mayor of Sydney, Clover Moore, was hosted by PwC Australia on 11 April 2018. Attendees included Heather Holst, the Deputy CEO of HomeGround in Victoria, and other stakeholders from the government, corporate and not-for-profit sectors. An engaging 'vox pop' video was presented on the night and the HomeGround website went live.



HomeGround Manager Terry Livingstone

HomeGround Sydney provides a complete range of property management services. Through its association with Bridge Housing, HomeGround Sydney is also registered to manage properties delivered through formal affordable housing schemes, including SEPP 70 and NRAS.

HomeGround Sydney offers three management models for owners, investors and developers seeking to make their residential property affordable:

- List properties at market rents, enabling HomeGround Sydney to reinvest the profits from our industry-standard management fee into more affordable housing
- Offer their properties below market rents to receive an income return on their investment to assist people into affordable housing
- Donate the use of their properties without seeking an income return on their investment to assist people into affordable housing.

Since its inception, HomeGround Sydney has grown strongly and rapidly. At June 2018, our expert team of licensed and registered real estate agents secured the management of 41 new private rental properties from property owners, investors and developers. These include the management of 27 mixed-development properties in Westmead on behalf of a private developer and the management of eight affordable housing properties in Riverwood.

All properties managed by HomeGround Sydney are additional to Bridge Housing's existing social and affordable housing portfolio.

HomeGround Real Estate



Launch Housing Deputy CEO Heather Holst, Clover Moore and John Nicolades


Sydney Lord Mayor Clover Moore


Manager Service Innovation Reece Plunkett

This includes the 610 properties already managed by Bridge Housing under the NSW Government's Community Leasehold Program.

At present, the HomeGround Sydney property portfolio consists of a diverse mix of studios, one-bedroom, two-bedroom and three-bedroom properties in Western Sydney. Properties are located close to public transport, local amenities, education and employment opportunities. This helps tenants to achieve their goals, increase their income, and broaden their future housing options.

Over the next two years, HomeGround Sydney aims to increase the size of its portfolio by 150 properties per annum, with a specific focus on Sydney's inner and middle-ring suburbs. Our strategic approach will provide access to affordable housing stock for some of the 150,000 low-and-moderate income households in Sydney that experience a degree of rental stress.


HomeGround team: Terry Livingstone, Tracy Nguyen and Mohammed Miner

Operating environment 2017–18

Commonwealth and NSW government policy settings shape and determine the environment in which community housing providers operate. Bridge Housing depends on, and seeks to influence, government policy frameworks and funding, resource allocation, contracting and property supply.

This section of our Annual Report describes how our operating environment affected Bridge Housing and the community housing sector in 2017–18.

Commonwealth Government

Introduction

The Commonwealth Government has the greatest influence on housing policy and outcomes and who gains and loses from housing policy settings. The Commonwealth Government controls monetary policy which guides interest rates, as well as prudential regulation of lending, federal taxation settings, migration policies, infrastructure investments and rental subsidies paid through the social welfare system, all of which influence the demand for housing.

To put this into perspective, the Commonwealth spends (directly and indirectly) over $70 billion a year on housing, but the vast majority of this expenditure benefits home owners and investors through capital gains tax discounts and negative gearing (and there is no tax on the imputed rental income).[19] Every homeowner effectively gets a housing subsidy, but only 10 per cent of Commonwealth housing outlays are directed to renters through the Commonwealth-State housing agreement and Commonwealth Rent Assistance (CRA).

Housing policy emerged as a central issue for both the Coalition Government and Federal Opposition in 2016–17. While housing markets have cooled over 2017–18, with a national fall in housing prices of 0.6 per cent, that has not increased housing affordability for the low-to-moderate income households.

Our annual housing affordability trend analysis on page 24 uses data from the 2016 Census and shows that there is a long-term structural decline in access to home ownership and an increase in the numbers of people renting. The private rental market offers little relief for low-to-moderate income renters, who are living in housing that is often poor quality, insecure and unaffordable.[20]



Former Assistant Minister to the Treasurer Michael Sukkar speaking at a CEDA event on affordable housing. Photo courtesy of CEDA.

There were a number of housing related announcements in the May 2017 Budget when then Treasurer Scott Morrison announced the establishment of the National Housing Finance Investment fund, managed investment trusts to encourage private sector investment, and an overhaul of the federal-state funding agreement which provides approximately $1 billion per annum to state governments for social housing and homelessness services. The Labor Party released its housing policy in April 2017.[21] In the main there is a policy convergence between the two parties, despite differences, such as the treatment of negative gearing tax concessions.

Moving forward a year, progress on substantial policy change has been mixed. The Government delivered on its commitment to establish a national financing entity for the community housing sector. However, it and the Labor opposition have remained silent on providing a subsidy to replace the National Rental Affordability Scheme.

The recently negotiated National Housing and Homelessness Agreement (NHHA) has been disappointing. The two taxation measures to encourage affordable housing supply – the 10 percent reduction in capital gains tax[22] and the proposed Affordable Housing

19 The Treasury, 2017 Tax Expenditures Statement, Table 4.1, 2018; Australian Institute of Health and Welfare, Housing Assistance in Australia, 2017, 2018; The Treasury, Budget 2018–19. Budget Paper No. 3 Federal Financial Relations, 2018

20 Australian Bureau of Statistics, '616.0 - Residential Property Price Indexes: Eight Capital Cities, June 2018', http://www.abs.gov.au/ausstats/abs@.nsf/mf/6416.0; 'Unsettled: Life in Australia's private rental market', Choice, February 2017 www.choice.com.au/money/property/renting/articles/choice-rental-market-report, viewed 20 September 2017.

21 Labor's Plan for Housing Affordability & Jobs, Australian Labor Party, www.alp.org.au/housingaffordability, viewed 20 September 2017.

22 From 1 January 2018, the Government will provide an additional 10 per cent CGT discount to resident individuals investing in qualifying affordable housing. This means investors in qualifying affordable housing will be entitled to a 60 per cent discount on capital gains tax. The legislation leaves it up to the states and territories to define their own eligibility requirements and the discount on full market rent that will qualify a property as an affordable rental.

Managed Investment Trust[23] – will deliver very little. An undoubted positive is the increased access by the community housing sector, via peak industry organisations,[24] to ministers with housing portfolio responsibility, their counterparts in the Opposition and key policy people in the Australian Public Service.



CHIA NSW CEO Wendy Hayhurst with Bridge Housing staff

Commonwealth Government responses

On the recommendation of the Affordable Housing Working Group, the Federal Government worked hard through 2017–18 to establish the National Housing Finance and Investment Corporation (NHFIC).[25] NHFIC went live in July 2018 and it will source private funds, through bond issue, to lend to affordable housing providers to finance rental housing development. This is an important structural change that will provide community housing providers with cheaper and longer-term financing than they can currently raise from the banks. NHFIC will lend at lower rates than what is offered by banks. The loan term (tenure) will be 10, 15 and perhaps up to 20 years, compared to the five-year terms offered by the banks. This significantly reduces refinancing risks for community housing providers. Bridge Housing will use NHFIC to refinance its existing debt.

To maximise the opportunity NHFIC presents, the government will need to come to grips with the subsidy issue from which they and the Opposition have so far shied away. Providers still require a subsidy to meet the difference between the return required by institutional investors and the income generated from tenancies, most of which are households with very low-to-moderate incomes.[26]

It is too early to assess the impact the bond aggregator will have on the supply of affordable housing but if it reduces financing costs by 2 per cent annually, it will save the community housing industry about $14 million per annum in interest payments on existing borrowings of around $700 million.

National Housing and Homelessness Agreement

The National Housing and Homelessness Agreement (NHHA)[27] replaces the National Affordable Housing Agreement (NAHA), which was generally regarded as a failure because it did not contain any mechanism to measure outcomes from the $1 billion Australian Government funds allocated annually to state governments. The amount of money remains the same under the revised NHHA and negotiations between the Commonwealth and State governments are near completion. However, the agreements fall short of what is required.

This includes the delivery of better data on supply and demand, more capital funding to boost affordable supply, separating the conflicting roles of state/territory housing agencies, and delivering a substantial proportion of all social and affordable housing by the non-government sector. While the previous agreement was weak, it did establish a target of 33 per cent of social housing to be transferred to community housing providers. This was a driver for the Social Housing Management Transfer Program in NSW. Sadly, there is no further commitment within the National Housing and Homelessness Agreement.

National Regulatory System for Community Housing

National regulation of community housing providers is another important piece of the policy architecture. The National Regulatory System for Community Housing (NRSCH) began in January 2014, replacing state-based regulatory systems in all jurisdictions except Victoria and Western Australia.

Little has changed since 2014. Different approaches by state jurisdictions to community housing, with different policy agendas and priorities, and a less active role by the Commonwealth have resulted in a sub-optimal regulatory system that needs reform. The *2017 AHURI Affordable Housing Capacity Study*[28] expresses the concerns shared by community housing providers that the regulatory system is fragmented and is not currently adding sufficient value.[29]

The Commonwealth Government's re-entry into housing policy and the NHFIC's specific are a major impetus for regulatory reform and a real opportunity to deliver change. The NHHA negotiations also offer an opportunity for reform of the NRSCH and to re-engage the states and territories. Any changes must ensure national consistency, rigorous and strengthened financial governance, consumer (tenant) protection, and timely, public information on the community housing sector's performance.

23 Managed investment trusts (MIT) provide non-resident and resident investors a tax discount on investment returns if they invest in affordable housing for 10 years and rent it at 80 per cent of market rent. With current MIT withholding tax rules, non-resident investors who invest in these MITs from countries with which Australia has a recognised exchange of information arrangement, Australian Housing and Urban Research Institute, 'What are Managed Investment Trusts and how can they fund affordable housing?', 4 October 2017, www.ahuri.edu.au/policy/ahuri-briefs/what-are-managed-investment-trusts-and-how-can-they-finance-affordable-housing; Australian Government Budget 2017–2018 Fact Sheet 1.10 - Boosting affordable housing for Australians through investment tax incentives, 2018, www.budget.gov.au/2017-18/content/glossies/factsheets/html/HA_110.htm

24 Community housing sector industry representation has undergone a significant change over the previous three years. A new national industry peak Community Housing Industry Association (CHIA) was established in November 2017 and state based bodies have adopted that national branding; e.g. the NSW Federation of Housing Associations is now CHIA NSW. The other national group is PowerHousing Australia which is a peer group for larger tier one providers

25 For background; Treasury, Council on Federal Financial Relations Affordable Housing Working Group, https://treasury.gov.au/consultation/council-on-federal-financial-relations-affordable-housing-working-group-innovative-financing-models/, viewed 20 September 2017.

26 Over 85 per cent of Bridge Housing's tenants depend on income support. See Key facts on page 90.

27 Council on Federal Financial Relations, National Housing and Homelessness Agreement, www.federalfinancialrelations.gov.au/content/housing_homelessness_agreement.aspx, viewed 20 September 2017

28 AHURI, Developing the scale and capacity of Australia's affordable housing industry, 20 April 2017, www.ahuri.edu.au/research/final-reports/278

29 The term regulatory system is used to refer to all the contract and regulatory regimes that providers are subject.

National Disability Insurance Scheme

The estimated unmet demand for affordable housing for NDIS participants is between 83,000 and 122,000 properties. The *Specialist Disability Accommodation Rules 2016* and *NDIS Price Guide: Specialist Disability Accommodation*[30] provides guidance on design and modification criteria and the rules and level of accommodation payment for housing under the NDIS.

The expectation was that NDIS would turn provision of housing for disabled people on its head. The sector would move away from specialist group homes to providing housing that met the individual needs and choices of people living with disability. On this basis, disability housing looks and feels like housing that every Australian would want to live in, is consistent with NDIS principles of promoting choice and autonomy for NDIS participants, and the SDA would fund individuals who choose to live alone.

Market research by the Summer Foundation estimated that there was potentially $6 billion in investment funds for disability housing. The release of this investment was subject to the National Disability Insurance Agency (NDIA) releasing a final policy position, which was delayed due to the startup issues with NDIS. Sadly, the *NDIA SDA Policy Brief* [31] released in April 2018 reversed this position, declaring that it would only fund a very small percentage of people and would continue to predominately fund group homes. This policy announcement has now placed[32] much of this investment at risk and created further uncertainty.

Community housing providers (CHPs) are poised to deepen and broaden their engagement and partnering with disability service providers. CHPs provide development, property and maintenance services, while disability providers focus on service support. Such partnerships are already emerging. Bridge Housing's 38-unit integrated development of social and affordable housing at Collett Parade, North Parramatta provides six units for Achieve Australia service users and is our partner in managing group homes. The SDA provided the opportunity to develop and own properties that were built for NDIS participants to maximize choice and autonomy and move away from the old group home model where people are forced to share because they have a disability, not because they choose to share.



Chairman Mark Turner, Women's Housing Company Chair Alice Spizzo, Minister Pru Goward, CEO John Nicolades and Women's Housing Company CEO Debbie Georgopoulos

NSW Government

There has been little change in the NSW Government's response to social and affordable housing supply or the community housing sector over 2017–18. *Future Directions*, its ten-year strategy for social housing, remains its key social and community housing strategy document. Future Directions encompasses three major supply initiatives: Communities Plus, the Social and Affordable Housing Fund (SAHF), and the transfer of 14,000 social housing dwellings to community housing management through the Social Housing Management Transfer Program (SHMTP).

Over 2016–2026, Future Directions will add 23,000 new and replacement dwellings to social housing supply. Only 6,000 new dwellings, an average of 600 per annum, will be additional supply. This is in the face of 60,000 households on the social housing waiting list. As discussed in the Housing Affordability Section on page 28, Sydney's population will grow by 1.6 million by 2031 and requires 660,000 additional new dwellings over this period. CHIA NSW estimates that NSW will require at least 100,000 new social housing dwellings to meet existing and future demand.

The NSW Government's response is that more supply is the answer to increasing housing affordability but, as discussed in the Housing Affordability section, this has not led to increased affordability. High rates of housing approvals and completions on housing prices continue to rise. In the recent downturn in the market, Sydney housing prices have decreased by 3.9 per cent, without any increase in access for low-to-moderate households. This market failure requires greater intervention.

30 National Disability Insurance Agency, NDIS Price Guide Specialist Disability Accommodation, Valid from 1 July 2017, www.ndis.gov.au/medias/documents/hf8/hdf/8802881994782/SDA-Price-Guide-17-18.pdf
31 Australian Department of Human Services, Specialist Disability Accommodation Provider and Investor Brief April 2019, www.ndis.gov.au/medias/documents/sda-provider-investor-brief-html/SDA-provider-and-investor-brief.html
32 Summer Foundation, Joint Statement On The NDIA's Specialist Disability Accommodation Provider And Investor Brief, www.summerfoundation.org.au/joint-statement-on-the-ndias-specialist-disability-accommodation-provider-and-investor-brief/

Future directions for social housing in NSW

Social Housing Management Transfer Program

The Social Housing Management Transfer Program (SHMTP) will transfer 18,000 properties on 20-year leases to the community housing sector. The SHMTP tender was opened in March 2017, offering nine packages: six in regional NSW and three in the Northern Sydney region of the Sydney metropolitan area.[33] The nine successful tenderers were announced in September 2017. The nine transfers will be staggered and Bridge Housing, in partnership with Women's Housing, will begin management of the northern beaches portfolio in August 2019.[34]

Through SHMTP, the NSW community housing sector will increase its share of the social housing it manages from 18 to 32 per cent, and it will become the largest community housing sector in Australia, holding 60 per cent of all community housing in the country.[35] It is not expected that NSW Government will consider any further transfers until after 2020, and an assessment of the outcomes of SHMTP.

Communities Plus

Communities Plus requires community housing organisations to partner with private developers to redevelop ageing social housing sites to deliver new mixed communities where social housing blends in with private and affordable housing with improved access to transport, employment, and community facilities. The NSW Government is seeking to include up to 30 per cent social housing on the site. It has three strands:

Major sites: These larger social housing sites include Ivanhoe, Telopea, Redfern, Riverwood, and Waterloo in Sydney metropolitan area will deliver at least 500 dwellings. Bridge Housing has entered into partnerships with two major developers for the Redfern and Telopea sites.

Neighbourhood sites: These sites will deliver 100 to 300 dwellings. The NSW Government has released three rounds, with a potential for 12 rounds. Bridge Housing partnered with private developers and selected preferred proponents in two Community Plus Tenders in 2016–17 to deliver 374 dwellings, of which 107 were social and affordable housing, over two sites.

Project management sites: A smaller and now one off program, outsourced project management of small social housing developments of up to 20 townhouses to community housing providers. Bridge Housing successfully secured the project management of four sites to deliver 50 dwellings by the end of 2018–19.

Communities Plus offers partnering and capacity building opportunities for community housing providers, particularly through the major sites pipeline. The Neighbourhood sites have been affected by delays in contract negotiations and the downturn in the housing market which threaten their viability. The Development report on page 70 provides further details.

Social and Affordable Housing Fund

The Social and Affordable Housing Fund (SAHF) will provide $1.1 billion for the delivery of social and affordable housing in metropolitan and regional NSW. The NSW Government will invest the funds, and it will be rolled out in a number of phases. The SAHF will purchase service packages from private and not-for-profit consortia, which will buy 25 years of social and affordable supply, after which point the properties can be sold. SAHF provides significant capacity building for community housing: financing, project management, contract management, delivering and measuring tenant and housing outcomes, and managing mixed social and affordable housing sites.

Bridge Housing participated in Stage 1 as part of the Plenary Consortium but the bid was not successful. The five successful providers to deliver 2,200 properties were organisations with land and/or who undertook the bid in their own right, without partnering with a large traditional infrastructure provider.[36] The lesson for us was that the infrastructure providers required higher rates of return and that increased the cost of the SAHF subsidy. SAHF Round Two to deliver 1200 dwellings in four packages was announced in February 2018. Bridge Housing, after careful consideration, bid in its own right and was one of seven organisations[37] to proceed into the Request for Tender phase, which closes in September 2018. The announcement of the four preferred proponents will be made in late October 2018.

The SAHF subsidy is a good model to assist in the supply of social and affordable housing and it benefits community housing providers as they retain the properties at the end of the 25-year concession to meet future housing need. SAHF also illustrates the capacity of the community housing sector to learn and scale up to embark on a complex bidding process and how to manage the significant financial, development, operational and compliance risks associated with SAHF.

However, the SAHF bidding process is over-engineered to access funds to build, on average, 300 social and affordable housing dwellings. It is similar to a public-private partnership bid process to build and operate a tunnel, tollway or light rail. Consequently, the bid costs are considerably higher – much higher, for example, than undertaking bids for NRAS subsidies between 2008 and 2015, when the Commonwealth Government operated the program.

The NSW planning system

The NSW planning system affects housing affordability, as it establishes the regulatory regime for the quality, type and built form of housing and, through planning controls, sets the type of housing, whether low, medium or high density. It is also offers a mechanism to help increase the level of affordable housing through inclusionary zoning or value capture, which are used in many international jurisdictions to secure affordable housing.

33 Australian Bureau of Statistics, '6416.0 - Residential Property Price Indexes: Eight Capital Cities, June 2018', http://www.abs.gov.au/ausstats/abs@.nsf/mf/6416.0; NSW Department of Family and Community Services, Industry Soundings, www.facs.nsw.gov.au/reforms/social-housing/management-transfer-program/industry-soundings, viewed 20 September 2017.
34 NSW Department of Family and Community Services, Management Transfer Program, www.facs.nsw.gov.au/about/reforms/future-directions/reforms/management-transfer-program
35 See Figure 3.3: Number of social housing households, by state and territory, at 30 June 2017, Australian Institute of Health and Welfare, Housing Assistance in Australia 2018, 28 June 2018,www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2018/contents/social-housing-tenants
36 NSW Department of Family and Community Services, Social and Affordable Fund Overview www.facs.nsw.gov.au/about/reforms/future-directions/reforms/SAHF/overview. The EOI attracted 24 participants of which 11 were selected for the RFP. The six successful agencies were BaptistCare NSW & ACT, Uniting, SGCH, Sustainability Ltd, St Vincent de Paul Housing, Compass Housing Services Co Ltd.
37 NSW Department of Family and Community Services, Strong Response To Second Phase Of Social And Affordable Housing Fund, May 2018, www.facs.nsw.gov.au/about/media/news/archive/strong-response-to-second-phase-of-social-and-affordable-housing-fund. The organisations proceeding into the RFP are Anglican Community Services, Bridge Housing Ltd, Housing Plus, Mission Australia Housing Partnership, the NSW Aboriginal Land Council, SGCH Portfolio Ltd and Uniting NSW/ACT. None were linked to an major Infrastructure provider

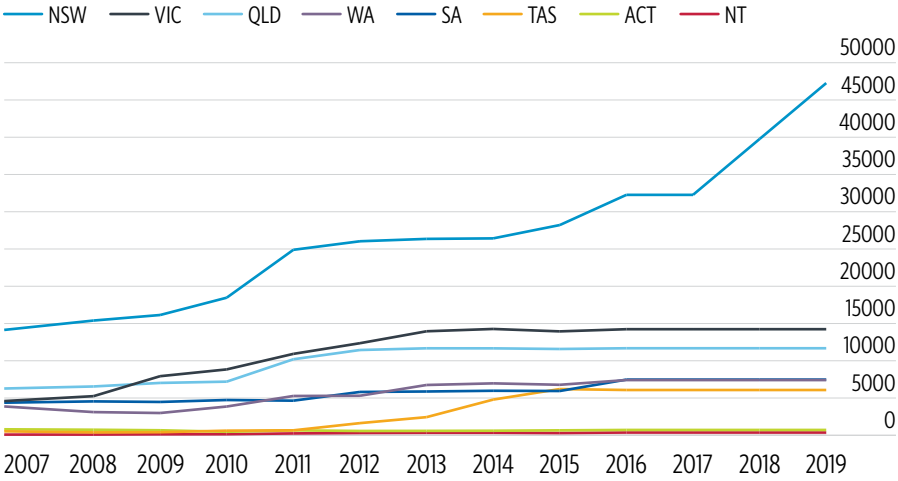
Overall, this year has proved to be mixed. There were some advances with the release of the Greater Sydney Commission (GSC) Plan for Sydney but in other areas more policy confusion. The NSW Planning Minister rescinded the designated development areas through the Priority Growth Areas and Precincts to enable greater density. As the new metropolitan-wide planning body established by the NSW Government, the GSC released *A Metropolis of Three Cities*, its Greater Sydney region plan for future land use, transport and infrastructure, and a 40-year framework for delivering infrastructure and services to cope with the State's booming population.

The plan is designed to respond to Sydney's population growth from 4.6 million to 6 million in 20 years, and to 8 million in 2056, with most of the growth taking place in the west and requiring 725,000 new dwellings and generating 817,000 new jobs. The plan establishes affordable rental housing targets across Sydney, where land is rezoned to require between 5–10% additional floor space used to build affordable rental housing. However, these targets are also subject to a viability test. It is proposed that community housing providers will manage the affordable housing.

The targets are far lower than in London, San Francisco and other international cities and should be between 25 to 30 per cent on government land to meet the needs of workers on moderate incomes who are being pushed to the outer edges of Sydney and beyond. In addition, the housing is only targeted to households eligible for social housing.

Under the new policy, councils will be required to develop housing plans that include affordable housing demand and then to make the necessary changes to their Local Environmental Plans (LEPs). The GSC is leading the design of the system and is working closely with the Department of Planning to develop guidelines for councils developing local housing strategies and revising their planning instruments. The community housing sector, through its industry organisation CHIA NSW, is working with GSC on the design eligibility and the level of housing contributions on Government land. It is expected that a policy will be completed by December 2018.

Community sector growth by state
Number of properties, 2007–19



The NSW Government also surprised the industry when the Minister for Planning announced a policy review and extension of *State Environmental Planning Policy 70* (SEPP 70) in December 2017. SEPP 70 will be extended from one council area, Sydney City Council, to five councils – Randwick, Inner West, Northern Beaches, City of Ryde and the City of Canada Bay. SEPP 70 is the only planning instrument that enables an affordable housing levy to be applied to development in a designated area. It will provide powers for the designated councils to develop and impose an affordable housing levy or inclusionary zoning provision. However, the inclusionary zoning provisions will require the approval of the Minister for Planning. It is unclear if councils will be able to propose higher levies, say up to 15 per cent, or be restricted to those the GSC is proposing in its Inclusionary zoning provisions.

Conclusion

The NSW Government continues to be the most dynamic in Australia when it comes to supporting the growth and capacity of the community housing sector. The state has the largest sector and the largest providers in Australia. The Social Housing Management Transfer Program will spur further growth.

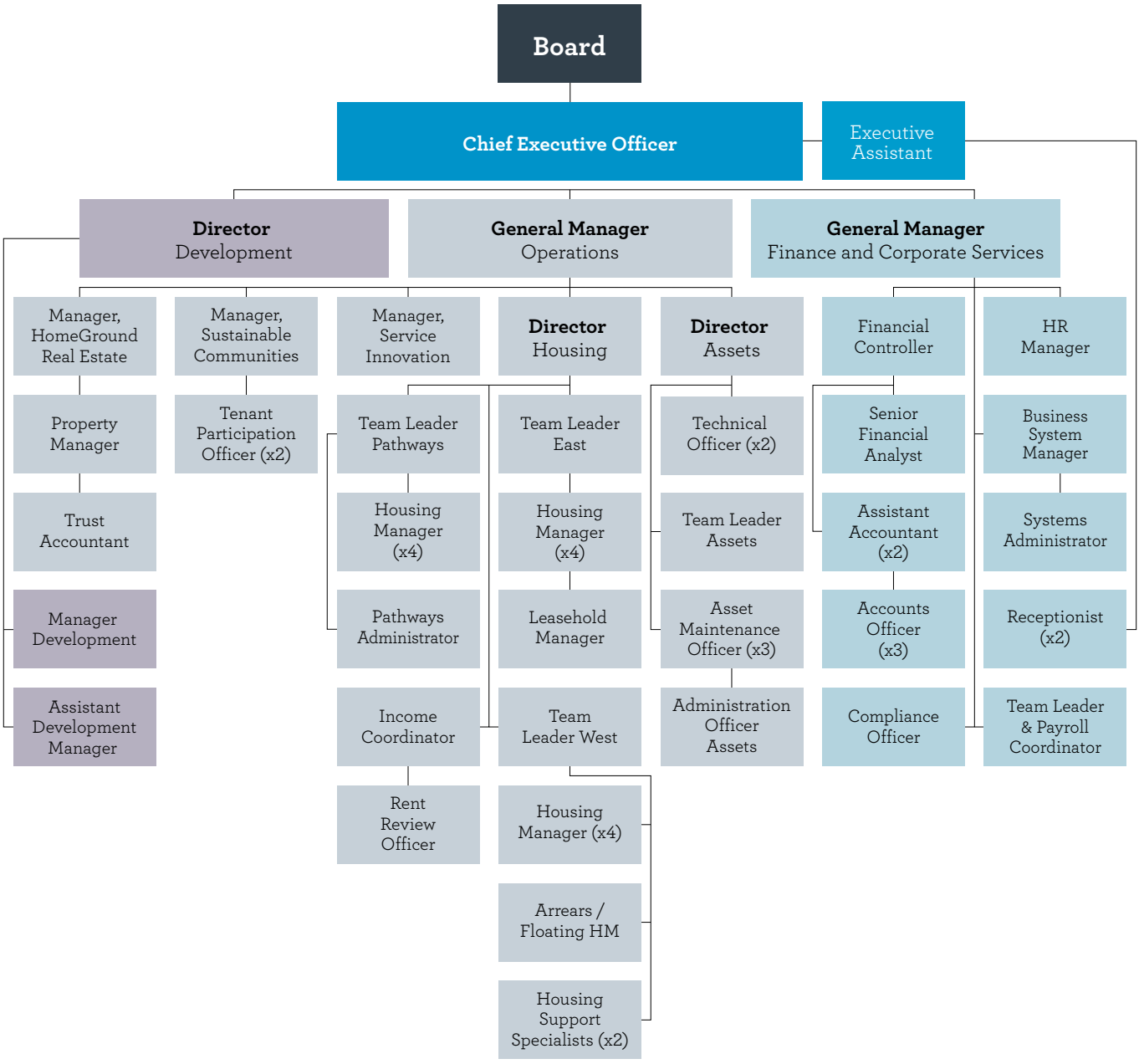
However, the State Government requires a more strategic approach to the sector and a ten-year plan to grow and expand the capacity of the sector. Currently, community housing providers are limited to managing properties transferred from social housing authorities or through Community Plus partnerships with private developers. The previous community housing growth strategy, Planning for the Future, saw the NSW Community housing sector grow from 14,000 to 30,000 properties between 2007 and 2013.

Today, the capacity of the sector to borrow, develop and own properties is even greater, as illustrated by the success in the SAHF discussed above. However, growing the community housing sector also requires a clear and expansive vision by the federal and state governments on their role in increasing the supply of social and affordable housing. *Future Directions* will only add 6,000 additional dwellings over 10 years, when we require a minimum of 100,000 just to meet the needs of very-low-to-low-income households. This requires a strategy across the NSW Government. A central element of this strategy is articulating the role of the community housing sector in increasing social and affordable housing supply.

Supply is important, but it also needs to be directed to where the market is failing to provide. The Commonwealth's renewed focus on affordable housing policy is welcome and the government and opposition appear to share a common policy platform on the NHFIC to secure institutional investment. Both parties need to commit to introducing a subsidy to increase the supply of social and affordable housing to develop a national housing plan.

How we operate

Each division of Bridge Housing has primary responsibility and ownership of particular critical success factors. However our divisions must work together to fulfil our strategic plan and business plan. Meet our directors on page 40. Meet our senior executive team on page 42. See Our performance on page 18 for a description on how we met our Business Plan 2017–18 critical success factors.



Our Board of Directors

Bridge Housing is governed by a board of independent, non-executive directors, who determine the strategy for the organisation and manage risks. Directors are chosen based on their skills and expertise in one or more areas: social housing management, finance, community welfare, property development and procurement, law, social policy development, information technology and human resources management.

Two new directors, Jill Hannaford and Lynne Ready, were appointed to the Board in February 2018 following a rigorous selection process. They bring the Board to gender parity, in line with best governance practice, and bring new skills in community and stakeholder engagement and public policy.

See Our governance report on page 52 for details about the Board's work in 2017–2018.



Mark Turner BSc, MRICS, GAICD

Joined Bridge Housing Board in 2014
Elected chair December 2015
Skills: property development, finance, real estate
Member Asset and Procurement Committee

Mark has more than 30 years of experience in real estate funds management in Australia, the UK and Asia. Mark is currently an executive director at EG Funds Management in Sydney. He has held senior executive roles as the head of funds management at DEXUS Property Group, in fund and asset management at Lend Lease and GPT, and as chairman of an Asian property investment company.

Mark graduated from the University of Portsmouth UK with a Bachelor of Science in Urban Land Administration, is a member of the Royal Institution of Chartered Surveyors, and is a licensed real estate agent in NSW.



Dick Persson AM AM, BA, FAIM, FAPI

Joined Bridge Housing Board in 2009
Skills: Housing policy, planning and local government, capital works procurement, management, and government administration
Chair of Human Resources Committee, Nominations and Marketing Committee

Dick brings many years of experience in the New South Wales and Queensland public service and local government. Until September 2017 he was administrator for the newly-formed Northern Beaches Council. He has served as a director general of the Queensland Department of Housing, Local Government and Planning; the Queensland Department of Health; and the NSW Department of Public Works and Services. Dick was director of the 1997–98 National Housing Policy Review for the Federal Government. Dick has held a number of senior board positions, including chairing the Central Sydney Health Service, Healthquest, and the Sydney Harbour Foreshore Authority.



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

Joined Bridge Housing Board in 2009
Skills: Finance and risk management
Chair of Finance Risk and Audit Committee

Shirley is a professional non-executive director and has a range of business interests. She leads Shirley Liew Probus Advisory Services Pty Ltd, a consulting and financial management advisory firm she co-founded in 2011. She has more than 25 years of experience in finance, assurance, risk and business advisory, and held practice-led partner roles in major chartered accountancy firms. Her current director roles include director and chair of the audit committee of Lantern Hotels Group Limited; Hunter United Employees Credit Union Limited; and independent audit member of Nepean Blue Mountains Local Health District and NSW Trains. Shirley is also chair and director of Outset Group (Ambertiles Australia) Pty Limited.



Carolyn Scobie BA LLB, Grad Dip CSP, MA (Japanese), GAICD

Joined Bridge Housing Board in 2015
Skills: Legal
Member of Human Resources and Nominations and Marketing Committee

Carolyn has over 25 years of legal experience in corporate and commercial property and is responsible for all aspects of legal risk management for QBE. She was previously with the Goodman Group, an integrated commercial and industrial property group. Prior to Goodman, Carolyn spent three years in the legal profession and six years as in-house counsel with the Japanese construction company Kumagai Australia Group.

Carolyn is a member of the Governance Institute of Australia and a graduate of the Australian Institute of Company Directors.



Gary Milligan BSc, BEng (Electrical)

Joined Bridge Housing Board in 2007
Skills: Asset management
Chair of Asset and Procurement Committee

Gary has had an extensive career as a professional engineer in the NSW public service with diverse roles in the delivery of the state's buildings and infrastructure. His experience encompasses policy development; project planning, evaluation and design; and project procurement and construction management. He is an experienced company director in the community housing sector and has undertaken training in the role of company director.



Graham Monk BComm (Hons), FCPA, MAICD

Joined Bridge Housing Board in April 2016
Skills: Finance, real estate and funds management
Member of Finance Risk and Audit Committee

Graham has extensive financial and commercial experience, having worked for CSR, Lend Lease, Lion Nathan, and as finance director of Investa Property Group, a diversified property group that is one of the largest owners of commercial offices in Australia and has assets valued at more than $6 billion. He now works as a consultant and non-executive director and sits on the boards of Tenix Group, 151 Property Core Plus Management and Arcadia Funds Management. Graham was appointed director in April 2016.



Lynne Ready AICD Grad, MMan, GDipPA, BSocWk, DipPM, CertIV TAE

Director since 2018
Member of Asset and Procurement Committee
Skills: Public policy, management

Lynne has wide-ranging executive level experience in public policy and service delivery management for disability residential services, child protection, residential and respite services for children, and social housing. Lynne is currently manager of youth and community programs at YMCA NSW. She was previously a director in ageing and disability at the NSW Department of Family and Community Services and a former director of the NSW Office of Community Housing.



Jill Hannaford BappSc (AppEcG) (Hons 1), MUrb&RegPlg

Director since 2018
Member of Finance and Corporate Services Committee
Skills: Community and stakeholder engagement, social sustainability

Jill is a social scientist who is passionate about diversity and social equity. Jill leads the Technical Communities of Practice at global professional services firm GHD, where she has worked for the past 25 years. Jill is also responsible for GHD's Reconciliation Action Plan. She co-founded IAP2 in Australia in the 1990s and has strong community engagement expertise.

Jill is a founding corporate partner of CareerTrackers, an Indigenous internship program. She has worked very closely with CareerSeekers; an organisation that provides internships for refugee and asylum seeker professionals. She is a leader of diversity and inclusion in the workplace and in community organizations.

Our executive team

The Executive is responsible to the Bridge Housing Board through the CEO and is tasked with delivering our strategic plan and business plan objectives. Our Executive is an experienced, passionate team of leaders with wide-ranging experience in the government, private and not-for-profit sectors. They bring expertise in property and tenancy management, community welfare, finance, property development, public policy, HR and IT to the organisation.



The Senior Executive Team (left to right) John Nicolades, Christopher Dib, Rebecca Pinkstone, David Miller

John Nicolades

BA, BSW, GradDipAppFin
Chief Executive Officer

John has led Bridge Housing Limited since 2006. Under his leadership, the organisation has grown from 650 properties to 2,244; providing safe and secure affordable housing to 3,335 residents. He has successfully transformed Bridge Housing from a small not-for-profit into a company that has a strong social purpose, founded on an efficient and effective business, with a clear and disciplined strategic focus.

Prior to joining Bridge Housing, John held senior positions in the NSW Government and the community services sector. John led affordable housing policy development in the NSW Department of Planning and NSW Housing from 2000–05. From 1990–99 he was Community Services Manager with the Uniting Church Board for Social Responsibility, overseeing child care, disability services, home and community care services, as well as housing policy development.

He is an independent director on the national Community Housing Industry Association Board. He has advised federal and state governments on housing policy.

Rebecca Pinkstone

BA, MPS
General Manager, Operations

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

Rebecca has held senior operational and policy positions in FACS in the areas of social housing policy, community regeneration, homelessness and direct public housing management.

Rebecca has strong experience in delivering affordable housing initiatives, having led major community housing reforms to the sector including the NSW Government's Property Transfer Program, Housing Pathways and the Nation Building Economic Stimulus Program. Rebecca also led the delivery of the $397 million National Partnership Agreement on Remote Indigenous Housing, working in partnership with the NSW Aboriginal Housing Office. Prior to her work in housing policy, Rebecca worked in the areas of social planning, crime prevention and domestic violence in both state and local government.

Rebecca is currently on leave and Helen Tighe is acting in her role.

David Miller

BBus, MBA, CPA, GAICD
General Manager, Finance and Corporate Services

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 human resources management, and risk and compliance frameworks.

David is a Certified Practicing Accountant and holds an MBA for MGSM. He has extensive financial, IT and general management experience. He has worked in the property industry for the past 30 years, for large private and public companies including Jones Lang LaSalle, Investa Property Group and Clarendon Homes.

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

Christopher Dib

BComm (Land Economics), CPV
Director Development

Christopher Dib is an accomplished development director with 20 years' experience in the Sydney property market. He ensures the long-term viability of Bridge Housing's multi-million dollar development portfolio.

Christopher received his Bachelor of Commerce in Land Economics from the University of Sydney in 1998 and from there developed his passion for property. As a registered property valuer and Associate of the Australian Property Institute, his work at Bridge Housing draws on his private and public sector experience.

Chris previously worked for the NSW Government in the Land and Housing Corporation and was responsible for acquiring and developing over 130 social housing properties under the Nation Building Economic Stimulus Plan—Social Housing Initiative, with a development cost of $40 million.

At Ageing, Disability and Home Care he was responsible for the boarding house and group home delivery programs.

Since becoming Bridge Housing's Development Director in 2013, Christopher has been directly responsible for the delivery of 486 properties. This represents an overall increase in the organisation's portfolio of 30 per cent with an end value of over $174 million.

Spotlight 3: Housing Pathways

Housing Pathways is the allocations system for all social housing applicants in NSW. Bridge Housing has been a Housing Pathways provider since the inception of the scheme in 2010, when the Department of Family and Community Services (FACS) changed the way social housing was delivered across NSW. This was based on the No Wrong Door Protocol that adopted an inter-agency approach to delivering housing services. The change enabled 26 community housing providers to work in partnership with Housing NSW to provide a streamlined and coordinated approach for applicants to access a range of social and affordable housing products and services.



Elger Street Glebe

Bridge Housing's Pathways team has extensive knowledge about working with vulnerable clients and understands the importance of applying a wellbeing approach throughout the applicant's journey, from assessing needs to allocating them suitable housing to ensure positive tenancy outcomes that are financially viable.

During the allocation process, applicants are interviewed by a Pathways Housing Manager to discuss their current circumstances and housing requirements. The applicant then meets the housing manager at the property for a viewing to ensure they are informed about the next steps and ensure the property adequately meets their immediate and future needs. The team recognises the diversity within our applicants and strives to deliver its allocation services with a people-centred approach that considers individual client needs wherever possible.

The expertise and professionalism of our Housing Pathways Team is illustrated through the training we provide to other services and our allocation process to ensure eligible applicants are housed as quickly as possible and vacancies are kept to a minimum.

In 2017, the Department of Family and Community Services (FACS) enlisted Bridge Housing as the provider of choice to deliver an extensive training program for not-for-profit organisations (NFP) which bid successfully to deliver new housing services through the Social and Affordable Housing Fund (SAHF). The detailed training program introduced non-housing providers to the Housing Pathways Participation Framework.

In 2018, Bridge Housing received 158 new units as part of the Elger (Cowper) Street, Glebe redevelopment project to house older people over the age of 55 and people with a disability. The first stage was completed in January 2018, tenanting 48 new properties, and stage two was completed in July 2018, tenanting a further 110


School Parade Padstow seniors' housing



Housing Pathways team (left to right), Team Leader Krystal Moores; Housing Manager Megan Caldwell; Housing Support Officer Kerrie Betteridge; Administration Officer Rowena Russell; Housing Manager Florida Yap; Housing Manager Julia Medley

new properties within a four-week period. This was Bridge Housing's largest property allocation ever.

We provided support services tailored to our applicants' needs that met their goals, sustained tenancies and built stronger communities. Bridging Support, our support partnership strategy, provides a strategic framework for how we will establish and maintain our formal support partnerships.

Through the strategy, we demonstrate our commitment to keeping applicant needs at the centre of our service delivery, partnering with services and organisations to provide reciprocal referral pathways, demonstrating positive and effective working relationships, and providing services that meet clients' needs, both now and in the future. The Housing Pathways team contributes by working closely with support partners through the assessment and allocation processes and by providing regular communication and in-service training and advice on the range of housing options.



Elger Street Glebe

Our people

Our employees deliver Bridge Housing's high-quality services to our applicants and residents. Their passion, their commitment, their diverse skills, capabilities and experience are key drivers of our success. Our people enable us to strive for greater success across our business areas, so attracting, developing and retaining talented employees is critical to delivery of our vision and mission.

The Bridge Housing People and Culture Strategy – Stay, Say and Strive – encapsulates how our culture values develops and supports our employees as we prepare for growth and continue to improve performance.

Stay – Engaged employees have an intense desire to be part of Bridge Housing. As a mission and values-driven not-for-profit community housing provider, we offer our employees the opportunity to be engaged in work that makes a difference to people's lives. Our Total Rewards package includes attractive conditions and a range of benefits because we believe employee satisfaction equals customer satisfaction, which equals business success.

Say – Engaged employees consistently speak positively about the company to colleagues, potential employees and customers. We actively seek employee participation in our planning activities and have a number of channels for engagement, collaboration and consultation.

Strive – Engaged employees volunteer extra effort and engage in behaviours that contribute to the company's success. Our learning and development program supports employees to strive and enables them to perform at their best and achieve their full potential. We are committed to the ongoing enhancement of our capabilities to meet current and future business needs.

During 2017–18, key human resources activities included:

- achieving White Ribbon Accreditation, joining 168 other organisations nationally. This recognises our contribution to national cultural change to prevent and respond to violence against women, using workplace practices
- introducing our Domestic Violence Policy, which includes 10 days of paid leave for all staff members facing domestic violence
- launched our employee recognition program, the Bridge Housing Values You Award, to drive performance and reward our employees
- launched and embedded our positive culture and leadership program
- launched a new Parental Leave policy, increased our Paid Parental leave from 6 to 12 weeks and introduced a Keep in Touch program
- supported our lesbian, gay, bisexual, transgender, intersex and queer staff members by formally supporting the Yes case for marriage equality
- launched an electronic onboarding process for new staff members.

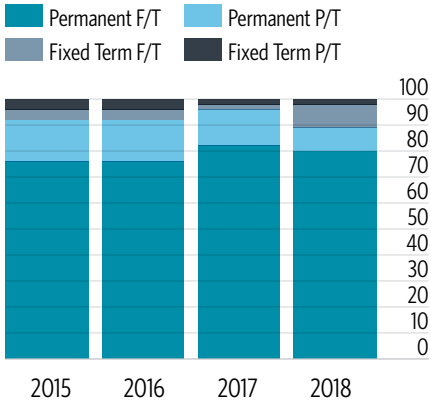


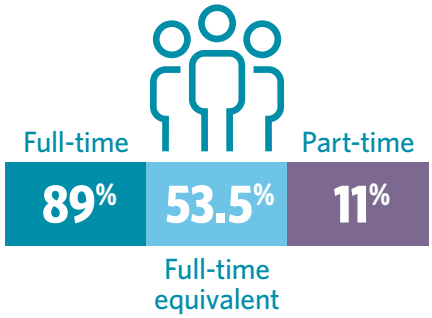
Housing team leaders Sharon Collinge and Michele Dobson

Employee snapshot

Employee status

Employee contractual status (percentage), 2015–18





During the year, in line with our transition planning for the Social Housing Management Transfer Program on the northern beaches we engaged additional project roles:

- SHMTP Project Director
- Human Resources Project Officer
- Tenant Participation Officer

The SHMTP team will continue to grow as we prepare for the transfers in August 2019.

Two new roles were created to support the establishment of HomeGround, our new not-for-profit real estate agency:

- Manager, HomeGround Real Estate
- Trust Accountant.

Engagement

In May 2018, we conducted our seventh annual Employee Opinion Survey (EOS), achieving a 98 per cent participation rate. Our 2017 engagement score increased slightly, with an engagement score of 81 per cent in 2018, compared to 79 per cent in 2018.

There were measurable improvements across the survey, including those areas on which we focused after the 2017 survey, and which we incorporated into our 2017–18 action plan. The plan focused on improvements and implemented actions in the following areas:

- Recognition
- Trust, Autonomy and Support
- Learning and Development.

Recognition

In 2018, 78 per cent of staff members felt that Bridge Housing recognises people's achievements, which is an improvement on the 2017 survey response, which was 66 per cent. As well, 78 per cent of staff members believe that Bridge Housing acknowledges the contributions of its staff. See recognising our staff on page 49.

Trust, autonomy and support

The 2018 survey also showed an improvement in the number of staff members who feel they have the authority to make decisions, from 81 per cent of staff members in 2017 to 85 per cent of staff members in 2018. This is as a result of changing how we operate and adjusting the delegations.

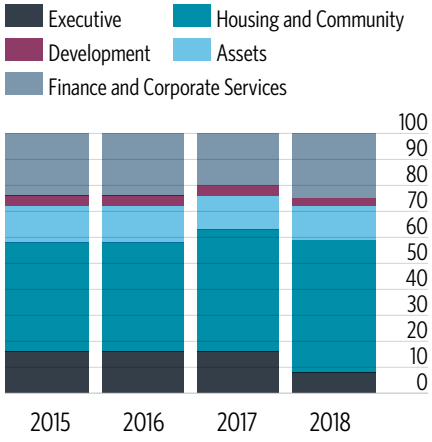
Learning and development

In 2018, 82 per cent of staff members said that the learning and development they received has improved their performance on the job, which is a significant improvement on the 69 per cent response to the previous survey. Overall, 85 per cent of staff members believe that there is a commitment to ongoing learning and development of staff members, which is 4 percentage points higher than the previous year. See investment in training and talent development on page 48.

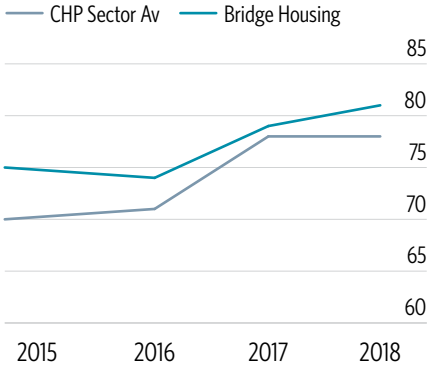
The EOS also uses industry averages as benchmarks and provides insights into how employees experience Bridge Housing and their working environment. It helps us identify measures and initiatives to drive improved engagement and, as a corollary, performance.

This year we included an additional question: 'On a scale of 0 (unlikely) to 10 (very likely), would you recommend Bridge Housing as a great place to work?'. The results yielded a net promotor score of +35, which tells us that a higher proportion of our staff members recommend Bridge Housing as a great place to work. The net promotor score will then provide a Good People KPI in following surveys on how staff members feel about working at Bridge Housing.

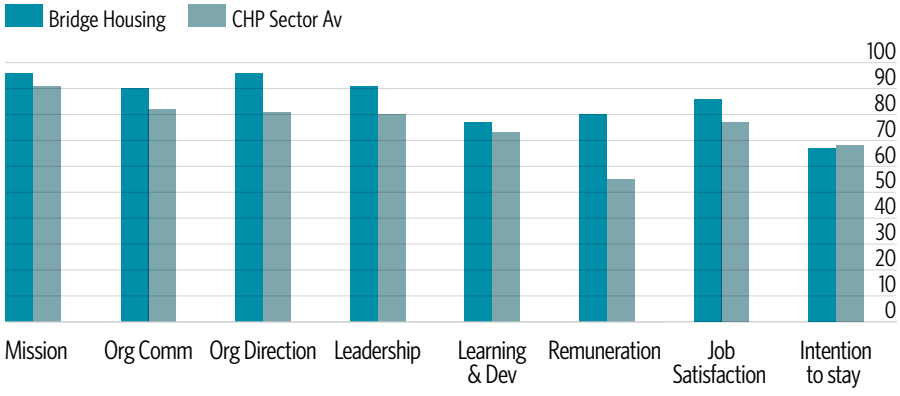
Departments
Employee (percentage), 2014-17



Employee engagement
Bridge Housing compared to sector average (percentage), 2015-18



Employee opinion survey
Bridge Housing compared to sector average (percentage), 2018



Highlights from the 2017–18 Employee Opinion Survey

Organisational direction

98 per cent of staff feel that the organisation has a strong vision for the future

Progress

91 per cent of staff are satisfied with our progress and success in delivering outcomes, which is 15 percentage points higher than industry benchmarks.

Technology

80 per cent of staff feel that we make good use of technology and that technology is kept up to date. This is 29 percentage points higher than industry benchmarks.

Involvement

80 per cent of staff say that they are consulted before decisions are made that affect their day-to-day work. This is an increase of 18 percentage points from the previous survey and 19 percentage points higher than industry benchmarks.

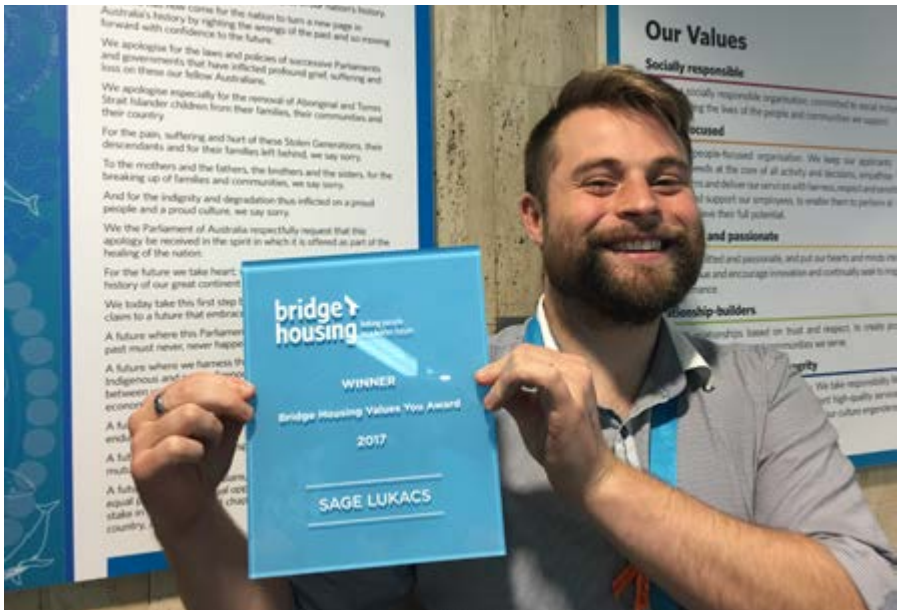
We will use the insights from the 2018 EOS to improve our culture and business with a focus on wellbeing, processes and recruitment.

Focus on culture, leadership and strengths

Developing our people and maintaining our positive culture is crucial to our success. In 2017, Bridge Housing partnered with the Langley Group to develop a positive culture and accelerated leadership program, to grow leadership, culture and resilience across our organisation.

The program includes:

- **Accelerate** – Executive Leadership Program
- **Strive** – Managers and Emerging Leaders Program and
- **Flourish** – Positive Culture and Wellbeing Program
- **Strengths Profile** – profiling for employees to realise their strengths to deliver the performance that achieves goals.



Inaugural Bridge Housing Values You Award winner Sage Lukacs

The program is underpinned by positive psychology and geared to help:

- create a positive, sustainable environment which builds resilience and wellbeing in individuals, teams and the whole organisation
- develop an inclusive and confident organisational culture that maximises the potential of people to fulfil their roles and responsibilities
- enhance the capacity of leaders to ensure a positive, dynamic and effective organisation and ensure innovative, high-quality service provision and
- enable staff members to capitalise on their strengths, resulting in enhancing employee contribution and engagement.

"The people are the greatest strength of this organisation. I have an extremely high level of confidence in the Executive Team and my colleagues."

"The culture of this organisation is outstanding. I've never worked in an organisation where staff achievements are celebrated and acknowledged in such practical (but also simple) ways."

"Innovation (exists) across all areas of the business – more specifically, a willingness to engage with and support new ways of doing things."

Investment in training and talent development

Learning and development was high on the agenda for Bridge Housing in 2017–18. Our commitment to learning and development and career opportunities helped improve our employee satisfaction scores in this area to their highest level since the commencement of our employee opinion surveys.

Bridge Housing continued to educate its staff members using face-to-face sessions, eLearning and on the job training. We have a robust training calendar that is directly linked to what people have requested in their personal development plans. We believe that by investing in the development of our staff, we are supporting employees' careers and their opportunity to feel in control and on top of things at work. This is reflected in our study assistance, study leave and training and conference budget provision.

Bridge Housing currently supports three employees completing higher education, including two Bachelor Degrees and one Masters of International and Community Development. A number of staff members are being supported to achieve Certificate IVs in Property Services and Social Housing.

Average 5 days of training per year per staff member

Training spend: **$119,000**

In 2017–18, we provided the following training opportunities:

Housing and community

- Working with Clients
- Tenancy Law for Non-Lawyers
- Introduction to Social Housing
- Represent the Organisation in a Court or Tribunal
- Unpacking the Complexity of Hoarding

Finance

- KMPG Treasury Management
- Introduction to Management Accounting

Cross-organisational

- Cultural Awareness Training
- Career Development Skills
- Giving and Receiving Feedback
- Manager as Career Coach
- Leadership Training
- Business Writing Skills and Advanced Writing Skills
- Bullying and Harassment (On Commencement)
- Preventing Violence Against Women
- Work with Clients within the Social Housing System
- Email Management
- Mary Gober Customer Service Training
- Fraud & Corruption
- GC21 Contract
- OHS Law
- Policy development.

During 2017–18, we continued to offer opportunities for career development by enabling employees to act up in more senior roles, achieve promotions, undertake secondments, and by maintaining a commitment to advertising all roles internally.

We offered 23 employees the opportunity for promotion and long-term secondments. In addition, a large number of staff members took on the opportunity of short-term acting-up roles. Offering these opportunities supports our growth plans and prepares people for succession, significantly reducing our risk.

Recognising our staff

Employee recognition was identified in the 2017 Employee Opinion Survey as one of three areas that would have the greatest impact on improving employee engagement. In December 2017, Bridge Housing launched our first formal annual award program – The Bridge Housing Values You Award.

The award was designed by staff members and aligns with our values and goals. The winner was awarded $1000 and the two runners up were awarded $500 respectively. We also continued our peer Thank You Awards, designed to give people the opportunity to recognise and celebrate their colleagues, in particular for cross-team collaboration.

The leadership and positive culture program discussed in previous sections encourages managers to provide immediate everyday feedback, encouragement and teaches the importance of recognition.

Total Rewards Program

Employee satisfaction with our Total Rewards Program was at a record high at 93 per cent, from 81 per cent in the previous year.

The program includes:

- an extra day off for each employee's birthday
- additional paid leave for the days between Christmas and New Year
- flexible working arrangements
- study assistance
- discount food and coffee from local retailers
- salary packaging
- peer Thank You Awards
- gym discounts
- weekly fresh fruit delivery
- annual influenza shots
- paid parental leave (above the government scheme)
- subsidised skin checks and quit smoking program
- Bridge Housing keep cups
- monthly massages
- bi-monthly reflexology
- Employee Assistance Program
- up to 12 weeks of parental leave.



Director Assets Theo Posumah at the We Are Here Now art exhibition

Health and Wellbeing Program

Our Health and Wellbeing Program in 2017–18 included a focus on building resilience, improving internal relationships and cross team communication. Employees are given an additional day of leave to participate in cross team volunteering days. In 2017–18, employees chose to volunteer to work with animals with the RSPCA or build furniture with Habitat for Humanity.

We continued to run monthly Reflection Group sessions for our frontline staff, facilitated by an external psychologist, to enable staff debriefings. The groups are set in a comfortable and non-judgmental environment where employees can share the challenges they face and possible ways to address the issues they encounter to facilitate a culture of sharing and continuous improvement.

For the fourth year in a row we held an eight-week training program for employees wanting to get fit and raise money for charity and paid the entry fee into the 2017 Blackmores Bridge Run. Twenty employees with a range of abilities and fitness levels walked, jogged and ran the nine-kilometre course, donating the $3,833 raised to Women's Community Shelters in Redfern.

All these events and programs align with Stay, Say and Strive to build cross team collaboration and improve team cohesiveness.

Our Employee Assistance Program was used by four employees through both face-to-face and telephone support.

Employee turnover

Our employee voluntary turnover rate in 2017–18 decreased to 21 per cent from 24 per cent in 2016-17. Ten permanent employees resigned and five temporary employees left due to contract expiry.

We undertake a comprehensive exit interview when an employee leaves, which provides additional information on our strengths and where we can improve. Of the 10 employees who resigned, 40 per cent cited a career opportunity, consistent with the lack of career opportunities identified in our Employee Opinion Survey results. A further 50 per cent cited personal reasons, including overseas relocation and family necessity, and 10 per cent cited a poor relationship with their manager.

We recognise that in some areas of the work, particularly housing management, the average employment period across the industry is about three years, owing to the demanding nature of these face-to-face positions.

We also believe that a certain level of turnover is healthy, as new employees bring fresh ideas, although the current turnover rate is slightly higher than our target range of 15 per cent. We will continue to work on our retention strategies to encourage and drive employee retention.

Our executive team remained stable throughout the year with one exception. Rebecca Pinkstone, General Manager Operations, went on parental leave and this provided an opportunity for Helen Tighe, Director of Housing, to act in her role, thus ensuring our operations are in safe and capable hands.

Equity, diversity and inclusion

Bridge Housing values and promotes diversity and believes that an inclusive culture is key to our success. In 2012–13, we formalised this commitment by approving a Diversity Policy. Our policy states that we are committed to workplace diversity, we value and respect our differences, and our workplace is fair, accessible, flexible, inclusive and free from discrimination and harassment. By drawing on a wide range of points of view, we can work to our full potential in achieving our business goals.

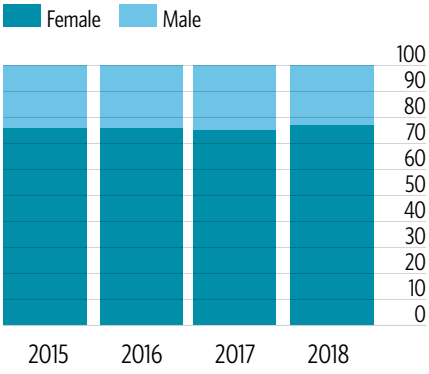
We have a Diversity Committee, chaired by the General Manager Operations, and sponsored by the CEO.

The role of the committee is to inform and assist Bridge Housing in promoting and encouraging diversity and inclusion by:

- providing advice and recommendations to the executive team and the Human Resources Committee regarding matters of diversity and inclusion
- looking for opportunities to celebrate diversity and inclusion in the workplace
- reviewing policies, procedures and other Bridge Housing documentation to ensure they align with the Bridge Housing Diversity and Inclusion Policy, and
- ensuring Bridge Housing employees are provided with ongoing training in diversity and inclusion.

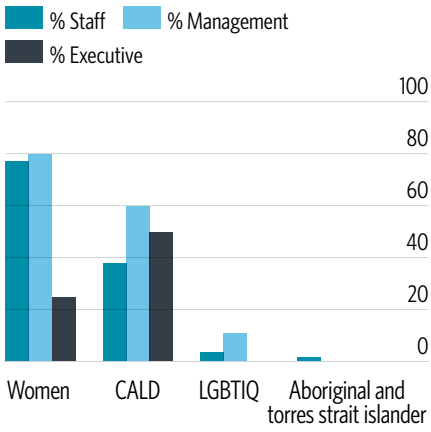
In 2017–18 we achieved gender parity on our Board and women now hold 50 per cent of board positions. Women at Bridge Housing represent 77 per cent of employees and hold 80 per cent of management roles. The percentage of women in executive roles is 25 per cent.

Gender
Employees (percentage), 2015-18



We embrace a culturally diverse workforce, reflecting the breadth of our community, applicants and residents. We have employees who speak Arabic, Cantonese, French, Greek, Vietnamese, Mandarin, Portuguese, Spanish, Swedish, Danish, Serbian, Croatian, Hindi, Italian, and Hungarian.

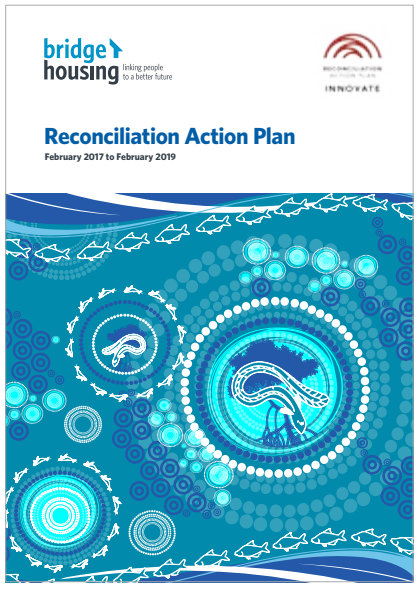
Diversity
Workforce diversity (percentage), 2018



In 2017–18 Bridge Housing celebrated NAIDOC Week, Harmony Day and International Women's Day.

Many of our staff members identify as LGBTIQ and this year Bridge Housing joined with other organisations to publicly support the Yes vote in the marriage equality postal survey in November 2017. This was a concrete way to show that Bridge Housing stood in solidarity with our LGBTIQ colleagues, friends and customers.

As part of the Reconciliation Action Plan, launched in February 2017, we developed a number of actions to engage our employees in cultural learning opportunities and increase our Aboriginal and Torres Strait Islander recruitment and retention.





Tenant Participation Officer Anna Barker

In 2017–18 we committed to advertising all external recruitment under our Aboriginal Employment Strategy and, as a direct result, we have increased our Aboriginal and Torres Strait Islander employment to two employees as of June 2018.

Our People Strategy – Stay, Say and Strive

The following are the key People and Culture strategic objectives and action for 2018–2019:

Attract, recognise, reward and retain quality staff

- review the Total Rewards Program, including the remuneration strategy
- review recruitment channels and arrangements, including preferred suppliers
- create an intern, graduate and trainee program.

Develop, train and support our people

- review and update the Learning and Development policy and program to deliver Business Plan objectives
- develop a proposal to introduce employee strengths profiling as part of the employee development plan
- explore external and internal mentoring and coaching opportunities to support development of Bridge Housing's staff.

Create a more flexible, fit for purpose workplace

- identify and secure a long-term accommodation solution for Bridge Housing's head office
- review the Diversity Policy and develop a Diversity and Inclusion Strategy
- review Bridge Housing's Recruitment Policy
- implement White Ribbon operational plan
- develop a Mental Health and Wellbeing Policy

Retain and build on our positive organisational culture as we grow

- implement SHMTP Change Management Plan and ensure regular communication and feedback to staff members
- embed the Accelerate, Strive and Flourish positive culture program
- undertake the Employee Opinion Survey and develop and implement an action plan in response
- onboarding and inclusion of Northern Beaches staff into the Total Rewards Program and develop strategies for inclusion (e.g. team building events, buddy system).

Our governance

Our governance principles are based on the eight ASX Corporate Governance Principles and Recommendations. We measure Bridge Housing's governance practices against the third edition, issued by the ASX Corporate Governance Council in 2014.

Governance principles

Our corporate governance principles ensure our directors address their corporate, legal, and financial and audit responsibilities and exercise reasonable care, skills and diligence in carrying out their duties. As a not-for-profit with charitable status, Bridge Housing has no obligation to adopt these principles, but as a leading community housing provider, we voluntarily follow the principles to reflect our commitment to good corporate governance.

Bridge Housing's actions in conforming to the aims of the ASX Corporate Governance Principles and Recommendations are detailed below.

1. Lay solid foundations for management and oversight

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

How we do this

The Board's primary responsibilities are to:

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

The Board meets every second month and has established three standing committees to help it consider and make decisions about operational matters:

- Finance, Risk and Audit Committee
- Asset and Procurement Committee
- Human Resources, Nominations and Marketing Committee.

When necessary, it may establish time-limited committees to deal with special issues.

Bridge Housing directors regularly review their own performance, conducting an independent review every two years and an internal review on the alternative year. The directors approved a Deed of Access and Indemnity at the October 2013 Board meeting for all directors and senior managers of Bridge Housing.

To assist new and existing directors, we established a Board Charter in December 2011. This augments the Bridge Housing Governance Principles by setting out the roles, 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 encouraged to undertake the Company Directors Course run by the Australian Institute of Company Directors (AICD) within the first year of their directorship.



Chairman Mark Turner awards prize at the 2017 AGM



Board members: Jill Hannaford, Gary Milligan, Carolyn Scobie, Mark Turner, Shirley Liew, Dick Persson AM, Graham Monk and Lynne Ready

2. Structure the Board to add value

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

To provide effective governance and direction to Bridge Housing, the Board seeks and appoints directors who meet the skill categories, and who, between them, can reliably carry out all the necessary functions of the Board.

How we do this

We regularly assess the skills held by Board members to identify gaps or areas that need enhancement so the Board can support our strategic plan and business plan objectives. We also advertise to get the best-qualified director for the position. Information about the skills, experience and expertise of directors and executives is available at www.bridgehousing.org.au and on page 40.

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

In July 2010, the ASX amended its Corporate Governance Principles and Recommendations to enhance diversity. The changes included the recommendation that listed companies adopt a diversity policy that sets measurable objectives for achieving gender diversity. Companies must report annually on their achievement against those objectives and on the proportion of women employed by the organisation, in senior management roles, and on the Board of directors.

The Bridge Housing Board determined that diversity on the Board and within the organisation encourages alternative views and is critical to effective governance and good organisational practice.

The Bridge Housing Diversity Policy, approved in December 2012, requires at least 40 per cent of directors to be of either gender. As at June 2018, we achieved 50 per cent representation of both genders on the Board with the appointment of two new directors, Jill Hannaford and Lynne Ready. Our 50 per cent representation compares with 40 per cent in the charities sector, 30 per cent for ASX 100 companies and 40 per cent for federal government boards.

Bridge Housing's Diversity Committee, chaired by the CEO, is currently reviewing the company's Diversity Policy to develop a Diversity and Inclusion Strategy in 2018–19.

What we did in 2017–18

We have engaged Company Matters to facilitate the process of separating the Company Secretary function from the CEO's role. This separation will be completed in 2018-19. The Board is of the view this course of action will reduce any potential conflict of interest that may arise if the function is left with the CEO or delegated to any executive members who report to the CEO.

As noted above, two new directors, Jill Hannaford and Lynne Ready, were appointed, increasing the number of directors to eight. Bridge Housing's Constitution limits the Board to nine directors. Both directors bring skills and expertise in social and community housing management, social policy development and community welfare to help us meet our strategic objectives over the next five years.

With these skills, they also enhance our response to Future Directions, the NSW Government's 10-year plan for social housing, as the plan focuses on linking housing with positive social outcomes for tenants through the provision of support services, access to education and training, and measuring outcomes through the Human Services Outcomes Framework.

3. Promote ethical and responsible decision-making

The Board ensures that Bridge Housing conducts its business to the highest standards of honesty, integrity, respect and fairness when dealing with customers and employees.

How we do this

Bridge Housing adheres to the highest ethical principles, which are expressed in the following policies and documents:

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

In 2011–12 Bridge Housing adopted a set of values that provided the framework for the culture and behaviours required of our directors and staff. Our values are listed on page three. The Statement of Business Ethics sets out the standards of behaviour required by those who do business with Bridge Housing, and guidelines for appropriate relationships between directors and employees and those we do business with. Our suite of ethics policies ensures that directors, the executive team and other staff members act to the highest ethical standards.



Board member Garry Milligan with residents and staff

To enhance our whistleblower policy, we renewed the online reporting portal with On Call to enable Bridge Housing employees, vendors, suppliers and customers to report fraudulent activity. No reports have been made on Bridge Housing's activities in the two years this facility has been available. More details are available at www.bridgehousing.org.au.

4. Safeguard integrity in financial reporting

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

How we do this

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

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

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



Members vote at the 2017 AGM

Our Five-Year Report Card, on page 84, provides both quantitative and qualitative performance KPIs. Since 2013, we have augmented the report card with additional commentary on our key financial viability measures to explain the importance of these indicators to our stakeholders.

Bridge Housing is constantly seeking to ensure its business systems and processes are evaluated to ensure good practice and that the Board is able to keep the executive accountable. We have undertaken Internal Audits since 2012. We protect the independence of our internal audit process by creating a direct reporting line to the chair of the Finance, Risk and Audit Committee, and to the Board.

The Board believes that external auditor rotation is important to maintain objectivity and independence, and to adhere to the principles in the *Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004* (also known as CLERP 9). BDO was appointed in November 2013 as our external financial auditor, and reappointed for the 2016–17 financial year.

What we did in 2017–18

The outcomes of the internal audit are detailed in the Finance and Corporate Services Report on page 76.



Residents at the 2017 AGM

5. Make timely and balanced disclosure

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

How we do this

Bridge Housing is not subject to the ASX Continuous Disclosure rules but adopts them as guiding principles. As a leader in the not-for-profit and community housing sectors, we are committed to a culture of strong governance and transparency.

Our transparency and governance has been externally reviewed and validated through the PwC Transparency Awards from 2011 to 2013, the Australasian Reporting Awards and the NSW Awards for Excellence in Community Housing.

The community housing regulator, the National Regulatory System for Community Housing (NRSCH), requires providers to notify the primary registrar about any incident, and their response to it, that is related to their operations and which damages or has the potential to damage the reputation of the community housing sector. This is part of Probity Performance requirement 5(d) of Performance Outcome 5 in the NRSCH Evidence Guidelines.

Bridge Housing's Notifiable Incidents Policy also guides our practice in this area. There were no notifiable incidents during 2016–17. Our Media Policy delegates media comments to the CEO or Chairperson.

What we did in 2017–18

Bridge Housing received our sixth consecutive Gold Award for our Annual Report 2017 in the 2018 Australasian Reporting Awards. We are one of the few not-for-profits and the only community housing provider in Australia to have achieved Gold Awards.



Residents read the 2017 Annual Report

6. Respect the rights of Bridge Housing members

The Board will ensure that Bridge Housing has policies, systems and procedures that promote the interests and rights of members and allow them to effectively exercise those rights.

How we do this

Bridge Housing has members but, as a not-for-profit, has no shareholders. We hold our Annual General meeting in November and make our Annual Report available to our members and other stakeholders through our website or office. The Chairman and the CEO report to members at the AGM, and directors are available to answer any questions.

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

7. Recognise and manage risk

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



2017 AGM guest, Professor Bill Randolph of the UNSW City Futures Research Centre

How we do this

Our comprehensive Risk Management Plan identifies internal and external risks that might hinder us in fulfilling our Strategic Plan and Business Plan objectives.

Since 2013, Bridge Housing has developed an enterprise risk management framework using AS/ NZS ISO 31000:2009. The board formally approves the Risk Management Plan annually, with the status and mitigation actions of high-rated risks reported quarterly to the Board by the management team. The Risk Management Plan 2017–18 is discussed in the Finance and Corporate Services Report on page 76.

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



Residents speak at the 2017 AGM

During the year, the Board approved an internal audit program for 2015–18.

What we did in 2017–18

To complement our overall Risk Management Framework, the Board adopted a Risk Appetite Statement (RAS). The Risk Appetite Statement sets out our willingness to take on or retain risk. Details of the RAS is found in the Finance and Corporate Services Report on page 76.

8. Remunerate fairly and responsibly

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

How we do this

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

As noted in principle 1, the Bridge Housing Board Charter also allocates a training budget of $2,000 per annum for each director and pays for Board members to undertake the Company Directors Course, which is facilitated by the AICD.

Executive salaries are set via regular remuneration reviews undertaken by an independent and expert remuneration firm such as Mercer's. They take into account salaries for comparable positions in the community service and government sectors.

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

Board attendance

During the financial year, six board meetings were held in addition to committee meetings.

	Board		Assets & procurement		HR & nominations		Finance, risk & audit	
Chair	**Mark Turner**		**Gary Milligan (5) Mark Turner (1)**		**Dick Persson AM (3) Carolyn Scobie (3)**		**Shirley Liew (3) Graham Monk (3)**	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Mark Turner	7	7	6	5				
Jill Hannaford*	3	2					2	0
Shirley Liew	7	6					6	6
Gary Milligan	7	6	6	5				
Graham Monk	7	7					6	6
Lynne Ready*	3	2	2	0				
Dick Persson AM	7	7			6	3		
Carolyn Scobie	7	6			6	6		

A: Eligible Meetings **B:** Attendance
*Jill and Lynne were appointed to the Bridge Housing Board in February 2018

Spotlight 4: White Ribbon accreditation

Bridge Housing was awarded White Ribbon accreditation in October 2017 after an 18-month process to develop a comprehensive response in the workplace to violence against women. We are now officially recognised by White Ribbon Australia as a pioneer in national cultural change to prevent and respond to violence against women.

The White Ribbon program builds on existing gender equality and diversity initiatives developed by Bridge Housing, and provides tools to strengthen a culture of respect and gender equality at all levels of the organisation. It supports our organisational efforts to respond to and prevent violence against women in our wider community.

Bridge Housing provides and partners with others to provide services and support for women and their children experiencing domestic violence. Our employees who are involved in providing these invaluable services may at some stage themselves experience domestic violence.



At Bridge Housing we recognise that domestic violence disproportionately affects women. In Australia, 15–17 per cent of women are affected by domestic violence at some time in their lives. Of those women, two-thirds are in paid employment.

Paid work plays a critical role in providing the financial stability to enable women to leave abusive relationships and to recover from abuse. The workplace also has a key role to play in supporting women and providing the flexibility to enable them to take action against violence whilst maintaining their employment.



Staff at the White Ribbon Day morning tea



The Violence Against Women Working Group with our White Ribbon Accreditation

Bridge Housing's journey towards accreditation began in 2016 with our CEO John Nicolades taking a stand to support the campaign to stop violence against women and make it a workplace issue, establishing and chairing Bridge Housing's Violence Against Women Working Group.

To attain White Ribbon accreditation, Bridge Housing underwent a rigorous process that required us to provide evidence against 15 criteria under the following three standards to create a safer and more respectful workplace:

1. **Leadership and commitment**
2. **Prevention of violence against women**
3. **Responses to violence against women**

The program was embedded across the organisational and at all levels. Key initiatives included:

- forming a Violence Against Women Working Group to support activities and programs, which was and continues to be chaired by John Nicolades
- Developing a Domestic Violence in the Workplace Policy
- initiating a Domestic Violence Leave Policy, which provides up to 10 days Special Leave for employees experiencing domestic violence
- providing e-learning training and education for all employees to prevent, identify and respond to victims of violence. The training has been embedded in our induction process and all existing employees complete the training annually
- creating relationships and formal partnerships with support providers
- reviewing key policies and programs to ensuring they promote gender equality
- encouraging discussion and pathways for raising identified barriers to equality, both in the workplace and in the communities in which we operate
- developing and implementing a White Ribbon operational plan to continuously evaluate and improve our performance.

The Accreditation Report deemed Bridge Housing's Domestic Violence in the Workplace Policy, and our Domestic Violence Leave Policy 'best practice'. The report also sets out a series of next steps to ensure we effectively communicate and identify areas of work as part of our Three-Year Continuous Improvement Plan.



CEO John Nicolades and Caitlin McDowell at the White Ribbon Trivia Night

Operations report

The Operations team is at the heart of Bridge Housing's customer service delivery, including tenancy management services; housing allocation; asset management; and it leads Bridge Housing's community building and tenant engagement.



Left to right: Business Systems Manager Robert Mazzucci; Acting GM Operations Helen Tighe; Director Assets Theo Posumah; Sustainable Communities Manager Sarah Kingsbeer; Executive Officer Caitlin McDowell; Acting Director Housing Sarah Barclay; Team Leader Assets Bronagh Loy; Team Leader Pathways Krystal Moores; HomeGround Manager Terry Livingstone.

This section of the Annual Report:

- presents the Operations team highlights for 2017–18
- reports on how the Operations team has delivered on its critical success factors
- provides an overview of the key activities undertaken during the year
- outlines our objectives for 2018–19.

Highlights of 2017–18

In 2017–18, the Operations team:

- won, in partnership with the Women's Housing Company, the NSW Government's Social Housing Management Transfer Program on Sydney's Northern Beaches and will manage 1,200 tenanted properties from August 2019
- launched our social enterprise HomeGround Real Estate Sydney to provide additional housing options for people on low-to-moderate incomes across Sydney and to invest the profits into the provision of new housing
- won, in partnership with NEAMI, the Supported Transitional Engagement Program (STEP) tender, securing $10 million over four years to provide 90 new long-term housing options under a housing first approach
- won the retendering of the Waverley Housing Program to secure ongoing management of 79 social and affordable housing properties in the Waverley area
- won, in partnership with Achieve Australia, the Disability Housing tender to manage 28 group homes and support 130 people with a disability to live in the community
- completed the transfer of 54 properties at Balmain and South Coogee as part of the Social Housing Management Transfer Program Phase 1

- allocated 48 new properties in Elger St, Glebe to people over the age of 55 under stage 1 of the Cowper Street redevelopment project and the acquisition of new properties by Bridge Housing
- implemented the final year of our Building Bridges community building and engagement strategy to achieve a 14 per cent total engagement, well over target of 10 per cent
- achieved an overall satisfaction rate of 84 per cent for our housing services
- achieved an overall satisfaction level of 92 per cent for our responsive maintenance services.

Critical success factors

The Operations team played a key role in delivering the following critical success factors to meet the goals of our Strategic Plan 2015–18 and Business Plan 2017–18.

Enable strategic portfolio growth

The Operations team's job is to support strategic portfolio growth that delivers quality homes and services. It contributes to this by managing new properties acquired and transferred to Bridge Housing through fee-for-service arrangements for affordable housing, and by developing partnerships to grow our portfolio of properties under management.

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



Sweet Ayuson, Arti Singh-Otuhiva and Michele Dobson at the staff end-of-year celebration

Deliver quality homes and services to our residents

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

Ensure business sustainability

Operations also worked closely with the Finance and Corporate Services team to help achieve the critical success factor of 'ensuring business sustainability'. This was strengthened this year through the implementation of the Bridge Housing Operating Model, which resulted in improved business sustainability outcomes, such as lower rental arrears.

Operations plays a critical role in ensuring the financial sustainability of Bridge Housing by ensuring the organisation's arrears, vacancies and voids were kept to a minimum to reduce revenue loss, and reviewed rents every six months to ensure our residents were paying the correct rent.


Resident artist Ray and Acting GM Operations Helen Tighe at We Are Here Now art exhibition

Business Plan 2017–18

The Operations team played a key role in helping Bridge Housing meet the critical success factors laid out in our Business Plan 2017–18, as shown below.

Key: completed in progress not completed

Measure	How did we do?
Strategically grow the portfolio to meet affordable housing needs in the community	
Tenant new social housing dwellings in the following redevelopments i) 48 units in Elger Street, Glebe ii) 8 units in Greenacre iii) 16 units in Padstow iv) 12 units in South Granville	Completed
Successfully take on the management of 54 tenanted and vacant public housing properties under Stage 1 of the Social Housing Management Transfer Program	Completed
Launch HomeGround Real Estate Sydney and secured 48 new affordable and private rental properties for lease to establish a not-for-profit real estate agency	HomeGround Sydney launched
Begin implementation of transition plan for Social Housing Management Transfer Program in Northern Beaches	Service package secured, implementation team commenced operations
Deliver quality homes and services to our residents	
Implement final year of the Building Bridges strategy and commence consultation for new version	84 per cent of projects completed, 8 per cent in progress, 8 per cent not completed
Implement the Good Neighbours Project to encourage positive neighbourhood relations	Two workshops delivered, one in Guildford and South Coogee
Implement the Our Place Green Space initiative to give tenants a say in their built environment	Completed Balmain common area beautification project with the installation of new garden beds and furniture including individual building block signage in consultation with the tenant community, held 6 community greening workshops
Implement the Bridge Housing in Communities initiative to celebrate and strengthen our connections with residents and communities	Bridge Housing is a regular participant in community events held for NAIDOC Week, Sydney Homelessness Connect, Mental Health Week and the Yabun Festival We Are Here Now Exhibition, involving 14 tenant artists, mounted at 107 Projects, Redfern, during Reconciliation Week 2018 in May Bridge Housing launched bi-lingual tenant workshop series, Time to Talk, for Harmony Day 2017.
Implement the Big Ideas Grants program to provide resourcing for tenants who want to work to improve outcomes for the tenant community	Three projects were funded in 2017–2018: Maddad drumming group funded and performed at Riverwood Community Centre; Block meeting BBQ for residents at Cantrell Street; and common area garden furniture.
Implement first place-based initiative under Places People Want to Live Strategy	Planning commenced but activity deferred until 2018–19 to align with the handover of the Northern Beaches package under the SHMTP

Key: completed in progress not completed

Measure	How did we do?	
Develop a range of new housing policies and procedures to support clear, transparent decision-making and quality service delivery		Developed and/or reviewed a number of new policies including Management Transfers, Tenant Refund and Child Protection, Tenant Damage and Request for Modifications
Conduct annual review of Support Partners Strategy to ensure we support sustainable tenancies for clients with complex needs		Completed review of strategy and updated internal procedures to improve outcomes
Implement the Streets Ahead initiative to support tenants to improve their access to education, work experience and employment opportunities		Bridge Housing Scholarship Program for Residents and Children developed with input from tenants and staff were launched in October 2017 and first round allocated by end of June 2018 Successfully tendered with CoAct to implement Bridge to Work, an Australian Government program to provide residents with intensive case management support to access employment and education opportunities, starting in 2018–19
Implement the Local Links initiative to reduce social isolation of tenants and improve connections with community services		Staff members regularly attend housing and homelessness inter-agencies across our operating area
Implement new head contractor model for Fire Safety		New fire safety contract started in July 2017
Develop Bridge Housing's outcomes framework and implementation plan		Bridge Housing's outcomes framework The Difference We Make was launched in July 2017 and further refined with input from tenants, staff and industry peaks through 2018. Awaiting finalization by NSW Government to commence reporting
Review auditing regime with maintenance providers to drive quality service delivery		Review completed and new audit approach adopted
Effective governance		
Work closely with tenants to ensure they have a real say in our operations and planning		Year 1 of the Reconciliation Action Plan completed including participation in celebrations of National Reconciliation Week and delivery of We Are Here Now. Tenant art exhibition developed with ATTAG members for all tenants. Development of Aboriginal branding to strengthen tenant and stakeholder engagement and held three Time to Talk workshops with specific tenant communities: Vietnamese, Mandarin and LGBTQI Reconciliation Action Plan developed and launched in March 2017
Ensure business sustainability		
Keep arrears at or below the regulator benchmark of under 2 per cent		Arrears at 1.74 per cent in June 2018
Keep voids and vacancies at or below the sector benchmark		Voids were an average of 24 days during 2017–2018 Vacancies were an average of 15 days during 2017–2018
Achieve tenant satisfaction with asset maintenance services of at least 75 per cent		Achieved 92 per cent overall satisfaction with maintenance services
Continue a strategic whole-of-life approach to asset management		Achieved the upgrade of 150 properties including common areas valued at $1.2 million in South Coogee and Balmain

Delivering quality services to applicants and tenants

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

This year was particularly busy for the team as we took on the management of 139 new social and affordable housing properties, including management of 28 new group homes where 130 residents share accommodation managed by Bridge Housing and are supported by Achieve Australia.

Applying for housing

Demand for affordable housing, including social housing, far exceeds supply in NSW, as discussed in Housing affordability on page 24. The Bridge Housing Pathways team assesses applications for social housing assistance and allocates Bridge Housing properties to applicants from the NSW Housing Register. The team also assesses applications for and allocations to our affordable housing properties.

During 2017–18, the Pathways team assessed 287 applications for social housing assistance – an average of 24 applications per month. This represents a decrease of 65 from the previous year and may be a result of the Department of Family & Community Services (FACS) implementing new telephone and online application processes.

The Pathways team completed 408 allocations, including transfers, into Bridge Housing's property portfolio during 2017–18 – an average of 34 allocations per month. This represents a substantial increase of over 20 per cent on the previous year's 340 allocations. We attribute this to an increase in the number of properties under management, specifically a much higher number of social housing properties and some new affordable housing properties. We prioritise allocations to our properties using the Bridge Housing's Allocations Policy to ensure current tenants of Bridge Housing and applicants from the NSW Housing Register are provided with suitable housing based on their household needs. See also Spotlight 3: Housing Pathways on page 44.

In 2017–2018 we completed fee-for-service allocations work for CatholicCare to support their allocations to social housing properties. We also received a grant from FACS to provide specialist training and induction materials and support on Housing Pathways for new providers through the Social and Affordable Housing Fund

Bridge Housing is an experienced affordable housing manager with one of the largest portfolios in NSW. This includes affordable housing programs in the Waverley Council, City of Canada Bay Council and Sydney Olympic Park Authority. In addition, we manage privately owned affordable housing, secured through the Affordable Housing SEPP, at Bondi Junction, Strathfield and Canterbury. These fee-for-service arrangements with private developers provide alternative affordable housing options for very low, low, and moderate-income earners.

Managing tenancies

Bridge Housing has two tenancy teams, focusing on the east and western Sydney areas of our portfolio. Together our team manages 1,915 tenancies and provides housing for 3,422 people.

Each of the east and west operating regions is a defined geographic area with a team leader and five housing managers. One housing manager focuses on arrears and the other on the Disability Housing Program.

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

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

In 2017–18, Bridge Housing dedicated a new housing manager to manage the Disability Housing Program. These properties are governed by a complex agreement developed by the NSW Government to comply with NDIS requirements and support residents to transition from large residential settings to shared living arrangements. This role requires skills in relationship management, as it entails working closely with our partner organization Achieve Australia to deliver accommodation services for clients and negotiate regularly with families and other external parties on their behalf, including the Trustee and Guardian.

Rent review

Bridge Housing undertakes rent reviews twice a year to ensure organisational sustainability. Our biannual rent review is a resource-intensive process involving 1,895 tenancies (excluding fee-for-service affordable properties). This financial year we further streamlined our business processes by applying an approach that reduced the amount of paperwork supplied by households where there was a pre-existing external agreement to share information electronically. This change in administration built upon our improved automation of the rent review to reduce the internal and external administrative burden. This has further reduced errors and driven efficiencies by reducing the time taken to process the rent review.

These changes have significantly reduced the number of appeals, queries and complaints we receive throughout the rent review period, and we have registered an overall improvement in tenant satisfaction as a result of these changes. With the right allocation of resources, Bridge Housing can proactively and efficiently approach each rent review, offering a high level of customer service and a streamlined process.

In 2017–2018, we increased our gross rent by approximately $272,202 per annum.

Housing the homeless

Bridge Housing is committed to assisting the most vulnerable people to access and sustain social housing. In 2017–18 we continued to provide a housing first approach to rough sleepers through Connect 100. We also regularly meet with and review our support partnerships

through the implementation of our Support Partner Strategy.

In 2017–18 Bridge Housing received funding from FACS to provide eight additional transitional housing properties in the private rental market for women and children experiencing domestic and family violence. These properties were secured for the Aboriginal Women and Children's Crisis Service and St Vincent De Paul. The funding was initially allocated for two years and has been extended for a further year.

To better serve the needs of women and children impacted by family violence, Bridge Housing piloted new tools and resources developed by the Community Housing Association of NSW for community housing providers.

Community building and engagement: Building Bridges

Bridge Housing recognises the importance of involving our tenants, residents and wider communities in the way we deliver our services, as this is the key to service improvement. We are committed to community development and to creating and supporting sustainable communities and neighbourhoods in which people want to live.

Our three-year Building Bridges strategy provides a clear direction for our community building and engagement activities.

In 2017–18, the final year of Building Bridges, we:

- held 14 block meetings across the portfolio so tenants could meet with staff and their neighbours to discuss issues and identify opportunities to improve their neighbourhood
- conducted two Good Neighbours Workshops in Coogee and Guildford, explaining our policy and offering tenants tips to manage disagreements or disputes with neighbours and introducing the Community Justice Centre and mental health first aid
- worked with the Aboriginal and Torres Strait Islander Tenant Advisory Group (ATTAG) to deliver We Are Here Now, a tenant art exhibition for National Reconciliation Week 2018 (see Spotlight 5. We Are Here Now on page 68)



Residents at Mandarin Time to Talk

- produced Our Place, a quarterly tenant newsletter
- continued Your Views ePanel and tenant workshops to enable tenants to contribute and have a say in our service delivery by reviewing policy and procedures
- delivered three Time to Talk workshops for specific tenant communities: Vietnamese, Mandarin and LGBTQI
- provided opportunities for engagement with children and young people through Orbit, in partnership with Weave and The Settlement, which were attended by 64 children
- launched our Young People's Engagement strategy, focusing on digital communications and social media
- provided funding for three Big Ideas grants including a multicultural community event, common area garden furniture and a tenant-led Block Party
- delivered six Community Greening workshops across three sites, including consultation workshops with tenants for the Balmain common area beautification project
- launched the Advance Scholarship program, providing funding for tenants to access education and employment opportunities
- developed Building Bridges 2018–21, Bridge Housing's community development and engagement strategy, with input from 170 residents and all staff.

Maintaining homes

The Assets team is responsible for delivering Bridge Housing's planned, responsive, and cyclical maintenance to our 2,244 properties. This ensures that our properties are safe, clean, habitable and meet tenant needs.

The NSW Land and Housing Corporation audits Bridge Housing properties through its Property Assessment Survey (PAS) program to ensure compliance with maintenance standards. The 2017–18 audit shows that 97.5 per cent of our properties are well maintained or maintained, providing strong evidence of our proactive asset management approach. This year we spent $4.3 million on planned, responsive, cyclical and leasehold maintenance.

Maintenance systems

We continued to prepare for future growth by implementing our head contract model, with the commencement of our Fire Safety Maintenance service in late 2017. This followed on from the successful implementation of head contractors for Planned, Vacant and Responsive Maintenance, and Lawns, Grounds and Cleaning Maintenance in the last 2 years.

An internal audit was carried out on our asset planning framework, which found our framework to be comprehensive, robust and sound, but identified that our IT system required updating to support the activities undertaken in this area. We have scheduled an upgrade to our system in 2018–19. This will also assist us to manage our future contractual obligations under the Northern Beaches Social Housing Management Transfer, which starts in August 2019.

Planned maintenance

Bridge Housing has a diverse portfolio of 2,203 properties and more than 30 per cent of our capital properties were built 50 or more years ago. This represents a significant risk. Our planned maintenance program is critical to managing that risk; understanding and costing our long-term maintenance liability, and ensuring our properties meet regulatory standards. We do this by completing property audit/condition report (technical scopes) every three years. This year we completed more than 449 technical scopes.

During 2017–18, we completed planned maintenance to the value of nearly $1.7 million on 222 properties, including common areas. Most of the expenditure was spent on three large projects and life cycle upgrades. The largest project was the completion of life cycle upgrade works to 13 unit blocks (128 units and common area works) at Wauchope Crescent, South Coogee. This builds on the streetscape upgrade works in the area carried out in 2016–17.

We also completed replacement of windows and other life cycle upgrade works to 99 Elliot Street, Balmain, continuing the window replacement program undertaken in previous years in the Balmain estate. The other major works undertaken were rectification of water proofing works and other associated upgrades to balconies at 161–167 Excelsior Street, Merrylands.

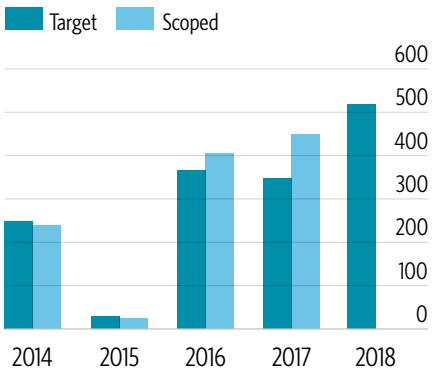
Responsive maintenance and cyclical maintenance

In 2017–18 we completed 4,184 responsive maintenance work orders to the value of $1.2 million. Responsive maintenance works resolve immediate issues or address failures of items such as toilets and hot water systems.

In 2017–18, most work comprised plumbing works (27 per cent), handyman/builder works (32 per cent) and electrical works (20 per cent), with smaller expenditure on items such as cleaning (1 per cent), repairing appliances (6 per cent) and locksmiths (8 per cent).

In 2017–18, we completed cyclical maintenance services to the value of $929,777. Cyclical maintenance is carried out on an agreed cycle, which can be annually or at other intervals.

Technical scopes
Properties scoped, No 2015-19



Our major cyclical maintenance works included cleaning, lawns and grounds maintenance, fire safety, technical scoping and termite/pest control, with smaller amounts spent on lift safety, roof and gutter repairs, and hydraulic services programs.

Leasehold maintenance

In 2017–18 we managed over 2,000 responsive maintenance requests to the value of $388,000 to 636 properties we lease from the private rental market.

Our leasehold maintenance expenditure also incorporates costs associated with the end of tenancy and handback of properties to private owners and real estate agents, including handback compensation, repairs, maintenance works and removals.

Disability housing maintenance

In February 2018, Bridge Housing commenced management of 28 disability housing group homes in six locations in Western Sydney, in partnership with Achieve Australia. Eighteen of the properties were recently built, with some still under the defect liability period.

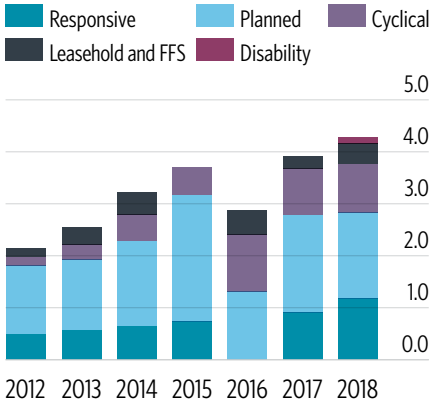
We have successfully embedded these properties into our portfolio, taking over responsive, cyclical and planned maintenance responsibilities, including maintenance of a sewer treatment plant at one site.

In the five-month period we completed maintenance services to the value of $121,000.

Assessing our service delivery

Bridge Housing strives to continually improve our performance by seeking

Maintenance
Maintenance by category ($millions), 2012-18



tenant feedback on our service delivery. Our principal tools are:

- Tenant satisfaction survey conducted by the NSW Community Housing Industry Association
- Repairs and Maintenance Survey
- Mystery shopping undertaken by Customer Service Benchmarking Australia biennially.

Our Tenant Survey

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

Since moving to a biennial survey in 2015, we have revised the Tenant Satisfaction Survey to align with our outcomes framework The Difference We Make.

We conducted our most recent tenant survey in 2017. Overall, the results from this survey highlighted a satisfied tenant community across the key areas of house and home: health and safety; work, learning and financial wellbeing; and social and community connections.

From 2019, Bridge Housing will return to an annual Tenant Satisfaction Survey to align with the reporting requirements for the Social Housing Management Transfer Program (SHMTP) set by the Department of Family and Community Services.

The 2019 survey will be available for tenants to complete in January and February 2019. Results will be released in mid-2019.

Repairs and maintenance survey

In addition to our annual tenant survey, for every responsive

maintenance work, Bridge Housing provides the tenant with a repairs and maintenance satisfaction survey to track our performance. Our return rate is 16 per cent.

In 2017–18, 87 per cent of tenants stated they were 'satisfied with the service' provided by Bridge Housing. This was consistent with our results in 2016–17.

The survey acts as a supplementary audit and augments our annual Tenant Survey by monitoring satisfaction with quality of work, responsiveness of service request, and contractor performance.

Tenant mystery shopping

Bridge Housing is scheduled to undertake its next Customer Service Survey in 2019. As in previous years, the survey will be conducted by Customer Service Benchmarking Australia.

We conducted our most recent Customer Service Survey in 2017. Fourteen Bridge Housing tenants were recruited and trained as mystery shoppers and tested Bridge Housing's performance in telephone, face-to-face and email based customer service.

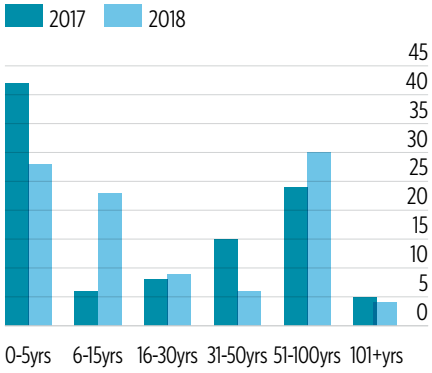
Assessment results showed a continued improvement in the standard of Bridge Housing's service, scoring in the 'satisfied customer' range across all three delivery channels.

2018–19 Operations objectives

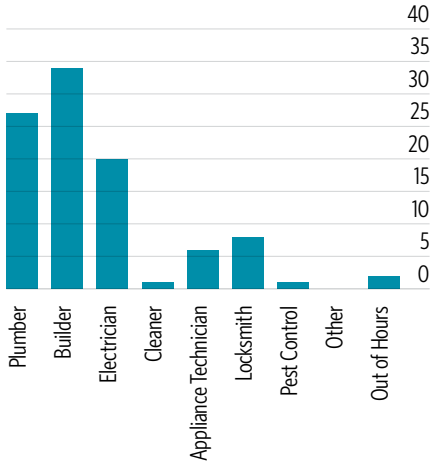
As well as maintaining high quality applicant, tenancy and asset management functions through the implementation of the Bridge Housing Operating Model, the Operations team aims to:

- achieve 80 per cent or higher satisfaction levels for asset maintenance and housing services in the Annual Tenant Survey and maintenance survey
- tenant 110 new tenancies under Stage 2 of the Elger Street, Glebe redevelopment
- commence implementation of the Social Housing Management Transfer Program in the Northern Beaches through engagement with tenants and other stakeholders
- grow HomeGround Real Estate, a new social enterprise of Bridge Housing, by 150 tenancies
- implement year 1 of Building Bridges 2018–21 Community Building and Engagement Strategy
- implement an action plan to support quality customer service in partnership with tenants
- continue to review and update a range of housing and assets policies and procedures to support clear, transparent decision making and quality service delivery
- implement Bridge to Work, our new employment support program, in partnership with CoAct
- achieve higher than 45 per cent response rate for our tenant satisfaction survey
- develop the indicators to support Bridge Housing's outcomes framework, The Difference We Make, in consultation with tenants and FACS policy directions.

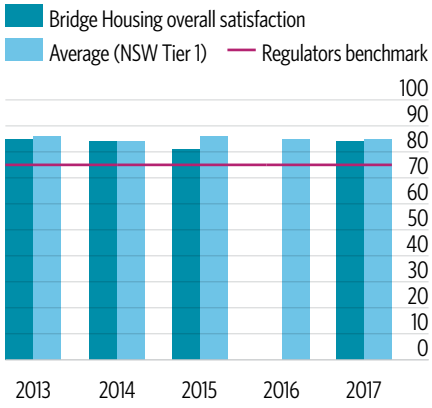
Property age
Percentage of capital properties, 2017-18



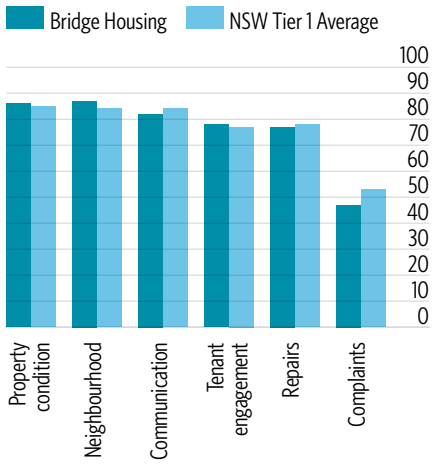
Responsive maintenance
Percentage of work orders by trade, 2018



Tenant satisfaction
Overall satisfaction as a percentage, 2013-17



Tenant satisfaction
Comparison with average percentage, 2017



Spotlight 5: We Are Here Now

To celebrate National Reconciliation Week 2018, Bridge Housing worked closely with the Aboriginal and Torres Strait Islander Tenant Advisory Group (ATTAG) to stage a tenant art exhibition entitled We are Here Now at Studio 107, Redfern, in May.

The ATTAG is a proud group of Aboriginal people from diverse Aboriginal nations who developed the exhibition to educate, share and inspire, and support exhibiting artists whose stories are not always heard. The title also reflected the 2018 National Reconciliation Week theme 'Don't keep history a mystery'.

We are Here Now showcased the artworks, sculptures and crafts of 19 Bridge Housing residents from a variety of culturally diverse backgrounds, including Indian, Brazilian, Serbian, Ukrainian, Russian, Irish, Jamaican and Aboriginal and Torres Strait Islander Australians.

We Are Here Now enabled tenant artists to tell their stories, demonstrate their response to the white settler narratives of Australian history, and explore the parallels within their own history that inspired their work. We Are Here Now communicated that the conquest and dispossession of Indigenous Australians is not just historical but ongoing. It also celebrated how Indigenous Australians have survived and thrived, and deserve recognition today.

More than 100 people – including many residents, staff, Sydney Lord Mayor Clover Moore and members of the public – attended the opening night of We Are Here Now. The exhibition was formally opened by CEO John Nicolades and featured two tenant artists from ATTAG performing powerful spoken-word and storytelling pieces. The exhibition ran for five days and three tenants publicly sold their exhibited work. One of the exhibiting tenant artists has since gone on to exhibit and sell his work in a public exhibition with plans to continue exhibiting and selling other works.

Bridge Housing is committed to providing tenants with positive opportunities to become involved with the local community. This is demonstrated through our Building Bridges Community Engagement initiatives, such as the celebration of National Reconciliation Week. We Are Here Now was a beautiful reflection of the diversity, depth, talent and capabilities of the Bridge Housing tenant community.



Sydney Lord Mayor Clover Moore and CEO John Nicolades

Justin Adams

I've been drawing, not painting, for about three years and this is easily the biggest experience I have had with my art. The quality of the art in the exhibition is exceptional. I'm actually surprised and amazed!

Dipika Bhatt

It is an honour and privilege to be participating in this art exhibition. This is such an encouragement as an artist because my work is recognised here and someone is supporting me and encouraging me, inspiring me. I want to thank Bridge Housing and the organisers (for) a wonderful opportunity to express how I feel as an artist.

Ray Morgan

It is such a privilege for me to be in this exhibition, to share my work with other people and have feedback about my art. To do that, it makes me happy.



Guest at We Are Here Now



Guests at We Are Here Now



Aboriginal storyteller Jennifer Thomson



Resident artist Dipika

Development report

The Development team is responsible for managing and delivering Bridge Housing's development projects, property acquisitions and tendering opportunities to increase Bridge Housing's social and affordable housing portfolio.

This section of the Annual Report presents:

- highlights for 2017–18
- our team's delivery of its critical success factors
- an overview of activities undertaken during the year
- our objectives for 2018–19.

Highlights for 2017–18

The Development team completed a number of developments and was successful in several new tender opportunities. Projects included:

- The completion of 158 seniors' housing units at Elger Street, Glebe. Stage 1 was completed in January 2018 and Stage 2 was completed in June 2018. The property, estimated to be worth $35 million, was vested to Bridge Housing on 20 June 2018. See Spotlight 6: Elger St Glebe on page 74.
- Project management for the Land and Housing Corporation of four sites to deliver 50 units – 36 units have been delivered across three sites with the remaining 14 units to be delivered by November 2018
- Secured two NSW Government tenders to take ownership of 11 one-bedroom affordable housing units in Leichhardt
- Won, in partnership with Achieve Australia, a tender for the property and tenancy management of 28 group homes across the Sydney Region providing accommodation for 130 intellectually disabled people.
- Lodged a successful expression of interest for the NSW Government's Social and Affordable Housing Fund Phase 2 (SAHF2). SAHF2 seeks to deliver 1,200 new social and affordable housing properties, 900 of which will be located within the Sydney metropolitan area
- Published the first edition of Bridge Housing's Design Guidelines
- Awarded $1 million from Family and Community Services to deliver additional social housing
- Executed ownership and management agreements with Waverley Council for Roberts Road Randwick and established a Project Commencement Group to commence the refurbishment works.



Project Management Site, School Parade, Padstow completed May 2018

Critical success factors

The Development team plays a key role in delivering the following critical success factors in our Strategic Plan 2015–18 and Business Plan 2017–18:

- Meeting affordable housing need by increasing our property portfolio
- Delivering quality homes.

During 2017–18, Bridge Housing grew its portfolio by 222 properties. Bridge Housing was also successful in tenders that will deliver further portfolio growth, with 11 units in Leichhardt to be vested to Bridge Housing in 2018–19.

Business Plan 2017–18

Key: completed in progress not completed

Measure	How did we do?	
Meeting Leveraging Targets		
Work with Land and Housing Corporation (LAHC) to deliver Elger Street project		Executed the Elger Street deed, and development completed and all 158 units vested to Bridge Housing by 30 June 2018
Deliver Seven Hills project, under Communities Plus		Not completed – negotiations with development partner and LAHC have stalled. Project at risk because of market conditions
Deliver North Parramatta Project, under Communities Plus		Not completed – negotiations between developer and LAHC stalled. Project at risk because of market conditions
Review Communities Plus small site opportunities as they become available		Completed reviews on two small site opportunities
Project Managing four LAHC social housing developments to deliver 50 seniors dwellings		Completed three of the four CHP project management sites. The remaining site is scheduled to be completed in the second quarter 2018–19
Continue to implement the Our Green Space initiative to give tenants a say in the provision and maintenance of their housing		Launched the first publication of our Design Guidelines to establish Bridge Housing's new development design standards

Leveraging targets

The Land and Housing Corporation requires where it vests properties into community housing ownership, that the community housing provider leverage the cash flows to meet negotiated affordable housing targets. Bridge Housing has a leverage target of 16 properties. The leverage targets will be supported by the cash flows from the following properties:

- Elger Street, Glebe
- George Street Leichhardt

Project plans and proposals to ensure Bridge Housing meets the new leveraging commitments will be completed in the second quarter of 2018–2019.

Communities Plus

Our operating environment on page 34 provided a summary of the opportunities and challenges in Communities Plus program, noting that Bridge Housing is actively engaged across the Major, Neighbourhood and Project Management sites.

Major sites

These are ageing social housing sites owned by the NSW government and includes Ivanhoe, Telopea, Redfern Arncliff, Riverwood, and Waterloo. These large-scale redevelopment sites require the involvement of private sector developers with access to long-term finance; the capacity to develop sites over 10 years; deliver new mixed communities where social housing blends in with private and affordable housing; and provide better access to transport and employment, improved community facilities and open spaces.

The NSW Government announced a pipeline of major projects following the awarding of the Ivanhoe Estate redevelopment. Expressions of Interest (EOIs) have been released for Telopea, Redfern and Arncliffe, with future EOIs expected for Riverwood and Waterloo. This is a positive start, as it enhances community housing provider capacity by providing a pipeline of projects and builds partnerships with the private sector to deliver new properties to replace ageing properties.

The Redfern site is designated as a build-to-rent. The NSW Government will lease the land to the proponents for 50 years. In return, the proponents will deliver private rental housing, in addition to a negotiated level of social and affordable housing over the period of the concession. At the end of the concession period the site is returned to the NSW Government.

Neighbourhood sites

The Neighbourhood sites are projected to deliver between 100 to 300 dwellings. Three tender rounds have been held since 2016. Bridge Housing has partnered with two developers and successfully tendered for Seven Hills in Round One and North Parramatta in Round Two.

Regrettably neither projects have commenced as contract negotiations have been drawn out, coupled with downturn in Sydney's property market squeezing developer returns. The latter has forced developers to renegotiate the social housing targets originally proposed in their tenders. The proposed reduction in social

housing numbers is below what the NSW Government requires and these projects are in jeopardy, although the NSW Government has not formally advised proponents. We believe that it is likely the NSW Government will hold the land until a more opportune time.

Project management sites

The Land and Housing Corporation outsourced the project management of smaller redevelopment sites to community housing providers. The program aimed to build project management capacity within CHP organisations, and facilitate a line of projects for development teams within community housing.

Bridge Housing tendered and was awarded the management of four sites to deliver 50 dwellings for seniors' housing. Subject to performance, the Land and Housing Corporation would then award long-term management of the sites to the community housing provider.

The Project Management Services contracted to Bridge Housing comprised: review of the design and approvals; assisting LAHC during the tender documentation phase; builder procurement and management of the construction phase to completion and handover.

Bridge Housing has delivered, and awarded management of three sites comprising 36 units. The final 14 will be delivered in 2018-19.

Managing portfolio growth

Elger Street – Glebe

See Spotlight 6 on page 74.

George Street, Leichhardt

Bridge Housing secured the NSW Government tenders to own 11 one-bedroom affordable housing units across two sites in George Street Leichhardt. Transfer of the units to Bridge Housing is forecast to occur in the first quarter of 2018–19.

Bridge Housing's tender committed to the following:

- delivery of property management services to eligible affordable housing tenants
- the allocation of the accommodation to particular client groups under the agreement, and
- leveraging financial resources in partnership with the private sector institutions and using those resources to create additional affordable housing to low-and-moderate income households in the region.

Specialist Disability Services Tender

In May 2017, Bridge Housing partnered with Achieve Australia, a major disability services provider operating in Sydney, to provide property management and service support to 130 disabled tenants in 28 group homes. The group homes were built and owned by the NSW Government as part of the Metro Residence Closure program and are located across metropolitan Sydney.

In late 2017, Bridge Housing and Achieve Australia were notified of their success. Achieve Australia was selected as specialist independent living provider and Bridge Housing as the specialist disability accommodation provider. Transfer of all 28 group homes was successfully completed in February 2018. This opportunity builds upon Bridge Housing's growing disability housing portfolio, as well as our already established partnership with Achieve Australia, one of the most respected disability service providers in NSW.

Social and Affordable Housing Fund phase 2 (SAHF2)

SAHF2 is a dedicated $1 billion fund established by the NSW Government to support the supply of Social and Affordable Housing in NSW.

SAHF2 is seeking to procure an integrated service package (or packages), which includes access to up to 1,200 social and affordable dwellings; associated asset and tenancy management services; tailored support coordination for tenants; and performance and data reporting. This includes:

- At least 70 per cent of dwellings to be social housing – any balance to be affordable housing
- A target of 30 per cent of dwellings delivered in regional NSW
- Proposals will target general or specific social housing cohorts, including consideration of older women as a target cohort where possible
- Dwellings will add to the existing stock of social and affordable housing.

Service packages will be provided for up to 25 years and will be designed to improve social outcomes for tenants, such as improving their stability and independence.

Bridge Housing's Expression of Interest, lodged in March 2018, was successful. We were one of seven providers shortlisted to participate in the Request for Proposal phase (RFP). The RFP phase will require Bridge Housing to make significant time and cost commitments and, if successful, will be transformative for the organisation. The RFP was submitted in August 2018 and we are likely to be advised of the outcome in October 2018.

Community Housing Assistance Agreement

In June 2018, Bridge Housing received a direct funding allocation of $1 million to put towards additional social housing projects. Bridge Housing will combine these funds with existing Community Housing Leasing Program surplus funds to purchase and/or develop additional social and affordable housing within our operating area in 2018–19.

Social Housing Subsidy program

Negotiations with LAHC to settle our interest in the Social Housing Subsidy program remain ongoing, and both parties are currently finalising the terms of the project deed agreement. It is expected the deed will be finalised in the second quarter of 2018–19.

Affordable housing, Randwick

In June 2016, Bridge Housing purchased 8–10 Roberts Avenue, Randwick in joint venture with Waverley Council. We have now negotiated the terms with Council and have agreed the Co-Owners' Deed, Management Deed and Refurbishment Deed.

The parties have agreed the Project Control Group will comprise two members from each organisation. External refurbishment works will begin in the first quarter 2018–19, under the management of the Bridge Housing Assets team.

Designing quality homes

Bridge Housing's commitment to building high quality homes is reflected in the launch of the first edition of the Design Guidelines in December 2017. The Design Guidelines outline the design requirements and features we expect of partners and consultants who work on our new residential developments. The Design Guidelines have been issued to our development partners and now form part of the evaluation process for new sites. We will review the design guidelines in 2018–19 to ensure we capture what we learn from completed projects and innovations in residential construction, and to ensure the Design Guidelines remain at the forefront of good industry practice.

2018–19 Development objectives

Our Development team objectives for 2018–19 are detailed in the Business Plan 2018–19. In summary, they are:

- to prepare an Affordable Housing Development Plan that will provide funding to deliver ongoing development pipeline
- engage in selected Communities Plus opportunities as a developer as they become available
- review the opportunity to participate in the Social and Affordable Housing Fund
- complete negotiations to redevelop the Dulwich Hill site
- deliver our leveraging target commitments
- explore environmental sustainability initiatives to reduce tenant costs and Bridge Housing operating costs.



The launch of Bridge Housing Design Guidelines at Elger Street Glebe

Spotlight 6:
New seniors' housing at Elger Street, Glebe

The Elger Street redevelopment , comprising 158 units for seniors, is Bridge Housing's fourth major investment in social housing, financed through a $35 million loan facility with National Australia Bank. Its completion has delivered new homes to 173 social housing tenants, and ensured that 153 approved National Rental Affordability Scheme (NRAS) incentives allocated to Bridge Housing in 2010 for the project have been activated and not lost to the sector and wider NSW economy.



Elger Street Glebe

History

The original Elger Street Estate comprised some 134 social housing dwellings, built from 1953–1970 in quiet cul-de-sac garden settings.

The redevelopment project has a long gestation. Planning commenced in 2008 when Housing New South Wales and the City of Sydney conduct a feasibility study amalgamate to Housing NSW (Elger Street Estate) and the City of Sydney Glebe Council Depot site located on the opposite side of Bay Street, Glebe.

In December 2008, the City of Sydney was no longer able to redevelop the Council-owned site. Housing NSW proceeded to develop a mixed-tenure housing project on its site, comprising 153 social housing, 80 affordable and 250 private dwellings. In 2010, Bridge Housing won the competitive tender to own and manage the social housing component.

Following delays the then Social Housing Minister Brad Hazzard confirmed that the project would proceed in July 2015 with forecast delivery by late 2018.

Design

Bridge Housing and the Land and Housing Corporation (LAHC) established the Project Control Group (PCG) to oversee the final design and approval process.

The Development application approved the development of 158 social housing units within two buildings (Building B, comprising 48 units, and Building D, comprising 110

units). A mix of one- and two-bedroom dwellings with building heights ranging from 4–9 levels, with lift access to all levels to provide disability access.

The development was custom-designed for seniors, a total of 23 units were designed to allow wheelchair access and 16 of these were designed to improve liveability levels under the NDIS. All other units achieve either Silver or Gold standard under the Liveable Housing Australia Guidelines.

It is environmentally sustainable with weighted average 7 Star NatHers rating. This is achieved through passive solar design, natural ventilation and cross-ventilation, in-wall and under-slab insulation, and low water-use plants for landscaping.

The apartments have generous floor plans with built-in wardrobes, an open plan living/dining area, ceiling fans in the bedroom and living areas, a fully tiled bathroom with internal laundry and a private undercover balcony. Each building is secure, with intercom facilities, and has a communal rooftop garden with district views.

Construction phase

The construction contract was awarded to Kane Constructions.

Works commenced in September 2016 The first stage (Building B), comprising 48 units, was completed and handed over to Bridge Housing in January 2018. Stage two (Building D1,2,3), comprising 110 units, was completed and handed over to Bridge Housing at the end of June 2018.

Bridge Housing's was actively involved with Land and Housing Corporation in the PCG resulting in involvement during the construction phase ensured that any issues were identified and resolved immediately, which minimised delays.

The 158 units were constructed to a high standard, within the approved project budget and ahead of Bridge Housing's program. It has delivered good quality housing with a high level of tenant amenities at a very competitive construction rate of under $300,000 per unit.



Resident James with Minister Goward

A summary of the development fun facts is provided below:

- **158** seniors units
- **16 months** to construct Building B
- **22 months** to construct Buildings D
- total of **185 bedrooms** delivered
- **23 units** suitable for wheelchair access, 16 of which will meet NDIS improved liveability standards
- **2,640 workers** inducted during construction
- **5,687m³** of concrete poured
- **228,036** wall & floor tiles laid
- **228,375** face bricks laid
- **346,400** working hours completed on site.

Allocation and tenancy

Elger Street is by far the largest single development transferred to Bridge Housing and it therefore posed a significant allocation challenge. We wanted to ensure peoples housing needs were met swiftly, and the opportunity cost of the lost rent due to vacancies was reduced. A detailed allocation and tenancy occupation analysis to ensure that the units could be tenanted immediately.

The Elger Street units were allocated in two stages. The first stage comprising 48 units commenced in January 2018. Tenanting of stage 2, comprising 110 units, commenced in early July and was completed within 4 weeks, representing a leasing rate of approximately 28 units per week.

The allocations comprised a mix of Bridge Housing management transfers, older tenants currently living in properties that no longer met their needs, FACS right-to-return tenants who formerly lived on the redeveloped site at Elger Street, FACS relocation tenants from other redevelopment sites within the area, and priority approved applicants from the NSW Social Housing Register.

Results

The Elger Street development is environmentally sustainable with high quality designed and constructed buildings that will, upon completion of the adjoining affordable and market housing developments, form part of a mixed tenure precinct in a well-located inner city suburb. It is a prime example of a successful partnership between Bridge Housing and the Land and Housing Corporation.

The high number of tenants who took up the right-of-return option and transferred from other nearby LAHC owned properties, together with the four-week allocation of the 110 units in building D, is testament to the quality of the development. Tenants showed their appreciation at the eight-week post-occupancy meeting with Bridge Housing Community and Housing Teams.

The project provides easy access to the services and facilities required by many social housing residents, including the elderly and people with disabilities.

Finance and Corporate Services report

The Finance and Corporate Services team provides strategic and support services across finance, information technology, human resources, work health and safety, and risk management. The team played a key role in meeting the critical success factors for our Business Plan 2017–18.

This section of the Annual Report:

- presents highlights of 2017–18
- reviews 2017–18 performance against our Business Plan objectives
- summarises other key support areas, including information technology, human resources, risk management, internal audit, and work health and safety
- presents our 2018–19 objectives.

The 2017–18 Financial Summary section on page 82 reports on our financial position, including our comparative five-year financial performance for 2014–18.

Highlights of 2017–18

In 2017–18 the Finance and Corporate Services team:

- prepared a new three-year Strategic Plan 2018–21
- developed a three-year IT Strategy
- located new premises for the office relocation in 2018–19
- met most financial and operational key performance indicators (KPIs)
- negotiated a $10 million increase to $35 million in our debt facility with NAB to fund our contribution towards the Elger St project
- implemented MFiles, our digital records management system (see page 80)
- implemented Deeplake, a digital engagement platform, enabling mobile connectivity and integration of messaging to our SDM Tenancy Management System (see page 80)
- developed and rolled out a mobile working strategy and solution
- completed year three of the internal audit program, 2015–18 (see page 78)
- undertook a Fraud Risk Assessment
- updated our three-year People and Culture strategy to align with the new Strategic Plan 2018–21
- obtained White Ribbon workplace accreditation (see page 58).



Housing Manager Samantha Fuller

Critical success factors

The Finance and Corporate Services team played a key role in delivering the following critical success factors in our Strategic Plan 2015–18 and Business Plan 2017–18:

- governing effectively
- managing business sustainability
- supporting our people and improving our workplace
- enhancing our communications and increasing our profile.

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

Key objectives are reported below. A full summary can be found in Performance highlights on page 4.

Key: completed in progress not completed

Measure	How did we do?
Managing the business sustainably	
Deliver an operating EBITDA of $2.3 million	Achieved an operating EBITDA of $2.5 million
Manage and expand debt facilities to meet future funding requirements	Secured approval to increase our corporate debt facilities by $10 million to $35 million to fund our contribution for the Elger St, Glebe development and secured vesting of the $34 million asset
Ensure compliance with all banking covenants	Met all covenants at all times during the year
Enhance 20-year forecast model to incorporate SHMTP	Model updated to incorporate Social Housing Management Transfer package of 1200 properties in August 2019
Develop Strategic Asset Management Plan	Strategic Plan 2018–21 developed and approved
Implement integrated software for mobility and tenant communication	Deeplake digital engagement platform implemented
Implement electronic document records management system	MFiles implemented
Implement dashboard reporting	Visual management boards implemented as a first step. Computerisation delayed but will be revisited in 2018–19
Develop a long-term IT strategy	Strategy finalised to align with Business Plan 2018–21
Governing effectively	
Undertake Year 3 of Internal Audit Plan	Completed Internal Audits on WHS Management Framework and Asset Management System. See page 78 for details
Prepare three-year Strategic Plan 2018–21	Strategic Plan 2018–21 approved by the Board in June 2018
Implement and report on the new outcomes framework the Difference We Make in alignment with FACS Human Services (See Annual Report 2017)	FACS has not finalised the Human Services Outcomes Framework indicators
Develop our people	
Establish the SHMTP Transition Team	Program Director in place and other positions recruited as per Transition Plan
Develop HR strategy to support long term growth	Strategy updated to support Strategic Plan 2018–21
Review remuneration model	Discussion paper developed but ongoing strategy still be finalised in 2018–19
Develop and deliver a Culture and Change Program as part of the SHMTP	Commenced implementation as part of SHMTP transition in 2018–19
Review current recruitment methods, models and arrangements	Commenced. To be finalised in conjunction with SHMTP recruitment strategy
Review the Learning and Development program	Completed and presented to all staff and resulted in a whole-of-company positive culture and leadership program (see page 48)
Identify and secure new accommodation	Accommodation identified, lease negotiations and relocation to occur in 2018–19
Refresh Bridge Housing commitment to diversity	New committee and strategy put in place
Achieve White Ribbon accreditation	Accreditation confirmed in September 2017

Internal audit program

During 2017–18 Bridge Housing worked with our internal auditors, PFK, to execute Year 3 of our Internal Audit Plan 2015–18. The Internal Audit covered two areas of risk:

- WHS Management Framework
- Asset Management.

WHS management framework

During 2016–2017 Bridge Housing undertook a review and update of its WHS Management Framework. The Internal Audit Review undertaken during 2017–2018 was to review the Management Framework to ensure there was compliance with the Framework so that Bridge Housing workers and other persons are given the highest level of protection against harm to their health, safety and welfare from hazards and risks arising from work. The audit work performed covered:

- Framework benchmarked against best practice
- access to relevant documentation and procedure – Intranet
- contractors' compliance with Framework
- compliance / use of internal systems and processes (Staysafe App and Take Five Form)
- incidents
- Risk Register

The audit found compliance with the Framework, policies and controls together with the appropriate legislation but identified four areas for improvement:

1. update the Framework for glossary of terms
2. establish measurable targets and objectives
3. finalise implementation of better integrated panic button into the Staysafe app
4. reinforce the importance of completing the Take Five Form.

Each of these recommendations was rated as low-risk but will be addressed by Management during 2018–19.

Asset management

The Asset Management function is critical to the delivery of quality homes and to ensuring ongoing financial sustainability of our property portfolio.

The work performed covered the following areas:

- assessment of the appropriateness of asset maintenance priorities in Bridge Housing's budget process
- ensuring that Bridge Housing's annual asset budgeting process enables properties to be maintained at standard, meets contractual and regulatory requirements, and minimises maintenance liability
- high-level determination on whether the high, medium and low categorisation is valid and controls around these are sufficient.



Business Systems Manager Robert Mazzucco

The audit found Bridge Housing's controls and processes were effective across all areas examined but identified areas for improvement as follows:

- Upgrade system automation to streamline data handling
- Upgrade asset management system to allow for live tracking and workflow management and data analysis.

Each of these recommendations was rated as low-risk but will be addressed by management during 2018–19.

Risk management

Bridge Housing understands that our ability to effectively manage our appetite for risk on a day-to-day basis relies on the quality of our organisational infrastructure and the strength of our culture. To this end, Bridge Housing has:

- implemented an Enterprise Risk Management Program in accordance with the International Risk Management Standard ISO 31000
- developed a detailed risk-categorisation process which allows us to effectively identify and assess risks on an enterprise basis
- adopted a risk profiling system through which we analyse the likelihood of a particular risk event occurring, and the potential consequences if the event was to occur, having regard to the overall control effectiveness of existing mitigation strategies
- have in place a Compliance Officer who is responsible for overseeing the management of Bridge Housing's risk management function
- developed a Risk Appetite Statement
- implemented a Compliance Program in accordance with the Australian Compliance Standard AS/ISO 19600:2015, through which we monitor key risk controls
- implemented a Complaints Handling Program in accordance with the International Standard ISO 10002, through which we capture key risk indicators
- implemented an online policy management system and staff induction and training program
- implemented an assurance management system that allows us to capture key risks, tasks and

incidents, and assign them to responsible individuals, as well as monitor their progress.

Bridge Housing believes that by developing our organisational governance infrastructure we have taken considerable steps towards achieving a level of risk maturity. Through this, we have developed and will continue to develop a positive risk management culture.

Risk Management Plan 2017–18

Bridge Housing has developed comprehensive risk management plans since 2005. These are reviewed annually to ensure that the plan addresses our changing risk profile. During 2017–18, we built upon our previous risk management plan, which complies with AS/ NZS ISO 31000:2009, and we continued to use CompliSpace, our online enterprise risk management and compliance system, to monitor risks throughout the year, in addition to our regular reporting to the Board.

Our Risk Management Plan enables us to identify and record potential risks that may prevent us from meeting our objectives. It identifies high-level risk control strategies to avoid or mitigate risk. CompliSpace enables us to manage risk control strategies by linking tasks to each risk. Each task is assigned a due date and is allocated to an executive member of staff to manage and is overviewed by our Compliance Officer.

The Executive Management team developed the Risk Management Plan 2017–18, based on a review of our external and internal operating environments, We re-evaluated existing risks, introduced new risks in the Risk Register and re-rated other risks, having regard to our Strategic Plan 2015–18 and Business Plan 2017–18.

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

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

Fraud and corruption management planning

During the year Bridge Housing appointed Warfield Associates to undertake a review of our Fraud and Corruption Management Plan, together with an update of our fraud risk assessment. This resulted in updates to our fraud and corruption risk management strategies, which included the following outcomes: Background Check Policy for recruitment privacy training to reinforce good privacy practices and improved controls in the time-sheet payroll system.

Work, health and safety

Bridge Housing is committed to providing a safe and positive workplace for our staff, those contracted to perform work on our behalf, and visitors to our premises. Bridge Housing knows that staff members' wellbeing has a major effect on their performance and we regard our workplace health and safety (WHS) responsibilities to be of utmost importance.

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

The Board and management, in consultation with employees, are responsible for developing, implementing and continually reviewing Bridge Housing's Workplace Health and Safety Program.

A WHS Committee manages work health and safety at Bridge Housing. The WHS Committee comprises two employee representatives, as well as two management representatives: the CEO and the General Manager Finance and Corporate Services, together with the Human Resources Manager and the Compliance Officer. Staff elect the employee representatives, who act as the designated health and safety representatives, as required by the *Work Health and Safety Act 2011 No 10*.

The committee met four times in 2017–18 and carried out four workplace inspections that identified there were no significant issues to be addressed. The Committee prepares a WHS report for the board each quarter. We also continued to provide online training to staff, which is mandatorily completed every year.

During 2017–18, Bridge Housing, through its WHS Committee, implemented its 2018–19 Work Health and Safety Action Plan, developed new reporting KPI's and has developed a new plan for 2018–2019. In addition, during 2017–2018 Bridge Housing appointed its Internal Auditors to audit our WHS Management Framework to provide assurance of compliance with the Act and compliance with policies and procedures. The Internal Audit confirmed effective controls and processes are in place to ensure compliance with the Framework and the Act.

Information Technology and Systems

Three-year IT strategy

During the year we appointed Tomac Consulting to assist in the development of our three-year IT strategy. Not only did they engage with our staff and key stakeholders but they also undertook an infrastructure and security review and completed a benchmark against best practice.

The outcome of this process was the development of a strategic IT roadmap of initiatives over the next three years. This roadmap covers the following areas for system and business improvement:ssss

- infrastructure upgrade
- digital strategy
- contract relationship management
- business intelligence and reporting
- human resources and payroll systems
- self service portal for clients
- mobility and collaboration
- strategic asset management system
- invoice management.

The bedrock of the strategy was a detailed review of our infrastructure environment to support other initiatives, as well as support the office relocation and the addition of a new satellite office. This saw the preparation of an Request For Proposal for the management of infrastructure



General Manager Finance and Corporate Services David Miller

and support. These responses are being evaluated and a strategy will be implemented in 2018–19 in conjunction with our office relocation.

Our ongoing investment of resources and the continual improvement in processes and systems is evident in the results of the 2018 Employee Opinion Survey. Satisfaction with Technology increased to 75 per cent, up from 70 per cent last year and 47 per cent in 2016. This rating is now 21 percentage points above the community housing sector average.

IT Projects

A number of key projects were delivered during the year by the IT and Systems team. Projects included the implementation of:

- M-Files, our digital records management system
- Deeplake, our digital engagement platform for tenants and staff.

Both initiatives support the business as we continue to grow. We also continued to work with SDM, our integrated property and tenancy management system, particularly as we developed the business requirements specification to take on the transfer of properties under the Social Housing Management Transfer Program (SHMTP). This program will involve a new level of system integration with government for data transferring and sharing and this work is well underway.

In addition, we undertook the development of a three-year IT strategy. This development included consultation with key business stakeholders and aligned to the development of our three-year Strategic Plan 2018–21. The importance of the review of our IT environment and the development of a new strategy is amplified with the planned relocation to new premises in 2018–19. This has provided an opportunity to review our current IT infrastructure and support arrangements and to shape these to support the business as we grow and expand over the next strategic planning period.

Below is information about the key components delivered throughout the year in more detail.

SDM

During 2017–2018, our focus has been business-as-usual although SDM has undergone eight software patch upgrades over the past 12 months. The continual improvement and development of SDM has enabled the business to send SMS text messages from SDM, thus improving communication and logging directly into the tenant record. We have developed and are currently testing supplier/staff and tenant portals, in partnership with a third-party software supplier. This will enable third-party access and mobility of SDM. These two elements will improve communication channels between Bridge Housing and its suppliers and tenant community.

The Social Housing Management Transfer Program will enable the Bridge Housing SDM software platform to interface with FACS systems.

The automated Rent Calculator significantly reduces the effort and increases the accuracy required to process the review and manage the associated documentation and data entry.

Deeplake

During the year the Deeplake project team has embarked on a project to increase communication with tenants. The implementation of Deeplake was initially rolled out to Bridge Housing staff to provide them greater mobility.

We have established a tenant workgroup to test and provide feedback of the Deeplake/SDM tenant portal. The implementation of Deeplake's Communication Manager portal commenced this year and will be rolled out to tenants in late 2018.

This will provide enhanced communication for sending and receiving SMSs, including communication with maintenance contractors.

Digital Records Management System

The implementation of M-Files, our digital records management system, has progressed from 2017–2018, despite competing priorities. Significant milestones around the deployment of M-Files are:

- finalised records management framework
- tested and revised document management structure
- passed user acceptance testing
- developed comprehensive system documentation
- rolled out tailored training program
- tailoring system configuration post go-live
- development of workflows for core business activities that cross multiple teams
- defining naming conventions and standards for M-Files objects.

Human Resources

The quality of our services is determined by our ability to attract and retain high calibre people who have the skills, capacity and passion to drive company performance. As such, we continued to focus on improving our human resources offerings and refining our HR policies and procedures. We enhanced our Total Rewards Program and improved our training and development program.

We continue our focus on improving the environment, culture and workplace for our staff. It is pleasing to see that this is reflected in our improved staff engagement score.

To ensure that we continue this ongoing improvement in our HR delivery and outcomes we refreshed our three year HR Strategy to align with the new 2018–21 Strategic Plan. The Bridge Housing People and Culture Strategy – Stay, Say and Strive – gives us a holistic view of our shared resources and values and a provides focus on how to develop and support our employees as we prepare for growth and continue to improve performance. The HR strategy drives the HR initiatives detailed in the 2018-19 Business Plan to support growth and develop our people.

For more details see Our people on page 46.

2018–19 Finance and Corporate Services Objectives

Our Finance and Corporate Services objectives for 2018–19 are detailed in the Business Plan 2018–19. In summary, these are:

- achieve an operating EBITDA of $3.2 million, to meet short and long term goals and objectives outlined in the Business Plan 2018–19
- implement new Company Secretary arrangements in line with the governance review
- review and prepare for the implementation of new accounting standards
- document and implement a systemised contract management system together with electronic signatures
- implement new IT infrastructure environment, including reviewing the cloud solution, in line with IT strategy
- continue to embed MFiles, as well as undertake a post-implementation review
- implement a self-service portal to our tenants through the expansion of Deeplake
- implement electronic invoice capture and workflow management utilising MFiles as a platform
- implement business intelligence platform to improve our data reporting and analysis
- refine our Outcomes Framework in alignment with FACS Human Services Framework
- develop and implement the outcomes evaluation for year one of the Bridge To Work program in partnership with CoAct
- review the Total Rewards Program, including the remuneration strategy
- review recruitment channels and arrangements, including preferred suppliers
- create an intern, graduate and trainee program
- explore external and internal mentoring and coaching opportunities to support development of Bridge Housing's staff
- identify and secure a long-term accommodation solution for Bridge Housing's head office
- implement the SHMTP Change Management Plan and ensure regular communication and feedback to staff.



System Administrator Rose Ann Agana

Financial summary 2017–18

Bridge Housing effectively managed its finances and achieved an operating surplus before depreciation and interest (EBITDA) of $2.5 million in 2017–18 compared to $1.4 million in 2016–17. This represents an 80 per cent increase and is primarily driven by the impact of new properties and associated revenue streams, including NRAS allocations. Our total operating surplus is shown in the Financial Results graph on page 83.

Financial position

Revenue

Total operating revenue increased by $4.6 million or 14 per cent in 2017–18. This was mainly due to increases in rental revenue though indexation from the bi-annual rent review process, the impact of additional properties and the impact of NRAS rental subsidies. The revenue breakdown for 2014–18 is shown in the revenue chart on page 83.

Expenses

Expenses increased by $4 million in 2017–18. The expenses breakdown for 2014–18 is shown in the expenditure chart on page 83 and is impacted by the recognition of interest expenses ($1 million). Excluding interest and depreciation, our underlying operating expenses increased by $3.5 million, or 11 per cent.

Assets

Bridge Housing's net assets increased by $33 million to $161 million during 2017–18. Major movements were:

- cash increased by $1.4 million to $6.1 million, from $4.7 million in 2015–16
- the value of other property, plant and equipment increased by $42 million to $185 million as a result of the revaluation of existing properties ($8 million)[38] and recognition of Elger St Glebe ($34 million)
- current liabilities increased by $2 million, primarily as a result of funding received for the Community Housing Assistance Program ($1 million).
- non-current liabilities increased by $10.2 million as a result of additional debt drawdown of $10 million to fund the Elger St development.

Financial performance 2014–18

A five-year comparative analysis of our financial performance, including our 2017–18 results, is available on page 83. This is an extract from our audited Financial Report 2018, available at www.bridgehousing.org.au, by phoning the Bridge Housing office on 02 8324 0800 or emailing customerservice@bridgehousing.org.au.

Our 2014–18 report card

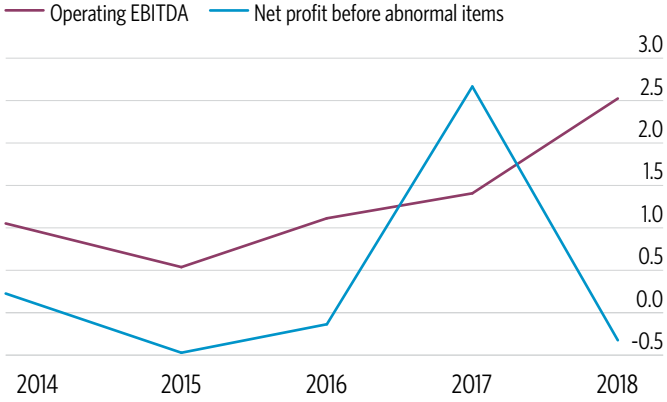
We have analysed Bridge Housing's key financial and operational ratios against KPIs over five years to 30 June 2018. The trend analysis shows that we performed well against our financial and non-financial KPIs during 2017–18. Profitability has improved and arrears continued to be maintained below the industry benchmark. As reported last year, there was a renewed focus on our voids and vacancies, and both remain below benchmark.

Economic dependency

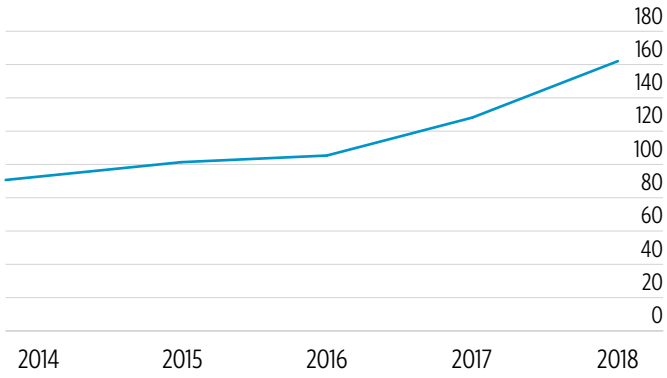
Bridge Housing relies on government subsidies, grants and resources, and income generated from our tenants' rent. We do not rely on donations to fund our operations. Our major sources of revenue are identified in the revenue graph.

38 Bridge Housing's valuation policy is to engage a qualified external evaluator to revalue a third of the portfolio every year. Properties are selected to ensure that there is a broad coverage across different areas and housing types. The average increase in valuations is then applied across the whole portfolio.

Financial Results
(millions) 2014-18



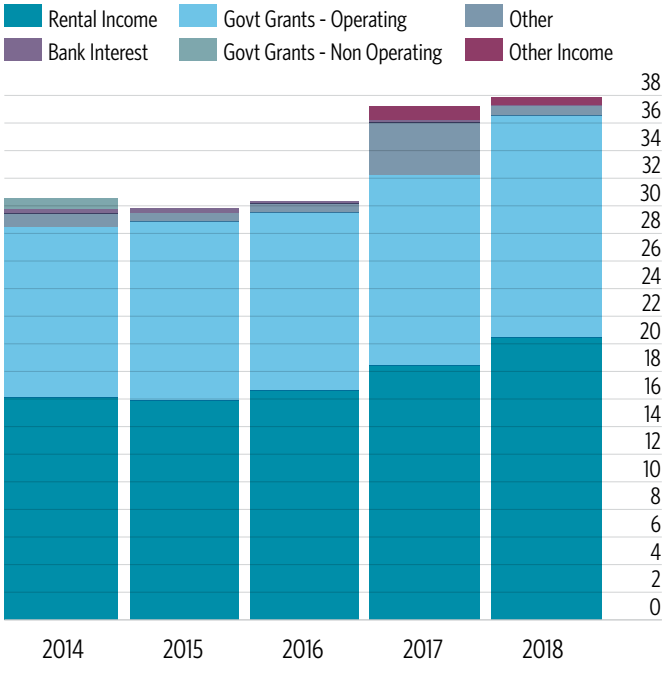
Equity
Total equity (millions) 2014-18



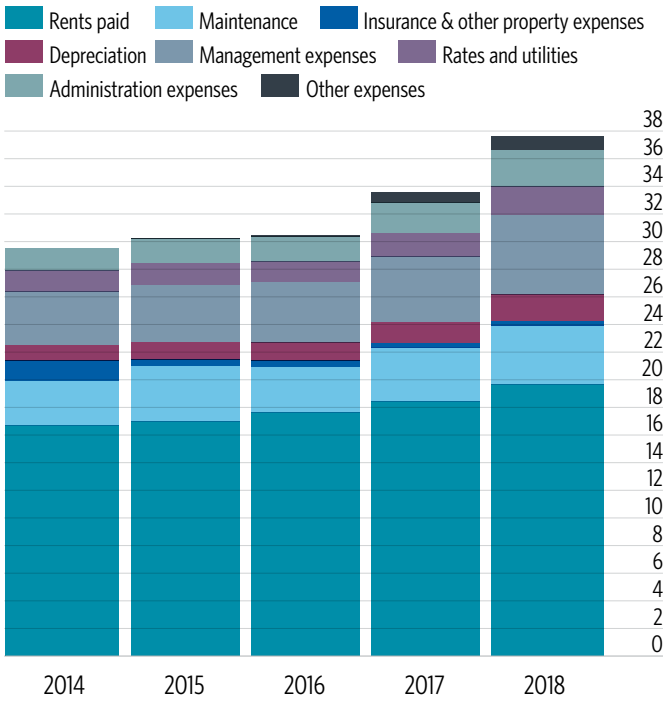


Accounts Payable Officer - Rupika Srinivasan

Revenue
Revenue composition (millions), 2014-18



Expenditure
Expenditure composition (millions), 2014-18



Our five year report card

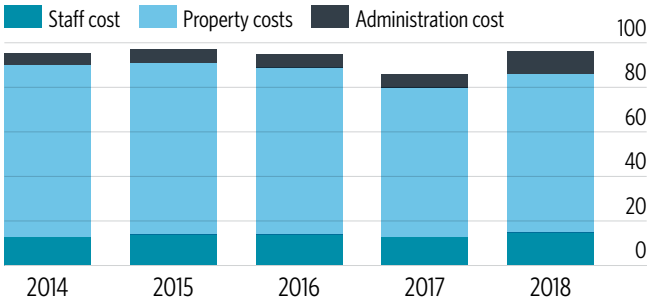
Key performance indicators five year analysis	Benchmark	2014	2015	2016	2017	2018
Tenant satisfaction						
Overall satisfaction with the organisation (%)	75	84	81	N/A	84	N/A
Service development						
Total number of housing properties		1,649	1,716	1,767	1,915	2,244
Finance management						
Staff cost as a percentage of total revenue (%)		12.7	13.8	14.4	13.1	15.4
Property costs as a percentage of total revenue (%)		75.0	77.3	75.4	67.3	70.5
Administration cost as a percentage of total revenue (%)		5.3	6.2	6.3	6.1	9.7
Profitability ratio – operating EBITDA operating revenue (%)		3.6	1.8	3.7	4.3	6.8
Liquidity ratio – current assets/current liabilities		3.8	4.0	1.9	1.6	1.6
Cash flow ratio – operating cash inflows/operating cash outflows		1.1	1.0	1.2	1.1	1.1
Interest cover ratio – operating EBITDA/interest expense (%)	2	0	0	0	9	3
Loan to value ratio (%)	35	N/A	5.4	14.7	11.7	14.2
Return on assets – EBITDA/assets (%)		1.9	0.5	0.9	0.9	1.3
Cash at end of year ($m)		11.3	7.2	8.3	4.7	6.1
Operating EBITDA ($m)		1.1	0.5	1.1	4.7	2.34
Net profit ($m)		1.0	-1.8	-2.5	3.7	23.75
Housing management						
Arrears (%)	2.5*	3.0	1.9	1.3	1.5	1.7
Rent loss via void (%)	2.5*	0.7	1.0	1.0	0.6	0.2
Rent loss via vacancy (%)	2.5*	0.4	0.6	0.3	0.4	0.2
Void days	28 days*	31	30	27	18	24
Vacant days	14 days*	16	17	16	10	15
Number of tenants exiting the service because of possession order enforcement		19	15	8	2	5
Eviction rate (%)	10	9.4	7.5	4.4	0.9	2.3
Human resources						
Staff engagement		82	75	74	79	81
Ratio of staff to lettable properties		1:39	1:39	1:38	1:37	1:42
Staff turnover (%)		11	16	22	24	21
Number of full time equivalent staff		42	44	46	52	54

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

Key Financial Viability Measures

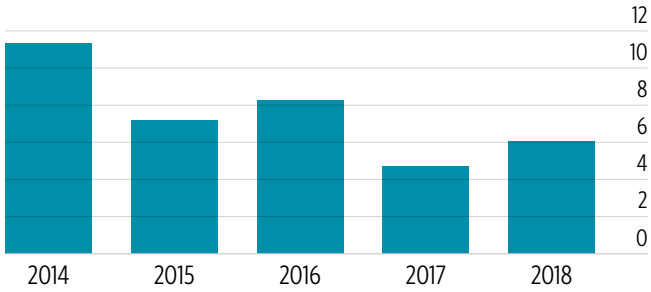
The following graphs highlight the key measures that demonstrate the financial health and sustainability of our business.

Cost structure
Costs as percentage of revenue, 2014–18



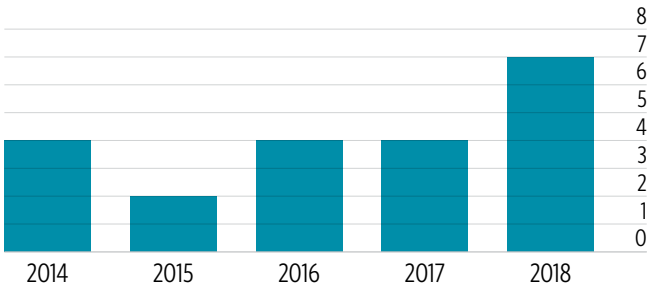
Our cost structure remains reasonably consistent with that of the 2016–17 financial year although have increased a percentage of revenue reflecting the investment in maintenance of properties and staff as we prepare for growth.

Cash balance
End of year cash balance ($ millions), 2014–18



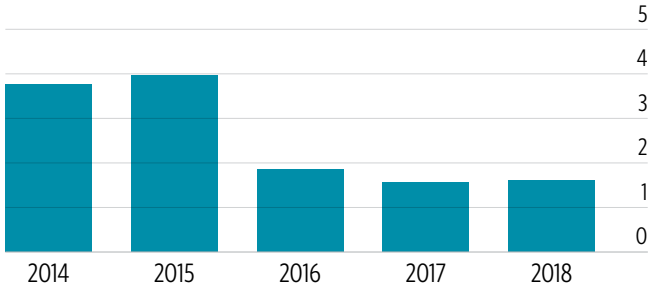
Our cash balance at 30 June 2018 was $6.1 million. This is an increase of $1.4 million on the previous year's balance and maintains a relatively strong cash balance whilst minimizing the level of debt.

Profitability ratio
EBITDA/operating revenue, 2014–18



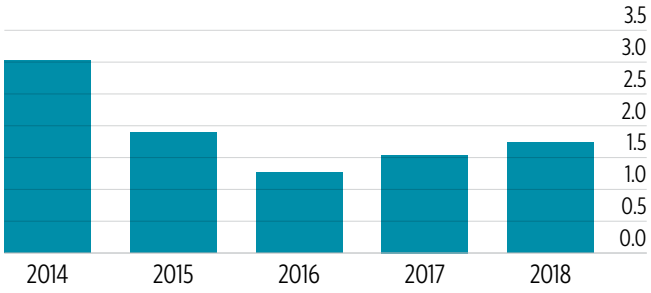
This ratio measures earnings before interest, tax, depreciation and amortisation (EBITDA) as a percentage of operating revenue. The percentage has increased significantly this year as a result of the growth in our profitability.

Liquidity ratio
Current assets/current liabilities, 2014–18



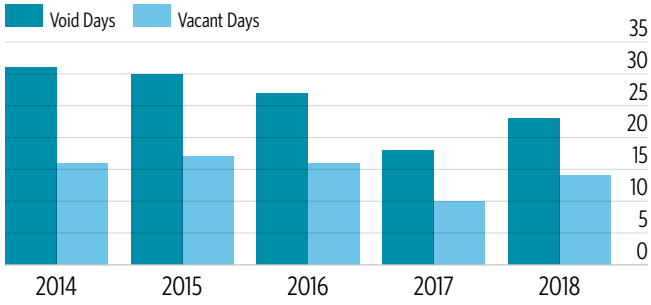
The working capital (liquidity) ratio measures Bridge Housing's ability to repay its short-term debt using short-term assets. Bridge Housing's liquidity ratio at 30 June 2018 has remained stable at 1.6, which indicates the strength of our capacity to meet short-term financial commitments.

Arrears
Rent arrears as percentage of revenue, 2014–18



This ratio measures our rental arrears as a percentage of operating revenue. The ratio has increased slightly to 1.7 per cent but remains well below the industry benchmark of 2.5 per cent.

Voids and vacants
Average days void and vacant, 2014–18



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

Five-year financial results at a glance (In '000 AUD)		2014	2015	2016	2017	2018
How much we...	**Where does all the money come from?**	$ '000	$ '000	$ '000	$ '000	$ '000
Charged tenants for living in the properties	Rents	16,095	15,876	16,600	18,433	20,437
Received from government	Non-operating grants received such as SEPP10, capital grants	775	0	0	0	0
Received from government	Operating grants received	12,354	12,987	12,907	13,791	16,112
Received from investment of surplus funds	Interest	314	308	160	203	42
Received from other activities	Fees for service, water usage recharge, tenant reimbursement	1,002	633	666	3,813	712
Received from government	Other contribution – properties vested	24,490	0	0	0	23,997
Fair value gain	Fair value adjustments	0	0	0	1,011	53
Total revenue (excluding other contributions)		**30,540**	**29,804**	**30,333**	**37,250**	**37,356**
Where does all the money go?						
Spent renting properties	Rents paid	-16,702	-16,977	-17,635	-18,401	-19,637
Spent on property rates & utilities	Rates and utilities	-1,534	-1,566	-1,483	-1,699	-2,044
Spent on maintaining the properties	Maintenance	-3,226	-4,007	-3,304	-3,921	-4,277
Spent on other property expenses	Insurance and other property expenses	-1,450	-497	-445	-356	-346
Allocated on other property expenses	Depreciation	-1,140	-1,271	-1,319	-1,486	-1,925
Spent on administration expenses	Administration and overhead expenses	-1,611	-1,837	-1,912	-2,952	-3,607
Spent on salary and related costs	Management expenses	-3,876	-4,120	-4,372	-4,758	-5,761
Fair value loss	Impairment / fair value adjustments	0	-1,341	-2,336	0	0
Total expenditure		**-29,539**	**-31,616**	**-32,805**	**-33,573**	**-37,598**

Five-year financial results at a glance (In '000 AUD)		2014	2015	2016	2017	2018
How much we...	**Where does all the money come from?**	$ '000	$ '000	$ '000	$ '000	$ '000
Have kept to help with future activity	Surplus for the year	1,001	-1,812	-2,472	3,676	-242
Have retained of previous years' surpluses	Retained profits brought forward	89,683	103,182	107,828	124,489	162,291
Have transferred to Reserve for PMP	Transfer to reserve for planned maintenance program	0	0	0	0	0
Have transferred to Reserve for property revaluations	Transfer to assets revaluation reserve	-9,148	-21,647	-28,106	-47,238	-57,368
Have transferred to Reserve for property development	Transfer to other reserve for property development	0	0	0	0	0
Have retained to help with future activity	Retained profits carried forward	81,537	79,723	77,250	80,927	104,682
Balance sheet						
Were owed by our tenants and others	Debtors	1,772	1,803	1,933	4,046	5,170
Had in the bank	Cash assets	11,332	7,175	8,260	4,698	6,072
Had paid for property, furniture and equipment	Property, plant and equipment	81,212	99,733	120,036	142,459	184,726
Owed to members & others	Other liabilities	-3,632	-2,404	-7,975	-7,157	-8,542
Owed to financial institutions	Debt	0	-4,938	-16,898	-15,882	-26,150
Net assets		**90,685**	**101,369**	**105,356**	**128,165**	**161,276**
Have retained to provide for future planned maintenance program	Reserve	0	0	0	0	0
Have retained to provide for assets	Assets revaluation reserve	9,148	21,647	28,106	47,238	56,594
Have retained to provide for future property development	Other reserve	0	0	0	0	0
Have retained for future activities	Retained profits	81,537	79,723	77,250	80,927	104,682
Total equity		**90,685**	**101,369**	**105,356**	**128,165**	**161,276**

Our comprehensive Financial Report 2016 is available to download at www.bridgehousing.org.au

Bridge Housing in the community

Bridge Housing staff strive to be responsible, caring members of the communities in which we live and work. We support the good work of other organisations that enhance the wellbeing of our communities. We share and extend the reach of our community engagement through Facebook, LinkedIn and Twitter.

Community events

2017 Bridge Run

The Bridge Housing Harriers ran for the charity Women's Community Shelters in the nine-kilometre Bridge Run event on September 17. The team was competing for the fourth consecutive year in this landmark Sydney event and raised $3,663 for the Redfern-based charity, which provides crisis accommodation for vulnerable women.

2017 Street Count

In 2017, for the ninth consecutive year, Bridge Housing staff volunteered in the City of Sydney Street Count of rough sleepers in the heart of the city. This takes place every February and August as part of the city's Homelessness Strategy. The aim of the count is to collect up-to-date information about the numbers of people sleeping rough in the local government area, to help measure the effectiveness of the City's Homelessness Unit and other local initiatives.

NAIDOC Week 2017

Bridge Housing staff manned a stall on NAIDOC Day at the NAIDOC Inner City Family and Sports Day at the National Centre of Indigenous Excellence (NCIE). We also partnered with Redfern Community Centre to sponsor a flag-raising ceremony. Bridge Housing staff joined the Yabun Festival 2018 celebrations in Glebe on 26 January to recognise the cultural contribution of Aboriginal and Torres Strait Islander people to Australia.

Christmas at Poet's Corner

Staff delighted in visiting local pre-school Poet's Corner again this year to celebrate the festive season with the youngsters. Santa distributed gifts purchased by our staff to the children and we provided families with our 12 Cans of Christmas food hampers, a food collection drive run by the Reception team.



The Bridge Housing Harriers complete Bridge Run 2017



Sage Lukacs, Rachel Berry and Ellie Coombs at Poet's Corner



Bridge Run 2017

White Ribbon Australia

As part of our journey towards White Ribbon accreditation and to demonstrate our commitment to preventing violence against women, staff organised and participated in a number of fundraising events during 2017–18, including a fun Trivia Night. On White Ribbon Day in November, they dressed in white, sold White Ribbon merchandise and enjoyed a delicious 'white' afternoon tea. We raised $600 during the year to support this important work and raised awareness of the issue with staff.

International Women's Day

A generous new paid parental leave policy for Bridge Housing staff was another cause to celebrate at this year's International Women's Day breakfast, which was held at 107 Redfern Projects on 8 March. We also announced a twice-yearly Keep in Touch Lunch for expecting and new parents.

Harmony Day

Bridge Housing staff celebrated Harmony Day in March 2017 with a multicultural feast cooked by colleagues from around the world. Staff comments on what Harmony Day means to them were collated in a staff survey.

Volunteering and team building

Bridge Housing provides one paid volunteering day per year for each staff member. In 2017–18, the staff supported two charities: the RSPCA (animals) and Habitat for Humanity (housing).

Staff volunteers loved their RSPCA Corporate Volunteer Day at the Yagoona Shelter on May 2018 helping maintain the animal shelter for a day and interacting with furry friends. Staff who volunteered at Habitat for Humanity in August 2017 helped to assemble furniture for social housing tenants moving into their new homes.

Please see 11. Our advocacy on page 30 for information about our advocacy activities.



Megan Caldwell and Sarah Kingsbeer



NAIDOC Week 2017 celebrations at NCIE Redfern

Key facts

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

Properties

How many?

Bridge Housing's property portfolio increased from 1,915 to 2,244 properties in 2017–18.

The additional properties came primarily from the completion of Elger St Glebe (158 properties), the direct allocation of 54 properties under Stage 1 of the Social Housing Management Transfer Program (SHMTP), completion of 36 of 50 properties under the Communities Plus Project Management Program, and expansion of our fee-for-service portfolio through HomeGround Real Estate.

We lease capital properties from FACS on recurrent three-year leases. Our capital property portfolio also includes 242 properties vested to us under the National Building Economic Stimulus Plan (NBESP).

Location

Some 60 per cent of our properties – or 1,336 homes – are located in inner Sydney and the eastern suburbs. Since 2010, we have also increased our presence in inner and greater western Sydney and have 908 homes from Balmain to Blacktown.

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.



Elger Street resident Fatima

Tenancies

Who we house

The majority of our tenancies are single-person households (63 per cent). The second-largest tenant group is sole-parent households (13 per cent). Couples with or without children make up 12 per cent of the tenancies we manage.

Our tenant households are predominantly headed by women (58 per cent). Women's demand for social housing reflects the lower incomes of female-headed households.

The number of people housed

We accommodated 337 new tenants in 2017–18, through vacancies and additions to our property portfolio. There were 103 tenants living in our capital properties; 34 accommodated by our fee-for-service program, and 109 by our leasehold program.

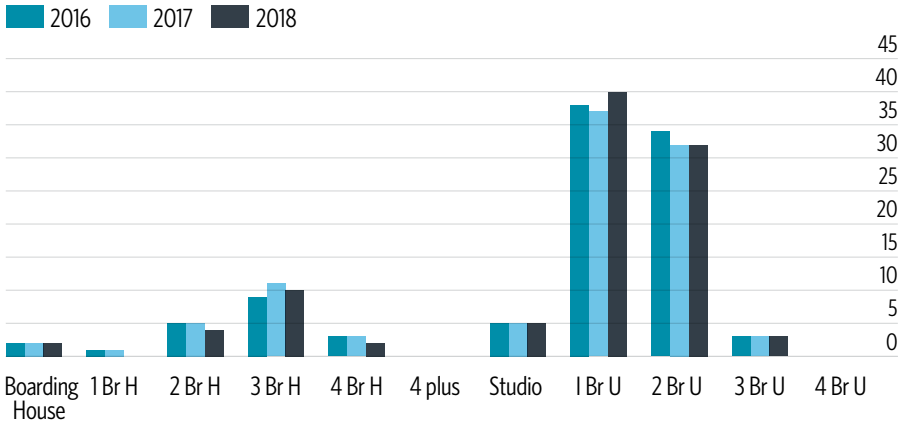
This shows the importance of vacancies in creating additional housing opportunities for people on our waiting list. Internal transfers – that is, existing Bridge Housing tenants moving to another Bridge Housing property – helped us meet the changing housing needs of our tenants through the Housing Pathways system by making under-occupied properties available for households with more family members.

How long tenants stay

Bridge Housing provides long-term secure accommodation for low to moderate income households in regions with low rental and purchase affordability. Forty per cent of our tenants have been with Bridge Housing for more than five years and 59 per cent for more than two years.

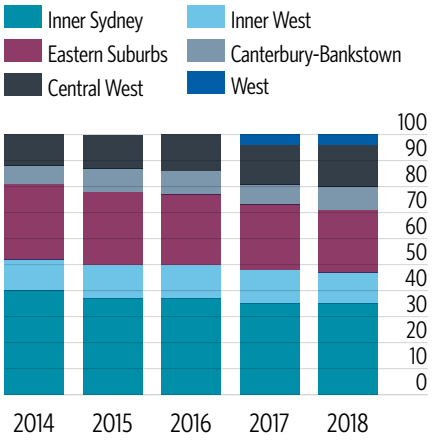
Property type

Percentage of property by dwelling type and number of bedrooms, 2016-18



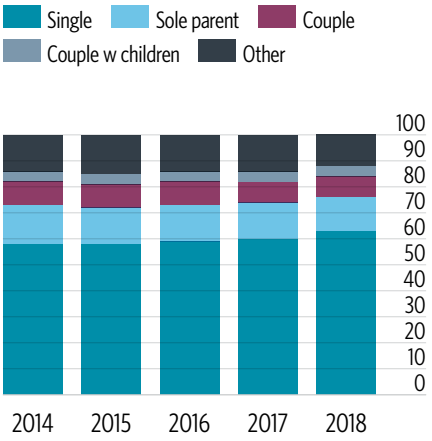
Property location

Percentage of properties by Sydney metropolitan region, 2014-18



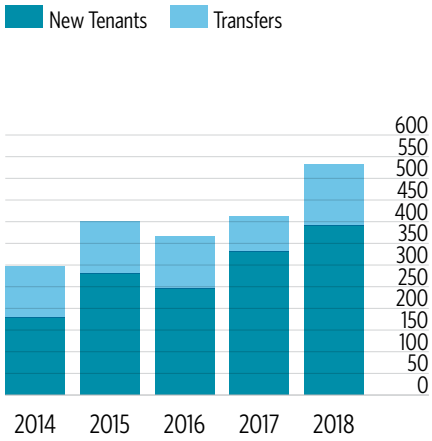
Household composition

Household type (percentage), 2014-18



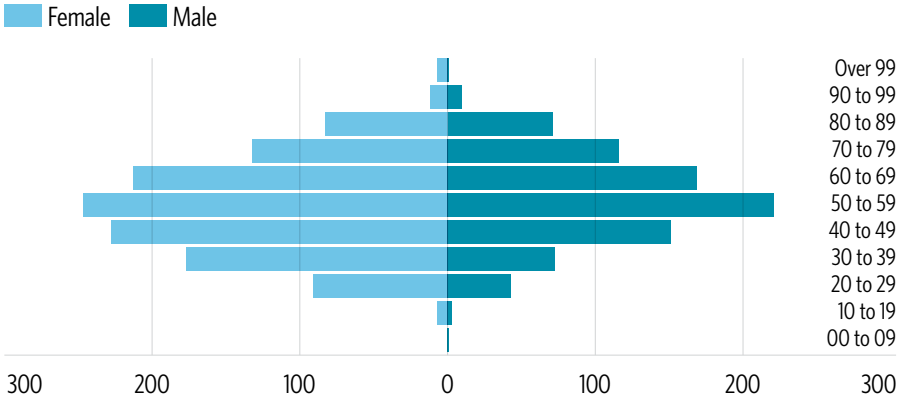
New tenancies

Number of new tenancies and transfers, 2014-18



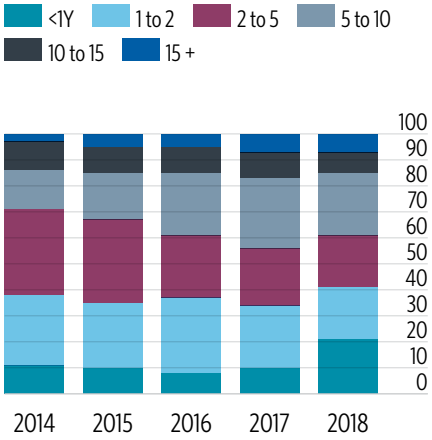
Gender and age

Tenants by ages and gender (percentage), 2018



Tenancy

Percentage of tenancies by duration in years, 2014-18



Tenants

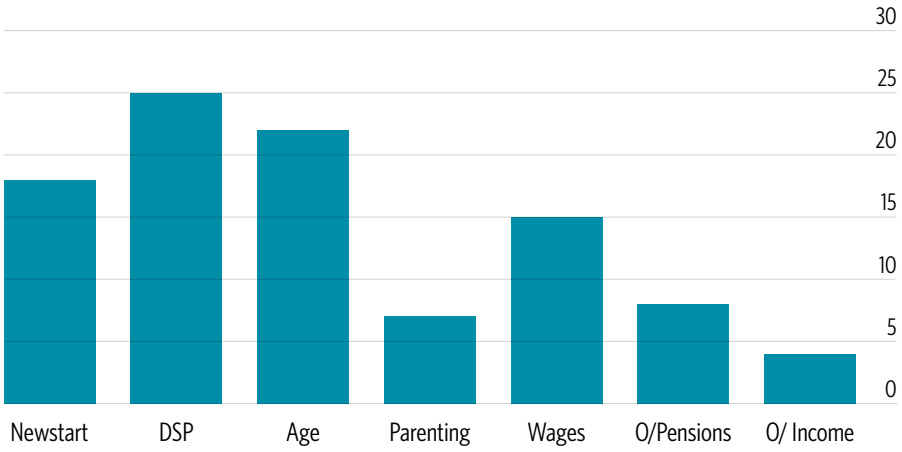
Income

Bridge Housing tenants are predominantly supported by Centrelink (80 per cent). The major categories include: aged pensioners (22 per cent), people in receipt of Disability Allowance (25 per cent) and people receiving Newstart (18 per cent). Fifteen per cent of our tenants live on their wages. Approximately half are in our affordable housing program and the other half are social housing tenants who either work full or part time. Their average full time earnings are $53,000 per annum and part-time earnings average $24,600. Social housing tenants are low-waged workers.[39]

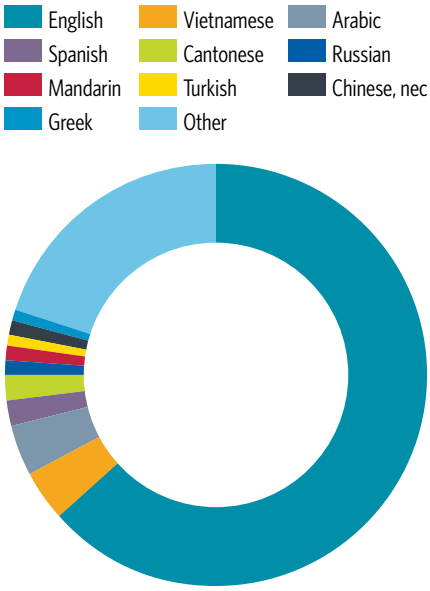
Language and cultural identification

Bridge Housing tenants and applicants are diverse, both culturally and linguistically. They speak more than 50 languages. After English, the major languages represented are Vietnamese, Arabic, Spanish, Russian and Chinese languages, which together account for 14 per cent of all tenants. Eight per cent of tenants are from an Aboriginal or Torres Strait Islander background.

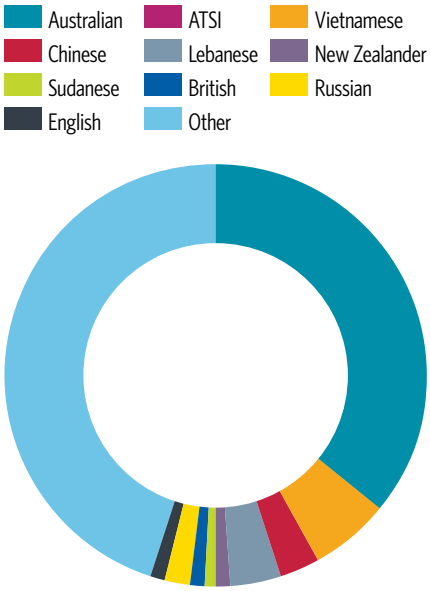
Income
Tenant income source (percentage), 2018



Language
Preferred language (percentage), 2018



Cultural identification
Tenant ethnicity (percentage), 2018



39 Average weekly earnings in NSW are $1,500 or $78,000 per annum. See Australian Bureau of Statistics 6302.0 - Average Weekly Earnings, Australia, May 2017

Acknowledging our partners

Thank you

Warmest thanks to our many support partners who help Bridge Housing support our tenants and maintain the tenancies of some of the most vulnerable members of our community.

By working with high-performing support partners across Sydney, we deliver on our Bridging Support: Bridge Housing's Support Partnership Strategy.

Elsewhere in this report we have acknowledged the important role other organisations and individuals have played in Bridge Housing achieving its vision and mission.

Glossary and abbreviations

Glossary	
Affordable housing	Housing that is affordable for households on low-to-moderate incomes – the bottom 40 per cent of households – when housing costs are low enough to enable the household to meet other basic long-term living costs. Housing costs should be less than 30 per cent of household income for these occupants.
Commonwealth Rent Assistance (CRA)	A non-taxable Commonwealth Government supplementary payment added to the benefit or family payment of people who rent in the private rental market and pay above applicable rent thresholds.
Communities Plus	Communities Plus is a new generation of integrated housing developments being delivered in partnership with the private, non-government and community housing sectors and includes sites in metropolitan Sydney and regional NSW. Bridge Housing has tendered for several metropolitan Sydney opportunities.
Community housing	Housing that is managed and sometimes owned by a not-for-profit community organisation.
Future Directions	Future Directions for Social Housing in NSW is a NSW Government publication that sets out the state's strategic priorities for social housing over the next 10 years; more social housing; more opportunities, support and incentives to avoid and/or leave social housing; and a better social housing experience.
Homelessness	The 2012 Australian Bureau of Statistics (ABS) statistical definition of homelessness is: When a person does not have suitable accommodation alternatives they are considered homeless if their current living arrangement: ◣ is in a dwelling that is inadequate; or ◣ has no tenure, or if their initial tenure is short and not extendible; or ◣ does not allow them to have control of, and access to space for social relations.
Housing First	Housing First is an approach that offers permanent, affordable housing as quickly as possible for people experiencing homelessness, and then provides links to the community-based supports people need to keep their housing and avoid returning to homelessness. Bridge Housing piloted Housing First with its Platform 70 program and the model is now integrated into the business.
Housing Pathways	Housing Pathways is a single statewide waiting list, combining the waiting lists of FACS and participating community housing providers. All new applications are logged on the NSW Housing Register (www.housingpathways.nsw.gov.au).
Housing stress	The condition of households (in the bottom 40 per cent of income distribution) paying more than 30 per cent of their gross income on mortgage or rental repayments.
Lower-income household	A household with income in the bottom 40 per cent of all household income distribution.
Median multiple	A measure of housing affordability derived from calculating housing costs using the multiple of median incomes. A median multiple over 5 is 'severely unaffordable'. The median multiple and other similar housing affordability price-to-income multiples are used to compare housing affordability between markets by the OECD, IMF and The Economist.
Nation Building Economic Stimulus Plan (NBESP)	The Australian Government allocated $42 billion to stimulate the economy during the global financial crisis in 2008–09 and the NSW Government received $2 billion of this to deliver 6,000 social housing homes. Most of the 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 Finance and Investment Corporation (NHFIC)	An independent federal government entity founded in 2018 to encourage investment in housing, in particular, affordable housing.

National Rental Affordability Scheme (NRAS)	An Australian Government scheme from 2008–2014 that provided annual incentives for a ten year period to institutional investors and other eligible bodies to create 50,000 new affordable rental properties rented to low-to-moderate income families at 20 per cent below market rents.
Rough sleepers	See Homelessness
Social & Affordable Housing Fund (SAHF)	The SAHF is a NSW Government program to deliver more social and affordable housing in partnership with government and non-government organisations, landholders and the private sector. Tenders for SAHF are underway.
Social housing	Rental housing that is provided and/or managed by government or non-government organisations, including public and community housing.
Social Housing Management Transfer Program	The program is a priority NSW Government program to implement the Future Directions strategy for social housing. It involves the management transfer on 20-year leases of 18,000 properties in housing estates in Sydney and regional NSW in 2017–18. Bridge Housing won the Northern Beaches package.
State Environmental Planning Policy (SEPP)	SEPP No 70: Affordable Housing (2009) establishes a consistent planning regime for the provision of affordable rental housing. For further information, visit www.planning.nsw.gov.au. The State Environmental Planning Policy (Affordable Rental Housing) 2009 (AHSEPP) was introduced on 31 July 2009 to increase the supply and diversity of affordable rental and social housing in the state.
Sydney Metropolitan Area	This incorporates the new and retained local government areas determined by the NSW Government in 2016–17 across the Greater Sydney metropolitan region. For more information: https://www.strongercouncils.nsw.gov.au/

Abbreviations

AHWG	Affordable Housing Working Group
AGM	Annual General Meeting
ASX	Australian Securities Exchange
ATTAG	Aboriginal and Torres Strait Islander Tenant Advisory Group
CEO	Chief Executive Officer
CHIA NSW	Community Housing Industry Association of NSW
CHLP	Community Housing Leasehold Program
DA	Development application
EBITDA	Earnings before interest, tax, depreciation and amortisation
EOS	Employee Opinion Survey
FACS	Family and Community Services
FDSH	Future Directions for Social Housing
HNSW	Housing NSW
HPA	Home Purchase Assistance
ICT	Information and communication technology
KPI	Key performance indicator
LAHC	Land and Housing Corporation
LGA	Local government area
NBESP	Nation Building Economic Stimulus Plan
NDIS	National Disability Insurance Scheme
NHFIC	National Housing Finance and Investment Corporation
NHHA	National Housing and Homelessness Agreement
NRAS	National Rental Affordability Scheme
NRSCH	National Regulatory System for Social Housing
PDP	Professional Development Process
SAHF	Social and Affordable Housing Fund
SEPP	State Environmental Planning Policy
SHMTP	Social Housing Management Transfer Program
SOPA	Sydney Olympic Park Authority
TAG	Tenant Advisory Group

Appendix 1: Our performance

Our Business Plan 2017–18 is summarised in the table below and shows our critical success factors, goals, performance targets and achievements. It also shows what we aim to achieve in 2018–19 in relation to these particular items. See the Performance highlights section on page 4 for key highlights.

Critical success factors	Goal	Target (performance measure)
1 Meeting affordable housing need by increasing our property portfolio	**Deliver existing affordable housing development pipeline to increase housing supply**	Work with Land and Housing Corporation to deliver Elger Street Project
		Deliver the Seven Hills development
	Explore innovative solutions to expand the supply of affordable housing	Review Communities Plus small site opportunities as they become available
	Seek and secure affordable housing opportunities in urban renewal areas	Influence urban renewal opportunities; for example, the Bays Precinct and Eveleigh to Central
		Engage with identified councils to build relationships to enhance affordable housing supply
	Explore expansion of service provision in complementary areas to increase our affordable housing portfolio and enhance service provision	Implement HomeGround Real Estate Sydney
		Project management of four LAHC Social Housing Developments
	Secure properties through any property transfer program and improve tenant outcomes	Bridge Housing to tender for any Property Transfer program

Key: completed in progress delayed

Status	What we achieved	Aims for 2018–19
	Development of 158 units completed and tenanting commenced See Spotlight 6 Elger St, Glebe page 74	
	Waiting for LAHC to confirm whether project will proceed	
	Developing partnerships with developers to assess Community Plus Redevelopment sites including Telopea Redfern See Development report page 70	Partner and bid on Community Plus Redevelopment sites – Telopea, Redfern.
	All sites subject to ongoing government review	
	Ongoing – Council's affordable housing opportunities subject to Greater Sydney Commission affordable housing policy	Identify one opportunity with a local council
	HomeGround agency launched in April 2018 See Spotlight 2: HomeGround Real Estate Sydney page 32	Meeting Year 2 portfolio targets
	Three sites completed 36 dwellings. Program not extended. See Development report page 70	Final site Clemton Park site forecast completion November 2018.
	Bridge Housing awarded 1200 dwellings in Northern Beaches package. 54 new tenancies in South Coogee and Balmain transferred to Bridge Housing management See Spotlight 1: Managing the challenges of rapid growth page 22	Transition team establishing structure and resourcing for go live by August 2019
	Bridge Housing successfully submitted SAHF 2 EOI. See Development Report page 70	Bridge Housing to submit SAHF 2 Request for Proposal for minimum of 300 properties.

Critical success factors	Goal	Target (performance measure)
2 Delivering quality homes and housing services	Engage our residents and work to strengthen local communities	Develop the next three-year Building Bridges Action Plan
		Implement Places People Want to Live on one estate and as part of SAHF 2 if successful
		Continue to implement the Good Neighbours initiative to encourage positive neighbourhood relations through an improved sense of safety and belonging in the community
		Continue to implement the Our Place Green Space initiative to get tenants' feedback on new developments in the provision and maintenance of their housing
		Continue to implement the Bridge Housing in Communities initiative to celebrate and strengthen connections across our diverse tenant community
		Continue to implement the Big Ideas Grants Program to provide resourcing for tenants that want to work to improve outcomes for the tenant community
	Drive a customer service culture across our business	Develop and implement the Tenant Survey Action Plan, led by the Customer Service Leadership Group
		Undertake the Tenant Satisfaction Survey 2017–18 to determine actions for service delivery improvement
		Establish Transition Team and begin implementation of SHMTP Transition Plan
	Deliver quality, proactive tenancy management services	Continuously improve housing policies and procedures to support clear, transparent decision making and quality service delivery
		Continue to embed and continuously improve the Hand Up arrears management initiative to support successful tenancies
	Deliver high quality asset services to ensure our properties are at standard and meet tenant demand	Undertake an internal audit of the maintenance budgeting and prioritisation process
		Continuously improve asset policies and procedures to support clear, transparent decision making and quality service delivery
	Increase opportunities to connect tenants to the services they need	Review Support Partners Strategy to ensure we support sustainable tenancies for complex needs clients
		Continue to implement the Streets Ahead initiative to support tenants to improve their access to education, work experience and employment opportunities
3 Governing effectively	Maintain strong governance and organisational management	Implement recommendations from the independent external review of corporate governance
		Undertake an internal review to ensure our corporate governance meets best practice and continues to align to ASX Corporate Governance Principles
		Undertake Year 3 of the three-year internal Audit Plan
		Review financial delegations to support implementation of the SHMTP

Key: completed in progress delayed

Status	What we achieved	Aims for 2018–19
	Building Bridges Strategy Year 3 completed Building Bridges Strategy 2018–21 approved See Operations report page 60	Implementation of Building Bridges 2018-2021 Year one
	To be delivered in the context of SHMTP post-August 2019	
	One workshop held in South Coogee with Bridge Housing and FACS tenant in partnership with DIACC.	Hold one Good Neighbour's workshop
	Not delivered this year	Implement on Elger St, Glebe & new seniors properties in Project Management properties on
	Internal events including International Women's Day; Harmony Day; and National Reconciliation Week We are Here Now Tenant Art Exhibition; Yabun 2018	Hold two internal events and attend two external events per annum
	Maddad drumming group funded and performance at Riverwood community day. Block meeting BBQ for residents in Cantrell Street.	At least two new tenant-led projects implemented
		Action plan developed and implemented. Customer Service Leadership Group meet at least biannually
	Tenant Satisfaction Survey scheduled in 2019. Conducted surveys on IT use and Building Bridges.	Tenant Survey completed
	See SHMTP above	Implementation of SHMTP Action Plan in partnership with FACS
	New and revised policy and procedure implemented across Operations	New/revised policies established for management transfers, tenant refund process and child protection
	Implemented recommendations from the Hand Up evaluation.	Review Hand Up Outcomes
	Internal audit on asset maintenance program. Recommendations implemented See Finance and Corporate Services report page 76	No further work planned
	New policies and tenant fact sheets developed for modifications/alterations, pests, repairs and maintenance	New and revised policy and procedures are implemented across Operations
	Review has been completed with recommendations for change to be implemented in 2018–19	
	First round Scholarships awarded to 22 tenants	Implement Bridge Housing Scholarship Program
	Separation of Company Secretary role from CEO	Undertake Independent Board Review
	Review of Board Directors skill matrix undertaken which led to the appointment of two new Directors. See Our governance page 52	Undertake independent review of Bridge Housing Board
	Internal audits of asset maintenance planning and Work Health and Safety Framework. See Finance and Corporate Services report page 76	Internal audit Plan 2018–21 approved and Year 1 completed
	Approved at February 2018 Board meeting	Delegations reviewed as part of 2019-2020 Budget sign off

Critical success factors	Goal	Target (performance measure)
3 Governing effectively (continued)	**Meet our regulatory and compliance responsibilities**	Ensure all compliance reporting obligations are met
	Maintain alignment between the Strategic Plan, Business Plan and associated reporting	Ensure Strategic Plan 2018–21 and Business Plan 2018–19 are approved and effectively communicated to staff and stakeholders
	Develop a framework to measure the social impact of our service delivery to support the sustainability of the business and enhance community outcomes	Implement and report on the new outcomes framework for the business in alignment with sector frameworks and FACS policy directions
4 Managing the business sustainably	**Work closely with the tenants to ensure they have a real say in our operations and planning**	Ensure involvement of tenants through the Tenants in Operations and Planning initiative
		Ensure involvement of tenants in the development of the Strategic Plan 2018–21
	Maintain strong financial management and operational performance	Maintain our financial viability by meeting budget projections
		Manage and expand debt facilities effectively to meet future funding requirements
		Continue to refine and develop the 20-year forecasting model to accommodate new structures of project delivery and business unit level accountability
	Continue a strategic whole-of-life approach to asset management	Review Strategic Asset Management Plan (SAMP) and integrate new region into the overall planning framework
	Implement and embed technologies that support customer service and organisational performance	Implement integrated software for mobile reporting by operational staff and tenant communications
		Embed electronic document records management system
		Implement dashboard reporting for key operational KPIs and performance outcome metrics
		Develop a long-term IT Strategy for the business
	Undertake ongoing improvement to strategic risk management practices	Review the Risk Management Plan annually and report quarterly
		Continue to implement the work health and safety auditing regime for contractors
	Ensure the right organisational structure and roles are in place to support strategic objectives	Establish the SHMTP transition team
		Review and update the Human Resources Strategy to support long term growth
	Attract, recognise, reward and retain quality staff	Review staff remuneration model
		Develop and deliver a culture and change program as part of the implementation of the SHMTP
		Review current recruitment methods, models and arrangements

Key: completed in progress delayed

Status	What we achieved	Aims for 2018–19
	All compliance obligations to regulator, ATO , ACNC met. See Finance and Corporate Services report page 76	Zero exceptions on compliance reporting
	Strategic Plan 2018–21 and Business Plan 2018–19 are approved.	Implementation of Business Plan 2018–19
	The Difference We Make and Bridge Housing's outcomes indicators implemented. FACS delay in developing its outcomes framework	Review the Difference We Make to enhance outcomes and indicators
	Reconciliation Action Plan year 1 delivered with participation of Aboriginal Tenants Advisory Group	Implement year 2 of the Reconciliation Action Plan
	Tenant workshop held in February 2018	
	EBDITA of $2.5 million exceeds Budget projections	
	Increase in debt facility from $25m to $35m to fund Elger Street Glebe vesting	Review opportunity to refinance through NHFIC
	Model updated to incorporate SHMTP	Model upgraded to meet agreed business structure
	Reviewed SAMP and made minor changes. A full review is scheduled for delivery in 2018–19 now that the go-live for Northern Beaches is scheduled for August 2019	SAMP reviewed and updated
	Deeplake implemented to improve use of SMS and provide an interface with SDM to enable staff real time log in to enhance mobility	Platform implemented 31 August 2018
	M-Files digital records management system stage one live in February 2018	M-Files Stage 2 operation by 31 December 2018
	Delayed in light of developing IT Strategy 2018–21	Implement dashboard reporting system for key metrics by 31 March 2018
	IT Strategy 2018–21 approved. See Finance and Corporate Services report page 76	Implementation of IT Strategy 2018–21 Year 1
	Risk Management Plan 2017–2018 approved No major or minor risk events See Finance and Corporate Services report page 76	Risk Management Plan 2019–20 approved
	WHS audit completed	Ensure WHS audit regime is applied to all contractors
	Program director appointed and other positions recruited in line with recruitment plan	SHMTP transition team recruited per the project plan.
	Strategy development in progress but will finalise to supplement the overall corporate strategy	Human Resources Strategy endorsed by the Executive and HR Sub-committee by August 2018
	Research undertaken, implementation in 2018–2019	Remuneration review completed for award staff and implemented by December 2018
	SHMTP culture and change management program completed	
	Currently in progress. Will be finalised now that we know the approach with SHMTP	Put in place new arrangements for recruitment by September 2018

Critical success factors	Goal	Target (performance measure)
4 Managing the business sustainably (continued)	Deliver training, development and performance management aligned to strategic objectives	Review the Learning and Development program to deliver business plan objectives and support staff in developing resilience and managing change
		Review KPIs and measurement effectiveness to refine the link between business plan objectives, performance management and remuneration
	Create a more flexible, fit for purpose workplace	Identify and secure new accommodation for Bridge Housing's head office
		Develop and implement a relocation plan for the head office
		Identify and secure accommodation for the SHMTP transition team
		Refresh Bridge Housing's commitment to celebrating diversity in its workforce
	Build on our positive organisational culture as we grow and change	Develop and implement an action plan in response to the Staff Engagement Survey 2017
		Achieve White Ribbon accreditation to highlight domestic violence as a workplace and service issue
	Increase awareness of our value proposition and build on our strong brand and reputation	Undertake a digital marketing strategy review to enhance our social media presence
		Plan for and commence delivery of a staged website review to support implementation of the SHMTP
	Continue to improve communications with residents, partners and stakeholders	Commence delivery of a communications strategy to support implementation of the SHMTP
		Develop and embed a social media policy and associated protocols
		Promote tenant volunteers and tenants' activities in their communities through the newsletter, Annual Report and other promotional opportunities
	Advocate strongly for affordable housing, including property transfers and funding frameworks	Undertake meetings with state and federal government representatives in Bridge Housing's operating regions
		Seek to speak at and attend conferences, seminars and cross-sector forums
		Participate actively in industry organisations, including PowerHousing, CHIA and UDIA

Key: completed in progress delayed

Status	What we achieved	Aims for 2018–19
	Learning and Development program reviewed and implemented See Our people page 46	Develop 2017–18 training calendar aligned to development plans by September 2018
	Corporate KPI's developed and incorporated into individual performance	
	Search for suitable new office location underway	New office secured and operational by December 2018
	Not undertaken as new office space not secured	Fit out completed and all staff successfully relocated to new premises by June 2018
		Premises for new office to support the SHMTP secured by end of March 2018
	New diversity committee Increased parental leave provisions Supported LGBTQI staff on marriage equality postal survey	Develop new Diversity and Inclusion policy and strategy
	Action plan developed and communicated to all staff. See Our people page 46	
	Accreditation achieved September 2017. Introduced Domestic violence policy and paid DV leave See Our people page 46	Deliver year White Ribbon year 2 Commitments
	Social media engagement increased across all platforms Used feedback from NAB social media hub to improve presentation See graphic page 18	
	Working with Web site service provider to redesign website	Website to be launched in October 2018
	Communications Strategy developed for delivery from August 2018	Roll out communications strategy with northern beaches tenants
		Policy developed
	Three tenant videos completed Refocusing Facebook as tenant focus activities	Four new tenant 'stories' and photographs per annum
	No meetings over 2017–2018	At least one meeting with each key representative
	Bridge Housing spoke at variety of conferences and Seminars See Our advocacy page 30	
	Maintained membership and directorships of industry organisations See Our advocacy page 30	

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Young resident plays at Orbit Kids' Day 2018

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bridge housing

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