



# 20

## Annual Report

# 10



*Better lives, stronger  
communities  
through affordable,  
quality housing*









ST GEORGE COMMUNITY HOUSING



Welcome to the St George Community Housing Annual Report. The purpose of our organisation is to reduce social and economic dis-advantage through the provision of secure, affordable and sensitively managed housing for people with low and moderate incomes. Our head office is located in Hurstville and we acknowledge the traditional owners of this land, the Bidjegal clan of the Eora nation.

This annual report is published by St George Community Housing Limited (SGCH).  
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We would like to thank our sponsors Westpac, Kip McGrath, the St George Foundation, Giraffe Removals and Storage, Precision Electrical, St George Plumbing, ATAC Maintenance. Your ongoing support helps us make a difference in the community.

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# Industry Overview

The Community Housing Sector is relatively new to the property market. We provide secure, affordable accommodation for people on low to moderate incomes from fully subsidised supported housing through to affordable housing products.

Up until recently community housing provider's sole purpose was to maintain dwellings and tenancies on behalf of State Government housing departments. New policies, regulation and title transfers have enabled growth providers such as St George Community Housing (SGCH) to transition to property owners and developers. The sector is rapidly growing in experience and sophistication, with registered growth providers obtaining Company Limited by Guarantee status in 2008. The outlook for the sector is prosperous and beneficial to all Australians as we help people work towards owning their own home while offering tenants the chance to better participate in the communities in which they live.

*"Moving into a brand new property is something I could only dream of before"* Thi Nguyen



Fairfax Community Newspapers  
Neighbours Que Lan Tran and Thi Nguyen show Cabramatta MP Nick Lalich, Housing Minister Frank Terenzini and Premier Kristina Keneally their new homes at Bonnyrigg

Our clients are different from other tenants they need support services and financial assistance. We work with partners in the health and welfare sector to provide our tenants with the support they need to maintain their tenancies. These services make our sector increasingly viable and low risk as our vacancies and arrears are below industry benchmarks. Similarly with other landlords we are compliant with the Residential Tenancies Act and we provide our customers with education on their rights and responsibilities as tenants.

We have started on the growth trajectory. With home ownership comes a commercial approach and real opportunities to meet some of the housing demands. Together, we can do more with governments and the private sector than the Government can do on its own. The Government cannot get into the business of property development. It cannot borrow money or use its balance sheet to grow. The community housing sector can.

# Performance Highlights

- Delivering through partnership Bonnyrigg Stage One with 39 community dwellings and 52 private properties complete and fully occupied.
- Winning the largest share of homes to be constructed under the Nation Building and Economic Stimulus Program, and a major share of the NSW Government Asset Ownership Tender.
- Further capitalising on our skills in community renewal by partnering with HNSW and Payce Communities to revitalise Riverwood North for 600 new homes including 150 seniors living dwellings to be managed by SGCH.
- Appointing new corporate staff and further investment in IT and HR systems and policies for more sophisticated management and risk mitigation.





# Organisational Overview

**St. George Community Housing is a large and respected community housing provider. We manage close to 3,000 dwellings in NSW and provide a range of services to over 7,000 tenants.**

The purpose of our organisation is to initially meet the basic needs of Australia’s most vulnerable people, to give them more opportunities. SGCH’s focus is on improving the quality of the tenant’s lives by starting with the provision of secure shelter, then offering assistance with education and employment services. This helps these Australians maintain their tenancies, and where possible, move through the housing continuum from fully subsidised housing to partially subsidised key worker accommodation.

Through SGCH providing affordable, quality housing we build better lives and stronger communities. Acting as first movers in innovative projects and programs is what differentiates us from other housing providers.

Over the next five years SGCH expects to double the number of properties we can provide to people on low to moderate incomes, in response to ever increasing demand. This will include the transfer of 1,184 newly constructed homes as part of the Nation Building Economic Stimulus Program (NBESP).

While our portfolio has evolved over time, SGCH remains primarily committed to helping the most disadvantaged Australians, and seeking to provide an innovative response to failures in the housing market. Established in 1985 as a generalist provider of transitional housing for low income households, we have since ventured into three other significant areas:

*Opening of Nation Building properties in Matraville*

- Providing a large portfolio of housing for individuals and families who need assistance from specialised support providers to sustain their tenancies and maintain stability and well being. This includes 200 supported housing dwellings in the Port Jackson Supported Housing Program.
- Participating in the Bonnyrigg housing estate renewal as part of a public private partnership (PPP) involving the tenancy management of 833 public housing dwellings. SGCH’s partners in the PPP are Becton, Westpac and Spotless. These renewal skills will be applied to the renewal of other public housing estates in the future.
- The development of new affordable housing projects for low and moderate income households struggling in the private rental market, but not entitled to assistance in the social housing system. This enables us to respond to the emerging problem of key worker housing, build our balance sheet and strengthen our cash flow to purchase more affordable housing. This improves our organisation’s independence as a housing provider.

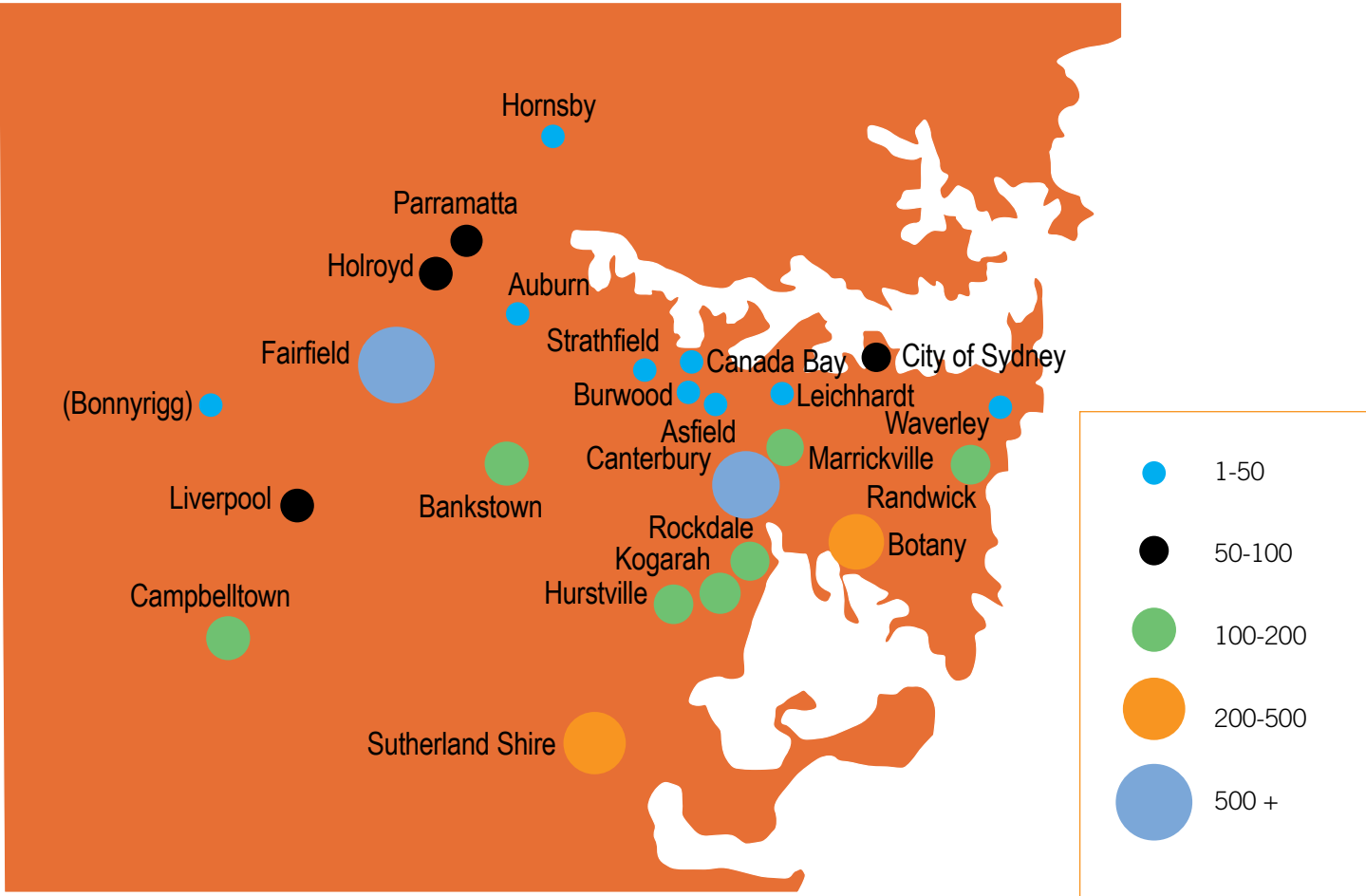
The organisation receives recurrent funding from Human Services Departments, Housing NSW Community Housing Division and Ageing Disability and Home Care. Additional income comes through tenant rents, from other capital-funded housing projects, tenancy management contracts and other fee-for-service assignments.

SGCH became a Company Limited by Guarantee in 2008 and is registered under the Corporations Act. SGCH is managed by a board of volunteer directors elected by members of the organisation at the annual general meeting.

The SGCH board offer themselves for service on the basis of their expertise in accounting, finance, business, management and corporate governance. We are most proud of our staff who are keen to deliver the strategic growth the organisation needs over the coming years. This will help SGCH assist more Australians get the homes and support they deserve.



## Where we operate



Map of SGCH dwellings in NSW

**Our theme this year was about strengthening our foundations, with the organisation experiencing rapid growth and transformation. This has been a particularly rewarding period for me and for SGCH as we have worked hard to achieve this, all the while maintaining our values of support, accountability, respect and integrity.**

In order to strengthen our foundations, we ensured SGCH continued to be positioned as the preeminent community housing organisation by winning the maximum proportion any one organisation could win of the Nation Building Economic Stimulus Program (NBESP) and Asset Ownership tenders.

Nation Building has helped us consolidate our portfolio to provide housing for people in need across our heartland of South Western Sydney to Southern Sydney. Planning and sourcing of a new head office and opening satellite offices in Sutherland and Campbelltown is a certainty.

Our goal is to work more closely with others in this area in terms of community renewal, employment schemes, education, and working with the local community and interest groups to provide a greater range of services. It's about maintaining our focus in this local area to improve our tenant's lives through better services and social inclusion. Now it is about working strongly with the communities in which our tenants live to assist them to improve their lives.

Achieving registration as a Class 1 Community Housing provider was also a key focus, and we have continued to work tirelessly to ensure that SGCH is positioned well and is considered by both State and Federal governments as a high performing and well regarded community housing provider.

We have also made significant achievements in the following areas:

- A record surplus after costs of \$4.5 million due to tight control of expenses and improved income.
- Properties under management increased by 7 per cent from 2,691 to 2,882.
- Gross income increased by 28 per cent from \$20.6 million to \$26.4 million. This was largely driven by increases in rental income of 41 per cent due primarily to the effort placed by the organization in implementing Commonwealth Rental Assistance (CRA).
- Cost increases were limited to 19 per cent from \$18.4 million to \$21.9 million.
- We maintained a tenant satisfaction result of 87 percent which is a high result compared to the sector and at Bonnyrigg/Newleaf communities we achieved an 81 per cent tenant satisfaction compared to a Housing NSW benchmark of 60 per cent.

Part of this successful growth is due to our work to ensuring structures, systems and processes are aligned to effectively deliver on the nation building commitments.

This year has also been a professionally rewarding year for me as CEO. I had the opportunity to participate in a number of committees, boards and panels to ensure SGCH is a major influencer in the sector.

Looking ahead, a significant part of my role will be focused on continuing to build internal capability and ensuring that my senior management team have the systems, processes and risk management strategies in place to support our rapid growth. BETTER IT is an integrated IT system which will seamlessly link all aspects of our business and its' implementation is critical if we are to succeed during this accelerated period of growth.

This together with the best human resource capability, paying particular attention to new employees to ensure they are quickly aligned and engaged with our vision, values and direction is an imperative. A capital works and procurement capability will also need to be on the agenda in the coming years if we are to maintain our status as a Class 1 Community Housing organisation able to deliver cost effective housing solutions.

My ongoing focus and that of my executive team will involve continuing to live the SGCH values and to ensure they guide all our behaviours and work practices. Our culture needs to support our vision and we must never lose sight of our core purpose, ensuring that all team members know how they contribute to the bigger picture and how we work together to serve our customers.

During this time of rapid growth I will be attentive to the business risks involved in growth and to the challenges in communication and culture. We must broaden the range of services and products and continually innovate whilst also continuing to diversify our income sources to maintain our position as a leading housing provider.

Our organisation does believe in growth, but in quality not quantity. It is about greater engagement with our tenants and the communities in which they live. This is through services and supply through development capability.

May I take this opportunity to thank the SGCH staff and Board of Directors whose professionalism, commitment and resilience helps SGCH create such excellent outcomes for our tenants and the wider sector.

I thank you for your interest and involvement with our organisation and I hope you share in our optimism for the years ahead.

Yours sincerely,



**Nazha Saad**

*“Our goal is to work more closely with others in this area in terms of community renewal, employment schemes, education, and working with the local community and interest groups to provide a greater range of services.”*





This year the Board of Directors instigated a strategic planning process that sets the direction for SGCH over the next three years.

The strategic plan reflects our focused growth and consolidation. The plan is about making sure everyone understands their importance in achieving our objectives, and ensuring that our values run through all of this. It helps us keep all our people and processes aligned with our values and helps us achieve our vision.

One of the challenges is maintaining a values based organisation, and also retaining the talent we need to sustain growth. Another challenge is to maintain our customer focus, remain innovative and make the most of opportunities.

Financial performance is part of the aligned strategic plan. Operational measures have also been developed for the four result areas of responsiveness, innovation, excellence and leadership within the Strategic Plan. The strategy involves the whole of SGCH and caters for industry and environmentally sustainable development.



Some members of the Tenant Advisory Group

SGCH Strategic Directions  
2010 – 2013

Our vision

Better lives, stronger communities through affordable, quality housing.

Our purpose

To reduce social and economic disadvantage through the provision of secure, affordable and sensitively managed housing for people with low and moderate incomes.

Our values

Support Accountability Respect Integrity

*Supportive environment, Accountable people and practices, Respect for staff, partners and clients, Integrity in our communications and meeting our responsibilities*

Our intended outcomes over the next 3 years in our four result areas

1. Customer Responsiveness 2. Product Innovation 3. Operational Excellence 4. Industry Leadership

Outlook

This is a historic period of growth and opportunity for SCGH. While the sector is undergoing major reform through Government policies and incentives, SGCH is moving towards being a force for change rather than a receiver of change. We intend to further strengthen our foundations through several key areas:

- Good governance and leadership in the industry
- Improved systems and technology
- Innovation in products and services for our tenants
- Strong partnerships with support services
- Greater private sector involvement
- New financing models such as assisted home ownership.
- Strengthening capacity in the project management and procurement construction area

Other goals for the year ahead include educating the private sector about our business model, rather than trying to fit it to one of their existing business models. To do this we have compiled a business profile for our financial stakeholders which includes key performance indicators of interest. We are also increasing our connection with banks and other financiers and welcome further engagement by this sector.

One great ambition is to partner with financiers and successfully develop an appropriate finance model that suits both the private and community housing sectors. The model should mitigate risks, satisfy commercial interests of banks and meet the needs of tenants.

A model such as assisted ownership, where the tenant gradually claims ownership of the property in which they live through incremental payments, is the future of the property sector. It is the last rung on the housing continuum for vulnerable Australians and a new strategic direction for providers and others wanting to get involved in the community housing sector. We encourage governments to put the right policy settings in place so assisted home ownership is more likely for the thousands of Australians struggling to buy their own home.





SGCH is overseen by the most rigorous corporate governance legislation and regulation available to Community Housing Providers.

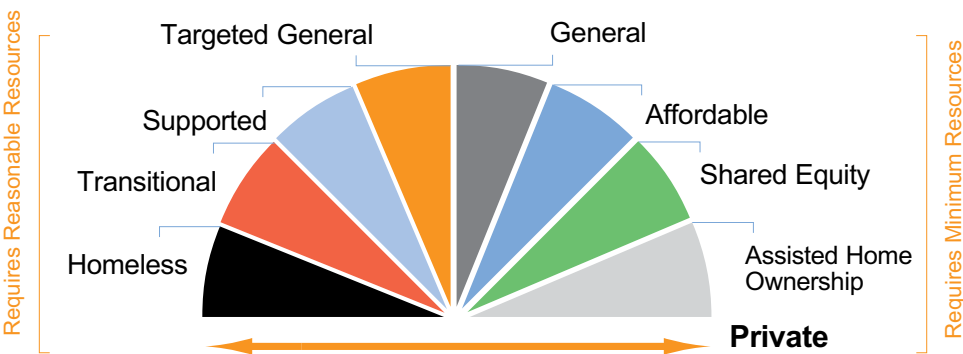
As a Class 1 housing provider and registered growth provider, we achieved Company Limited by Guarantee status in 2008. This means ASIC guidelines and prudential standards apply to all our operations. We have a governing board that is made up of skilled and qualified experts from the industry. Their expertise is in finance, property, social housing and general management. With a State regulator and impending Federal regulator we are well governed and secure for the long term.

Our sector is relatively risk free with regulation, governance by our boards, interest cover ratios of not less than 1.3, and in the post development phase a target of 1.5.

The loan to value ratios on total project debt is not more than 50 per cent. The amortization period on total project debt is not more than 20 years after the draw down of debt. This, together with Governments' involvement, means the sector is very different to other investment propositions and other forms of residential lending.

This year we created the new roles of compliance officer and human resources manager and appointed a dedicated company secretary. We are also in the process of reviewing our risk management frame work. All this helps reduce risk for financiers and other investors. It also helps us to focus resources on what is important and not become distracted by mitigating small or minor risks in such a period of growth. In addition compliance with AS/NZ ISO 31000 will be achieved in 2011.

“Our sector is relatively risk free with regulation, governance by our boards, interest cover ratios of not less than 1.3, and in the post development phase a target of 1.5.”



We provide housing solutions to Australians who move through the housing continuum



This year has been one of opportunity and growth for the community housing sector. SGCH spent much of the year 2009/2010 strengthening foundations and transforming the organisation into one that could take full advantage of the opportunities available to create more affordable housing for people disadvantaged in the housing market.

The Australian Government's response to the global financial crisis and the resulting Nation Building Economic Stimulus Plan coupled with the announcement of title transfer from Housing NSW to Community Housing in June 2009 created an historic opportunity for providers of housing to increase affordable housing. The impact of this growth for our sector and for our tenants and applicants is profound. Not only are we now managing even more housing to people in need, community housing providers are able to leverage against owned assets to borrow funds to create additional housing for low income earners. At the time of this report, SGCH houses 7,000 individuals. This means that one in every 1,000 people living in NSW are housed by our organisation.

This year our achievements include:

- Delivery of Stage I of the Bonnyrigg redevelopment with 39 new community housing properties completed and reoccupied.
- Success in the Nation Building and Asset Ownership Tenders that will secure \$350 million worth of stock totaling 1183 new properties over the coming 18 months. This represents a 50 percent of the stock available in metropolitan Sydney
- Asset Ownership Tender will result in a further 100 titled properties in the SGCH portfolio.
- Recruitment of specialist staff including Audit and Compliance Officer, Human Resources Manager, Communications and Marketing to ensure our organisation's preparedness for the future.
- Announced as the successful Community Housing Provider to work with Housing NSW and Payce Communities on the design, implementation and management of 150 new seniors living dwellings at Riverwood North.

I am particularly proud of SGCH's continued focus on tenant outcomes beyond a response to housing. Our "Housing Plus" program has expanded to offer tenants training and employment opportunities in a program to be initiated in the early new year.

The key to the organisation's success over the past year is the dedication and expertise of my colleagues. I would like to thank the Directors for their dedication and commitment to ensuring high quality governance and leadership to our organisation.

Again, the professional stewardship of our CEO Nazha Saad and her team who work hard to ensure SGCH continues to maintain a leadership position in the sector must be acknowledged.

Our key stakeholders are our tenants and I would like to take this opportunity to welcome the many new tenants who have joined SGCH this year and to thank our tenants and the Tenant Advisory Group for their work. The ability of SGCH to continue to grow and succeed is due to the efforts and commitment of all our stakeholders that also include our support partners, contractors, consultants and Local Government partners.

I look forward to the year ahead as SGCH continues to grow and develop and at the same time remain totally focused and committed to our vision "Better lives, stronger communities through affordable, quality housing."



Dennis Café  
Chair

## Operational Review



# Operational Review

## Our Support Partners

Our valued support partners deliver on what the tenant may require to help maintain their tenancy. This means being flexible and also tailoring their services to meet what the tenant may need in times of crisis, appreciating tenant circumstances alter.

The main priority for all our support partners is their ability to recognise that each individual has different needs that change over time. For this ability, we thank our partners for their tireless efforts in helping us help vulnerable Australians.

**Aboriginal Medical Service, Aftercare**, Al-Zahra Muslim Association, *Anglicare Lisgar Youth Support Program*, **Auburn Migrant Resource Centre**, Benevolent Society, **Bobby Goldsmith Foundation**, Bonnies Women’s Refuge, **Centacare**, **New Horizons**, Ageing, Disability & Home Care, NSW Department of Community, **NEAMI**, NESH, **South Eastern Sydney and Illawarra Area Health Service (SESIAHS)**, Riverwood Community Centre, Rockdale Community Health Centre, *Royal Hospital for Women*, **Samaritan House**, *South West Child Adolescent & Family*, *Southern Sydney Youth Refuge*, **St George Accommodation for Youth Services**, *Paraquad NSW*, Richmond Fellowship, Shire Wide Youth Services, Civic Residential Services, Claffy House, *Community Restorative Centre*, **Fairfield Youth Accommodation**, House With No Steps, **Hume Community Housing**, Independent Community Living Association, **Inner City Homeless Outreach Support Service**, St George Mental Health Service, *St George Women’s Housing Company*, **Phoebe House**, Pole Depot Community Centre Inc, **Psychiatric Rehabilitation Unit**, **Orana Lodge**, The Salvation Army, Ozanam Village, **St Vincent de Paul**, Parramatta Mission, **Randwick Family Support Service**, Sutherland Mental Health Service, *Integrated Services Project* , **Sydney South West Area Health Services**, Sylvanvale Disability Service, **Uniting Care**, **Vietnamese Women’s Association**, **ADAHPT**, Kirketon Road Centre, **Marian Centre**, Matthew Talbot, Mercy Arms, **Roam Communities**, Ted Noffs Foundation, The Station, **Uniting Care**, *Youth off the Streets*, **ReferrAl Agencies**, Al-Zahra Muslim Association (AZMA), **Amelie House Womens Refuge**, Australian Arabic Communities Council, **Australian Red Cross**, Bankstown Chinese Baptist Church, Bankstown Community Health Service, **Baulkham Hills Holroyd Parramatta**, Bonnie Women’s Refuge, *Burnside Family Learning Centre*, **Burwood Community Welfare Services Inc**, Housing NSW, Hurstville Community Health Centre, **Inner West Family Support**, Islamic Council of New South Wales, **Jacaranda Cottage**, **Jean’s Place**, Liverpool Migrant Resource Centre, **Lone Parent Family Support Service**, Macedonian Australian Welfare Association of Sydney Inc, **Migrant Resource Centre**, **Mission Australia**, *NESH Women’s Housing Scheme Inc*, **Office of the Protective Commissioner**, **Options – Youth Housing Association Services**, Spinal Cord Injuries Australia, **St George Area Intellectual Disability Services Ltd**, St George Backstop Family Support Service, St George Lebanese Joint Committee Inc , St George Migrant Resource Centre Inc, **STARTTS**, **Auburn & Fairfield**, Stepping Out Housing Program, **Sutherland Hospital and Community Health Service**, Sutherland Shire Family Support Service, **Alevia**, **Caretakers Cottage Inc**, **Jean’s Place**, Red Cross Young people’s parenting program, **The Smith Family**, The Twenty Ten Association INC, **Vincentian Village**, Wentworth Area Health Team, **Wesley Mission**, **Women’s Housing Company**, Wruwallin House, YWCA Crisis Support, Cancer Care Centre, **Canterbury Bankstown Migrant**, Resource Centre, Canterbury Community Health Centre, Canterbury Family Support Service, *Catherine Villa Accommodation Units*, Centacare Young Women’s Supported, **Accommodation Program**, Centrelink, Deli Women and Children’s Centre, **Department of Corrective Services**, Dolores Single Womens Refuge, **Erin’s Place Inc**, Ethnic Child Care, Family & Community, **Services**, **Fairfield Migrant Centre**, *Gymea Community Aid & Information Services Inc*

# Operational Review

## Affordable Housing

### Our Portfolio

SGCH responded to Round 1 call for grant funding National Rental Affordability Scheme (NRAS) in 2008. Combined with the organisation’s success in the Affordable Housing Innovations Fund Tender earlier in the year, SGCH was able to procure 100 dwellings to accommodate working people experiencing rental stress in two high need areas of Sydney. SGCH has responded to the need for affordable housing and exceeded the expectations of stakeholders including NSW government. Two sites are currently operating and are home to 100 families who are offered a 25 percent discount to the market rent.

**Mosaic:** Located in South West Sydney at Leumeah, the Mosaic complex comprises over 170 dwellings. Fifty, two bedroom dwellings were purchased by SGCH in late 2008. The units are apartment and townhouse style and all dwellings are accessible and have balconies and/or courtyards. The complex is located less than 100 metres from local shops and transport. Testament to the need for this type of accommodation is the record uptake with all 50 apartments being tenanted within two weeks of financial settlement.

**Euro:** is located in West Terrace, Bankstown. The site comprises three distinct blocks of apartments, located within walking distance to the shopping plaza and train station. SGCH was able to purchase one tower of 48 one and two bedroom dwellings. SGCH has created operational efficiencies through the procurement of this site and is planning to work with local government to capitalise on the use of the roof space to provide a unique common area amenity for residents and also to retrofit environmentally sustainable features including solar power to the site.

### Key Worker Housing

SGCH has worked with Housing NSW and local government in the provision of discount to market rent accommodation for key workers. These projects include

Inner West Affordable Housing Demonstration Project was SGCH’s initial foray into the delivery of Affordable Housing. SGCH still operates 12 dwellings on behalf of Housing NSW in the Canterbury and Marrickville Local Government Areas. Demand for these dwellings is strong from local families and the program has generated a healthy surplus to be used to procure additional head leased stock.

City of Canada Bay Affordable Living Program is delivered on behalf of Canada Bay Council. The program comprises one, two and three bedroom dwellings in North Strathfield and Concord. Market rents in this area of Sydney are particularly unaffordable and demand has been strong particularly from employees of the Concord Hospital. The program incorporates a service agreement with Concord Hospital to accommodate six employees.

Randwick City Council Affordable Housing one and two bedroom properties are managed on behalf of Randwick Council in Randwick and Little Bay. Part of boutique lifestyle developments, these properties are offered at a 25 percent discount to the market rent and demand from professional people and families is strong.

### Partnerships

In first round allocation of incentives, SGCH were awarded 10 per cent of all of NSW’s NRAS allocation. This translates to 1 in 5 of all NRAS funding allocated to specific projects. We commend the Centre for Affordable Housing and Housing NSW for understanding the longer term policy nature of incentives.



Bonnyrigg PPP

One of the greatest examples of a successful partnership between a community housing provider, Government and the private sector is the Community Renewal project at Bonnyrigg in Sydney's West.

This is thanks to the vision of Housing NSW and the requirements of the PPP that business had to partner with the community housing sector. It is the first time in Australia, on any scale, a community housing organisation is partnering with a bank, large property developer and a facilities manager. It was a key lever to the success of the project.

- The Bonnyrigg Partnerships PPP project is a \$733 million project to redevelop the old Bonnyrigg public housing estate.
- The redeveloped Bonnyrigg will comprise around 2,330 new homes – 70 per cent private and 30 per cent community housing - all built to the same high quality standards of design and appearance.
- Stage 1 is now fully occupied, 56 per cent of Stage 2 private dwellings already sold and Stage 3 is well advanced.
- There will be upgraded parks and community facilities as well as a seniors' living area located adjacent to shops, transport and services. Around 20 per cent of homes will be 'adaptable' - designed so they can be easily modified to meet the needs of residents as they become older or less mobile.
- Home design and layout meets the needs of the richly diverse community.
- An intensive community development program is underway to assist disadvantaged members of the community to participate in and contribute to community life.

Our Progress

**Stage 1**

- 39 community dwellings and 52 private properties are now complete and fully occupied.
- New street names include Newleaf Parade, Hakea, Westringia, Hibiscus and Eucalyptus St.
- Over 800 people gathered in Tarlington Reserve on 4 September as part of the Bonnyrigg Family Fun Day provided by Newleaf Communities and the Benevolent Society to celebrate the new start for local families.
- Our volunteers held a community safety and creek clean up BBQ in October.

**Stage 2**

Over 70 per cent of private properties have now been sold and work is soon to commence on matching tenants to community homes.

- Development approval for 66 private and 39 community homes granted in Stage 2 by Fairfield Council on 25 June 2010 with demolition and ground remediation completed August.
- Consultation is due to start on the Plans for the sports field, amenities building, car park and site nursery planned for the southern side of Tarlington Reserve as well as for the Newleaf Communities office on the corner of Tarlington Pde and Wall Place.
- Participants attending Newleaf Communities programs give feedback and attend on-site consultation meetings.

Supported Housing

SGCH has a commitment to working in partnership with support agencies to provide affordable, appropriate housing for people who require support to live independently in the community.

SGCH has expertise in tenancy and property management. We rely on our partners and their expertise in the provision of support to ensure that our tenants receive the best opportunity to achieve their individual goals.

By nature a partnership requires time, effort and commitment. A key feature of a successful partnership is communication. SGCH aims to consistently communicate clearly and regularly with the organisations we work in partnership with to ensure our tenants receive the best level of service possible.

Housing Managers in the Supported Housing Team communicate via email, telephone and face to face with support workers on a regular basis to discuss and review the progress of our tenants and required level of support. The intention is to address any arising issues as a matter of priority and work with the tenant to ensure that the tenancy is maintained and successful.

In line with "A Way Home: Reducing Homelessness in NSW the NSW Homelessness Action Plan 2009-2014", SGCH has increasingly worked in partnership with support services to:

- Prevent Homelessness
- Respond effectively to homelessness
- Break the cycle of homelessness

Target groups that SGCH aims to continue working closely with include:

- Young people
- Individuals experiencing domestic and family violence
- People leaving institutions
- Aboriginal and Torres Strait Islanders
- People experiencing mental health issues

During the year SGCH formed new partnerships with:

- Alevia
- Caretakers Cottage Inc
- Jean's Place
- Red Cross Young People's Parenting Program

We look forward to continuing to work in partnership with our new and existing partners in the provision of housing linked with support.

**Allawah Program**

The Allawah Dual Diagnosis Program supports Aboriginal and Torres Strait Islander people who are homeless or "at risk" of homelessness with co-existing mental health and substance use disorders (Dual Diagnosis). The partnership involves the Sydney South West Area Health Service (SSWAHS) including the Aboriginal Mental Health Unit and Drug Health Services, the Aboriginal Medical Service (AMS) Redfern, Neami and St George Community Housing (SGCH).

The aims of the Allawah program are:

- To provide culturally appropriate housing and support to Aboriginal and Torres Strait Islanders with a dual diagnosis;
- To enable clients of the program to address their mental health and substance use issues;
- To assist clients of the program to appropriately access wider support services; and
- To assist clients to access long term stable accommodation.

Six Aboriginal people are housed in the inner city area and receive appropriate and individually tailored support that enables them to successfully maintain their tenancy while focusing on their individual goals. Non housing outcomes include but are not limited to:

- Improved mental health
- Improved physical health
- Connection in the community

**Housing and Support Initiative**

SGCH works in partnership with New Horizons, Richmond Fellowship and Neami in the delivery of the Housing and Support Initiative (HASI).

This year, SGCH participated in the HASI review which found the following client experiences regarding participation in the program:

- Long histories of housing instability
- Satisfaction with their accommodation
- Qualitative improvements in mental health
- More/same satisfaction with physical health
- Reduction in number of hospitalisations
- Improved relationships
- Increased involvement in community activities, education and employment

We thank all our partners in this valuable program that helps people with a mental illness maintain their tenancies and become closer to the communities in which they live.



# Operational Review

## New Team and Programs

### Access and Demand Team

Since its inception in October 2009, the Access and Demand (A&D) team have experienced some exciting changes and challenges.

This includes the strengthening of the team and through new staff, processes and policies, as well as preparing for and implementing the Housing Pathways program in partnership with Housing NSW. The A&D team have also adapted well to the rapid growth anticipated through the Nation Building Economic Stimulus Program and the Property Transfer Program.

The A & D team's primary responsibility is to provide a higher level of service delivery to applicants and support them through the housing application process, while still keeping a keen focus on our tenants.

### Property Services Team

The Property Services division was initiated in the last quarter of the financial year to respond to the increased need for planning, delivery and management of new and current housing stock. This is the culmination of SGCH's need to respond to the ever growing commercial requirements of housing development and services, while maintaining our social aims and values. Property Services works in conjunction with the Corporate Services and Housing Services divisions to manage rapid and dynamic growth. The Property Services division covers three areas: Projects & Planning, Development & Construction and Asset Management. The new Property Services division brings together the work previously done by the Asset Manager and the Commercial Program section of the business and allows all decisions that relate to our housing stock to be made in a co-ordinated manner. John Engeler is the General Manager Property Services.

While there are three core business areas in Property Services, the size, timing and nature of the Nation Building Economic Stimulus Package response requires all three areas of Property Services to work together and this began in the last quarter of the financial year. In gearing up to receive ownership of both Nation Building and Asset Ownership of the 1,250 properties, Property Services has engaged consultants, contractors and specialists experienced in the implementation, delivery and seamless transition of similar programs. Although the bulk of Nation Building stock is due to be received in the 2010/11 financial year, SGCH developed the framework in the current financial year in such a way to ensure both "business as usual" continued at a high standard and we were able to also respond to other new and enhanced business opportunities.

### Housing Pathways

This valuable process was introduced in April 2010. Housing Pathways' implementation was a rewarding challenge for the A&D team as the benefits to applicants and tenants was noticeable almost immediately. Applicants now can attend any Housing NSW office or Community Housing Provider in NSW, and receive the same quality service. Applicants need only tell their story once and their application is lodged or updated at offices around the State.

We have had positive feedback from applicants who appreciate being able to choose who they would like to deal with. The centralised Housing Register has meant that there are no longer duplicate lists or doubling up on resources. Over the next 6 months the A&D team are working towards offering tenants opportunities that were previously unavailable, such as transfers and mutual exchange across social and public housing.

### Achievements

- Successful implementation of Housing Pathways
- Development of systems to monitor performance and vacant properties
- Reduction in vacancy turn around times
- Being solution focused when working with all applicants and working more closely with vulnerable applicants



**Our executive team**  
Trevor Wetmore, Karen Walsh,  
Nazha Saad and John Engeler



# Operational Review

## Housing Plus

SGCH is proud to offer services to tenants that extend the benefits of having secure housing. With affordable, safe homes as a foundation, our tenants also have access to “Housing Plus” Services. Types of Housing Plus programs offered include:

- An annual interest free loan scheme to assist tenants with the cost of purchasing white goods. This program compliments the interest free loan available to most of our tenants through Centrelink.
- SGCH Student Education Bursary Scheme commenced in 2005 and is available to SGCH tenants and their children. The bursaries, awarded annually, range from \$400 for primary aged children to \$1,200 for tertiary students. In 2010 SGCH awarded 135 bursaries totalling \$77,000, a record amount.

In the coming year, SGCH will celebrate 25 years of serving the local community and will celebrate by launching two new Housing Plus Services:

- Digiconnect – a programme in partnership with Work Ventures offering affordable personal computers to tenants along with access to broadband, computer training and telephone support.
- Entry STEPS (Sustainable Tenant Employment Pathways) – SGCH is pleased to be working in partnership with MTC Work Solutions to deliver Entry STEPS; an employment program for tenants to enter the workforce and eventually create their own self sustaining small business.



# TAG Chair Annual Report

## Hello to all the tenants of SGCH. Can you believe how fast the year has passed?

We have achieved a great deal in 2010. Some of our social activities were Seniors Week and International Family Day which saw a lot of families coming together as did Harmony Day.

The Biggest Morning Tea celebration was a great success not only did we have fun and a few laughs but we also raise over \$350 for a very good cause.

At Naidoc Week we saw the movie “Bran Nu Day”, followed by an Aboriginal Arts Exhibition held at Hurstville Museum.

We also worked with the Community Development Officers on the SGCH 25th Birthday Celebrations Tenants Carnival. Many TAG volunteers assisted to help make this event a success.

2010 saw the lauch of the SGCH Tenant 2011 Calendar. I would like to thank Hurstville Council for the assistance with funding this project and also like to thank the tenant committee who worked so hard and diligently to gather all information required so the 2011 calendar would be a useful tool for all tenants. I hope you will find it very helpful in the year ahead.

One of the other tasks the TAG has been working on was to review the Student Education Bursary Form, Terms, Conditions and Guidelines for 2011. A Student Education Bursary Open Day was held on the 20th October, and applications will close at the end of Term 4, 2010.

The Tenant Advisory Group (TAG) has grown. We now have over 50 active tenants who participate in social outings and tenant meetings. The group is looking forward to welcoming all new SGCH tenants in 2011, to assist us with expanding our tenant's voice and to look at ways to improve the service delivery of SGCH.

I look forward to seeing new faces and meeting new SGCH Tenants at all our 2011 tenant meetings and social gatherings.

I would also like to thank all senior management, staff and our Board of Directors for their ongoing financial support as well as their help and commitment throughout 2010.

The staff at SGCH are always willing to help and anything I ask is never too much trouble when it comes to tenants.

Lastly I would like to thank all SGCH tenants for your ongoing contribution and hard work throughout the year.

I look forward to our continued successes and working with even more SGCH tenants in the year coming.

Best wishes

**Kim Sowter**

*“I would like to thank all SGCH tenants for your ongoing contribution and hard work throughout the year. ”*





Community Spaces

Community renewal projects are about changing a community that could be disadvantaged to one that's more economically and socially prosperous. It is about laying a foundation for more opportunity and eliminating generational poverty. Our focus this year is laying the foundations for a sustainable business so in future years we can focus on providing the opportunities for people to improve their lives and their environment. We work for our tenants to help them help themselves.

In the past year, SGCH has worked with tenants to create community spaces often centred around gardens. In 2008 we partnered with Holroyd Council to secure funding under Housing NSW Ecowise project to deliver a Sustainability Street program in a complex at Walpole Street Merrylands. Tenants and their children learnt skills to plant and maintain gardens.

Building on this, in 2009, SGCH has worked with tenants to create more community gardens in complexes. A particular success was at Webb Street, Parramatta where tenants from diverse cultures and backgrounds now share produce from their communal garden and hold an annual gardening competition.

We are building on existing relationships with Local Government to secure better outcomes for our tenants over the coming years.



Webb St Community Garden

Kogarah Mayoral Ball

St.George Foundation, established by St George Bank, is a national charity that seeks to provide the best possible future for young Australians. Since 1990, more than \$15 million has been distributed to over 700 hundred charities to fund programs for children who are disadvantaged.

In June 2010, Kogarah Mayor Nickolas Varvaris hosted a charity ball supporting the St George Foundation and SGCH was invited to present on Housing Plus Services on the night.

Tina Baradaran, the daughter of a SGCH tenant and past recipient of a SGCH Bursary gave a moving speech that inspired several donations to the 2011 Bursary Scheme.

In the audience of over 300 people was Mohammed Sabsabi, Director of Kip McGrath in Penshurst and Kingsgrove. Mr Sabsabi immediately offered his support to Tina for her final year of school and also presented our information to the Kip McGrath Franchisees Group. The result of this has been 26 scholarships for tutoring offered across our areas of service valued at \$52,000 for 2011.

SGCH thanks Mayor Nick Varvaris, the St George Foundation, Mohammed Sabsabi and Kip McGrath for their generous support and congratulates Tina Baradaran on her superb public speaking efforts.



Tenant Tina Baradaran speaking at the Kogarah Mayoral Ball June 2010

# Summary Financial Statements to 30 June 2010

| Income and expenditure account                    |                                     | 2010 (\$)         | 2009 (\$)         |
|---|-------------------------------------|-------------------|-------------------|
| How much we...                                    | Where does all the money come from? |                   |                   |
| ...charged tenants for living in the properties   | Rents                               | 16,268,232        | 11,482,547        |
| ...charged tenants & landlords for utilities etc. | Service charges                     | 760,174           | 429,031           |
| ...received from governments                      | Gross grants recieved               | 7,510,425         | 6,989,330         |
| ...received from investment of surplus funds      | Interest                            | 221,859           | 253,720           |
| ...received from other activities                 | Other                               | 1,632,714         | 1,447,525         |
|   |                                     | <b>26,393,404</b> | <b>20,602,153</b> |

|  |   |                     |                     |
|--|---|---------------------|---------------------|
| How much we...   | Where does all the money go?                          |                     |                     |
| ...contributed back to government                      | Capital contributions                                 | (0)                 | (636,200)           |
| ...spent renting properties                            | Rents paid  | (9,479,460)         | (8,771,009)         |
| ...spent on property rates & utilities                 | Rates and utilities                                   | (2,109,429)         | (1,474,756)         |
| ...spent on maintaining the properties                 | Maintenance   | (1,932,238)         | (1,749,082)         |
| ...spent on other property & tenant expenses           | Insurance, depreciation, investment & other expenses  | (3,194,428)         | (1,426,118)         |
| ...spent providing services to tenants                 | Management expenses                                   | (5,237,169)         | (4,297,438)         |
|  |   | <b>(21,952,724)</b> | <b>(18,354,603)</b> |
| ...have kept to help with future activities            | Surplus for the year                                  | 4,440,680           | 2,247,550           |
| ...have retained of previous years' surpluses          | Retained profits brought forward                      | 3,499,622           | 2,111,428           |
| ...have transferred to a Reserve                       | Transfer to reserve for planned maintenance programme | (144,802)           | (859,356)           |
| <b>...have retained to help with future activities</b> | <b>Retained profits carried forward</b>               | <b>7,795,500</b>    | <b>3,499,622</b>    |

| Balance Sheet  |                               |                   |                  |
|--|-------------------------------|-------------------|------------------|
| How much we...   | Clasification                 |                   |                  |
| ...were owed by our tenants and others                               | Debtors                       | 3,422,884         | 4,259,120        |
| ...had in the bank and on deposit                                    | Cash assets                   | 13,934,804        | 6,384,305        |
| ...had paid for furniture and equipment                              | Property, plant and equipment | 26,848,394        | 25,181,342       |
| ...owed to suppliers & others within the next year                   | Current liabilities           | (10,094,716)      | (4,055,722)      |
| ...owed to funding agencies  | Deferred grants               | (11,798,727)      | (11,186,230)     |
| ...owed to funding agencies  | Unexpended grants             | (407,384)         | (2,177,505)      |
| ...owed to banks & others beyond the next year                       | Non current liability         | (10,755,173)      | (11,695,908)     |
|  |                               | <b>11,150,082</b> | <b>6,709,402</b> |
| ...have retained to provide for future planned maintenance programme | Reserve                       | 3,354,582         | 3,209,780        |
| ...have retained for future activities                               | Retained profits              | 7,795,500         | 3,499,622        |
|  |                               | <b>11,150,082</b> | <b>6,709,402</b> |

The above is an extract from the full audited accounts. A Concise Financial Report is included in this annual report. A copy of the full financial report and auditor's report will be sent to any member, free of charge, upon request.

## Financials as of 30 June 2010



# Board of Director Profiles

## Mr Dennis Cafe

B Sc (Tech) Civil Eng (UNSW), LGE  
Dennis' extensive career in engineering and management began in 1959. He has worked for various councils as an engineer and town planner and was General Manager of Woollahra Council from 1993–1994. Dennis has represented local government on numerous specialist and statutory committees and task forces at regional, state and Commonwealth levels. Since leaving local government, Dennis has assisted organisations as a management consultant in both the private and public sector. Dennis was employed as the Senior Housing Manager (Asset and Change Management) at SGCH between 2004 and 2007.

Since 1975, Dennis has worked on numerous professional development programs on Organizational Development and Infrastructure Asset Management. For the past 12 years, he has lectured in post-graduate subjects in both Risk Management and Asset Management at the University of Technology.

Dennis is currently employed as Special Projects Engineer with Rockdale City Council.

## Mr Wayne Carter

B. Engineering  
Wayne has worked for seven Councils since 1970, most recently as General Manager of Bankstown City Council. He spent 15 years as a Director at Marrickville and Liverpool Councils and brings to SGCH an extensive understanding of asset management, executive management and governance issues. Between 2005 and 2007, Wayne was General Manager of Resitech, providing asset related services to Housing NSW and selected external clients in the social housing sector. During his time at Resitech, Wayne restructured the service to improve client focus and established Resitech as a centre for excellence in sustainable design.

## Mr Ike Ellis

A/Dip PS (Newcastle)  
Ike's extensive career in law enforcement and management began in 1964. During his career, Ike rose to the rank of Assistant Commissioner, following several years as District Commander of the Georges River Region. Ike retired from the NSW Police Force in 2000 and was Director, Safety and Security of the NSW Department of Education and Training until 2008. In the 1997 Australia Day Honours List Ike was awarded the Australian Police Medal for Distinguished Police Service. Ike is passionate about issues affecting youth and Indigenous people and is on the Board of the Police Community Youth Club (PCYC).

## Ms Joan Ferguson

Joan's Housing career spans service delivery, policy making, leadership and governance roles. She has worked in public housing, community housing and homelessness services. Joan is passionate about the provision of services for women escaping violence and Indigenous people. Joan has been the Chief Executive Officer of the Australasian Housing Institute since 2004. Joan's previous positions have been with Housing NSW in the positions of Executive Director, Housing Services and Area Manager. Joan was the Executive Director of the NSW Federation of Housing Associations for five years between 1993 and 1998 — a time of significant change in the social housing sector.

## Mr Salah Kahil

B Sc Dip. App. Sc. MA Biomedical Engineering  
Salah has been a tenant of SGCH for the past 10 years and is a Technical Officer with Douglass Hanly Moir Pathology. Salah has also held volunteer positions, working with the Community Relations Commission for a Multicultural Australia and the Southern Sydney Youth Refuge. Salah has governance experience from previous roles on the boards of both SGCH and St George Accommodation for Youth.

## Mr Graham Millett

B.A. Dip. Ed. (Macq), MBA (Macq), AIQS (Affil)  
Graham Millett holds qualifications in economics and business administration and is the recipient of the Macquarie Graduate School of Management's Allen Knott Medal for outstanding academic excellence. Graham commenced his career as a Building Economist with the Commonwealth Department of Housing and Construction and worked on the Glebe Estate Social Housing project. Subsequently, Graham worked as General Manager of the National Building Technology Centre and for the CSIRO's Division of Building and Construction. In 1988 he joined Qantas Airways Limited and became its Head of Group Property. Since 1993 Graham has lectured at MGSM in strategic management, global strategy, competition in Asia Pacific, project management and new enterprise management. He is also a member of the Australian Institute of Quantity Surveyors.

## Mr Graham Rowson

Graham has been a tenant of SGCH for 20 years. Graham is the NSW Service Manager for Control System Technology Pty Ltd and manages quality assurance, human resources and accounts for a team of technicians. Graham served as a Director on the Board of the former St George Community Housing Co-operative for three years.

## Mr David Thrift

David is a retired Company Director with experience in economics and finance. David has extensive experience across a range of industries and a strong track record of integration experience particularly in organisation culture and operations. David was employed by GE Capital Australia for 17 years until 2008. His final position was Senior Executive Director Risk and Ombudsperson. Prior to this, David was employed at Senior Management level with consultants and financial organisations across Australia.



# Directors’ Report

## Your Directors present their report on the St George Community Housing Limited for the year ended 30 June 2010.

**Directors**  
The names of each person who has been a director during the year and to the date of this report are:

|                   |   |
|-------------------|---|
| Dennis Café       | - Appointed 26 August 2009                                |
| Wayne Carter      | - Appointed 26 August 2009                                |
| Ian Kenneth Ellis | - Appointed 26 August 2009                                |
| Joan Ferguson     | - Appointed 26 August 2009                                |
| Salah Kahil       | - Appointed 26 August 2009                                |
| Graham Millett    | - Appointed 26 August 2009                                |
| Graham Rowlson    | - Appointed 30 November 2009                              |
| David Thrift      | - Appointed 28 October 2009                               |
| Karen Walsh       | - Resigned 31 March 2010                                  |
| Trevor Wetmore    | - Appointed 26 August 2009<br>- Resigned 27 April 2010    |
| John Slender      | - Appointed 26 August 2009<br>- Resigned 30 November 2009 |
| Steven Kouris     | - Ceased 26 August 2009                                   |
| Natasha Bernabei  | - Resigned 28 July 2009                                   |
| Leslie Fuller     | - Resigned 19 August 2009                                 |
| Geoff Turnbull    | - Appointed 28 November 2008<br>- Resigned 17 July 2009   |

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Company Secretary**  
Nazha Saad –  
Appointed 23 October 2008

Sue Crook –  
Appointed 28 September 2010

### Principal Activities

The principal activity of the Company during the financial year was the provision of housing services and assistance to low and moderate income earners. No significant change in the nature of these activities occurred during the year.

### Operating Results

The surplus of the Company amounted to \$4,440,680 (2009: \$2,247,550). The Company is exempt from Income Tax.

### Review of Operations

Total income increased by \$5,791,251 to \$26,393,404, 28.1%, compared to the previous year (2009: \$20,602,153). Total Expenditure increased by \$3,598,121, to \$21,952,724, 19.6% compared to the previous year (2009: \$18,354,603). The surplus for the financial year increased by \$2,193,130 to \$4,440,680, 97.6% compared to the previous year (2009: \$2,247,550).

The across the board increases in Revenue, Expenditure and the Surplus can be attributed to a number of factors as a result of the growth in the business and the market conditions in the rental market including; the increase in the number of properties under management by over 290 or 16%, a full year’s ownership of the Euro and Mosaic investment properties; the impact on revenue of the Commonwealth Rental Assistance; steady increase in the rental market across the board and operational efficiencies which resulted in revenue increasing at a faster rate than expenditure without compromising tenancy satisfaction and service to tenants.

### Significant Events after the Reporting Date

No matter or circumstance has arisen since 30 June 2010 that has significantly affected, or may significantly affect the Company’s operations, the results of those operations, or the Company’s state of affairs in future financial years.

### Significant Changes in State of Affairs

During the year the Company was successful in tendering for the Nation Building and Asset Ownership projects. Participating in these projects will result in an increase in the number of owned properties by over 1,000. The Company is involved with many State and Federal government agencies. Any change in the policies of these governments may impact upon the way the Company performs its principal activity.

### Future Developments

The Company is expected to experience growth as a consequence of entering the affordable housing market. The extent of the growth cannot be measured with any level of certainty at this time. Likely developments in the operations of the Company and the expected results of those operation in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

### Environmental Issues

The Company’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory. The Company is governed by environmental regulations managed by local government as applied to residential properties.

# Directors’ Report

### Director’s qualifications, experience and special responsibilities

#### Dennis Cafe Chairman

B Sc (Tech) Civil Eng (UNSW) Local Govt Engineer. Engineering, management, town planner, former GM of Woollahra Council, management consultant in private & public sectors, former SGCH employee (asset & change Management) 2004 – 2007; university lecturer in risk & asset management. Currently Special Projects Engineer Rockdale City Council

#### Ike Ellis Vice Chairman

Assoc Dip Police Studies (Newcastle). Career in NSW police force to Assistant Commissioner, retired 2000. Former Director Safety & Security NSW Dept of Education & Training. Australian Police Medal and a Director of Police Community Youth Club

#### Wayne Carter Non-executive Director

B Eng (Uni of Tech Syd), 5 MBA subjects Executive management experience in local & State Govt. Former GM NSW Dept of Housing. Worked for 7 Councils, GM Bankstown City Council, previously a Director of two Councils. Extensive understanding of asset management, executive management and governance issues. Provider of asset related services to social housing sector

#### Joan Ferguson Non-executive Director

Housing career spans service delivery, policy-making, leadership & governance roles. Worked in public housing, community housing, homelessness services. Previously Executive Director Housing Services with Dept of Housing NSW and Executive Director of NSW Federation of Housing Associations. Currently CEO Australasian Housing Institute

#### Salah Kahil Non-executive Director

BSc Dip App Sc Masters Biomedical Engineering (Uni of NSW). Tenant of SGCH. Technical Officer with Douglass Hanly Moir Pathology. Volunteer with Community Relations Commission for a Multicultural Australia and the Southern Sydney Youth Refuge. Governance experience as a Director of SGCH and Accommodation for Youth

#### Graham Millett Non-executive Director

BA Dip Ed (Macq) MBA (Macq) AIQS (Affil). (Aust Instit Qty Surveyors. Formerly Building Economist with Commonwealth Dept of Housing & Construction; GM National Building Technology Centre for CSIRO’s Division of Building & Construction; then Head of Group property Qantas. University lecturer in strategic management, global strategy, competition in Asia Pacific, project management and new enterprise management. Designs corporate education programs.

#### Graham Rowlson Non-executive Director

Tenant of SGCH. NSW Service Manager for Control Systems Technology Pty Ltd. Previously a Director of SGCH for 3 yrs, including Chairperson for 2 years, involved in the Growth Project in the Co-op’s formative years and liaised with other Housing Organisations in developing strategies for further growth.

#### David Thrift Non-executive Director

Retired company director and senior executive with extensive experience in credit/risk management across a range of industries. Strong back ground in integration of acquisitions with experience in organisation culture, operations and IT. Spent 17 years with GE Capital with final position being Senior Executive Director Risk and Ombudsperson. Prior to this, employed at senior management levels with consultants and financial organisations across Australia

#### John Slender Non-executive Director

Experience in administration as an engineer and planner. Previously managed two small housing co-operatives for people of non-English speaking backgrounds. Voluntary Director of long day care centre in Mascot.

#### Steven Kouris Chairman 16 December 2008 to 26 August 2009

B EC, LLB (Macq), LLM (UNSW)

#### Natasha Bernabei Non-executive Director

B Arch (UNSW)

#### Leslie Fuller Non-executive Director

#### Geoff Turnbull Non-executive Director

B Business (Charles Sturt), CPA

#### Karen Walsh Non-executive Director

Dip. App.SocSc (UWE), Certificate of Qual Social Work (UWE), MA Soc Pol. (UWS), Master in Public Administration ( US)

#### Mr Trevor Wetmore Vice Chairman to 27 April 2010

CA (Australia)

#### Nazha Saad Company Secretary

MBA (AGSM-UNSW), Diploma in Safety Science, B.App.Sc (OT)

#### Sue Crook Company Secretary

LLB, BA, MBA (Melb), SF Fin, FCIS

Sue Crook is Managing Director of Complete Governance Pty Ltd which specialises in providing governance services to the not-for-profit sector. She has more than 30 years experience in various senior corporate roles including the past 17 years specialising in corporate governance. Previous roles include Deputy Company Secretary of National Australia Bank for five years and Company Secretary and General Counsel of ASX listed AFIC (and three other listed investment companies). Sue plays an active role with Chartered Secretaries Australia including having been a past National President.

### Indemnifying Officers or Auditors

No indemnities have been given during or since the end of the financial year for any person who is or has been an officer or auditor of the Company. Directors’ and Officers’ insurance premiums are paid by the Company. The policy prohibits the disclosure of amounts paid.

### Meetings of the Directors

During the financial year and up to the date of this report, 13 meetings of directors were held. Attendance by each director was as follows:

|                   | No.<br>eligible<br>to attend | No.<br>attended |
|-------------------|------------------------------|-----------------|
| Dennis Café       | 10                           | 10              |
| Ian Kenneth Ellis | 10                           | 10              |
| Salah Kahil       | 10                           | 7               |
| Wayne Carter      | 10                           | 9               |
| Joan Ferguson     | 10                           | 8               |
| Graham Millett    | 10                           | 7               |
| David Thrift      | 8                            | 8               |
| Graham Rowlson    | 6                            | 4               |
| Steven Kouris     | 2                            | 2               |
| Natasha Bernabei  | 1                            | 1               |
| Leslie Fuller     | 2                            | 2               |
| Geoff Turnbull    | 1                            | -               |
| Karen Walsh       | 10                           | 9               |
| Trevor Wetmore    | 7                            | 6               |
| John Slender      | 4                            | 3               |



# Directors' report/ Discussion and Analysis of the Concise Financial Report

## Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

## Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001, is set out on page 13 to 35.

No options over shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Signed in accordance with a resolution of the Board of Directors.

Director  
Dennis Café



Dated 26 October 2010

## Basis of Preparation of the Concise Financial Report

The concise financial report is an extract from the full financial statements for the year ended 30 June 2010. The financial statements and disclosures in the concise financial report have been derived from the 2010 financial statements of St. George Community Housing Limited.

A copy of the full financial statements and auditors' report will be sent to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on St. George Community Housing Limited's financial statements and the information contained in the concise financial report.

The financial statements are presented in Australian Dollars which is the Company's functional and presentational currency.

## Statement of Comprehensive Income

Total income increased by \$5,791,251 to \$26,393,404, 28.1%, compared to the previous year (2009: \$20,602,153). Total Expenditure increased by \$3,598,121, to \$21,952,724, 19.6% compared to the previous year (2009: \$18,354,603). The surplus for the financial year increased by \$2,193,130 to \$4,440,680, 97.6% compared to the previous year (2009: \$2,247,550).

The across the board increases in Revenue, Expenditure and the Surplus can be attributed to a number of factors as a result of the growth in the business and the market conditions in the rental market including; the increase in the number of properties under management by over 290 or 16%, a full year's ownership of the Euro and Mosaic investment properties; the impact on revenue of the Commonwealth Rental Assistance; steady increase in the rental market across the board and operational efficiencies which resulted in revenue increasing at a faster rate than expenditure without compromising tenancy satisfaction and service to tenants.

## Statement of Financial Position

Total assets increased by \$8,381,315 to \$44,206,082 (2009: \$35,824,767) representing an increase of 23%. The increase is due to increase in investment properties purchased, assets under construction and increased cash.

Total liabilities increased by \$3,940,635 to \$33,056,000 (2009: \$29,115,365) representing an increase of 14%. The increase was due to the deferred government grants and stock seeding funds received but not yet spent during the year.

## Statement of Cash Flows

Cash flow improvements during the financial year were a result of increased rental income, unexpended grants received and good control over expenditure.

## Statement of Changes in Equity

The Reserve for Future Planned Maintenance Program was increased by \$144,802 to \$3,354,582 (2009:\$3,209,780) to bring it in line with the Community Housing Provider Three Year Planned Maintenance Program requirement.

# Statement of Comprehensive Income

## For the year ended 30 June 2010

|   | Note | 2010 (\$)        | 2009 (\$)        |
|---|------|------------------|------------------|
| Rental revenue  | 2    | 16,268,232       | 11,482,547       |
| Revenue from government and other grants  | 2    | 7,510,425        | 6,989,330        |
| Other revenue   | 2    | 2,614,747        | 2,130,276        |
| Property expenses   |      | (15,154,572)     | (13,853,533)     |
| Employee benefits expense   |      | (3,839,891)      | (2,995,058)      |
| Depreciation and amortisation   |      | (603,357)        | (229,529)        |
| Finance costs   |      | (743,090)        | (214,980)        |
| Office rental expenses  |      | (197,904)        | (145,293)        |
| Gain on disposal of plant and equipment   |      | -                | 350              |
| Other expenses  |      | (1,413,910)      | (916,560)        |
| <b>Net surplus for the year attributable to members of St George Community Housing Limited</b>                |      | <b>4,440,680</b> | <b>2,247,550</b> |
| <b>Other comprehensive income for the year</b>  |      | <b>-</b>         | <b>-</b>         |
| <b>Total comprehensive income for the year attributable to members of St George Community Housing Limited</b> |      | <b>4,440,680</b> | <b>2,247,550</b> |

## Statement of Financial Position

as at 30 June 2010

|                                      | 2010 (\$)         | 2009 (\$)         |
|--------------------------------------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>                |                   |                   |
| Cash and cash equivalents            | 13,934,804        | 6,384,305         |
| Trade and other receivables          | 2,887,109         | 3,560,048         |
| Other current assets                 | 535,775           | 699,072           |
| <b>TOTAL CURRENT ASSETS</b>          | <b>17,357,688</b> | <b>10,643,425</b> |
| <b>NON-CURRENT ASSETS</b>            |                   |                   |
| Property, plant and equipment        | 1,432,973         | 168,954           |
| Intangible Assets                    | 18,362            | 27,542            |
| Investment Property                  | 25,397,059        | 24,984,846        |
| <b>TOTAL NON-CURRENT ASSETS</b>      | <b>26,848,394</b> | <b>25,181,342</b> |
| <b>TOTAL ASSETS</b>                  | <b>44,206,082</b> | <b>35,824,767</b> |
| <b>CURRENT LIABILITIES</b>           |                   |                   |
| Trade and other payables             | 4,273,499         | 2,872,949         |
| Short term provisions                | 1,209,359         | -                 |
| Short term borrowings                | 470,485           | 5,382             |
| Deferred Grants                      | 337,505           | 313,755           |
| Unexpended Grants                    | 3,803,868         | 863,636           |
| <b>TOTAL CURRENT LIABILITIES</b>     | <b>10,094,716</b> | <b>4,055,722</b>  |
| <b>NON-CURRENT LIABILITIES</b>       |                   |                   |
| Deferred Grants                      | 11,798,727        | 11,186,230        |
| Unexpended Grants                    | 407,384           | 2,177,505         |
| Long term provisions                 | 14,555            | 28,242            |
| Long term borrowings                 | 10,740,618        | 11,667,666        |
| <b>TOTAL NON-CURRENT LIABILITIES</b> | <b>22,961,284</b> | <b>25,059,643</b> |
| <b>TOTAL LIABILITIES</b>             | <b>33,056,000</b> | <b>29,115,365</b> |
| <b>NET ASSETS</b>                    | <b>11,150,082</b> | <b>6,709,402</b>  |
| <b>EQUITY</b>                        |                   |                   |
| Accumulated surplus                  | 7,795,500         | 3,499,622         |
| Reserves                             | 3,354,582         | 3,209,780         |
| <b>TOTAL EQUITY</b>                  | <b>11,150,082</b> | <b>6,709,402</b>  |

## Statement of Cash Flows

For the year ended 30 June 2010

|   | 2010 (\$)          | 2009 (\$)           |
|---|--------------------|---------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>          |                    |                     |
| Receipts from customers                             | 27,286,666         | 20,997,420          |
| Payments to suppliers and employees                 | (19,772,455)       | (19,570,636)        |
| Interest received                                   | 127,122            | 243,187             |
| Finance costs paid                                  | (743,090)          | (214,980)           |
| <b>Net cash generated from operating activities</b> | <b>6,898,243</b>   | <b>1,454,991</b>    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>          |                    |                     |
| Proceeds from sale of property, plant and equipment | -                  | 350                 |
| Payment for property, plant and equipment           | (87,637)           | (75,027)            |
| Payment for Investment Property                     | (956,496)          | (24,401,578)        |
| <b>Net cash used in investing activities</b>        | <b>(1,044,133)</b> | <b>(24,476,255)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>          |                    |                     |
| Repayment of finance lease commitments              | (8,721)            | (2,377)             |
| Receipts from government bodies                     | 2,120,110          | 12,377,092          |
| Proceeds from / (Repayment of) borrowings           | (500,000)          | 11,660,000          |
| Interest on Government Grants                       | 85,000             | 92,238              |
| <b>Net cash generated from financing activities</b> | <b>1,696,389</b>   | <b>24,126,953</b>   |
| <b>Net increase in cash held</b>                    | <b>7,550,499</b>   | <b>1,105,689</b>    |
| Cash at the beginning of the financial year         | 6,384,305          | 5,278,616           |
| <b>Cash at the end of the financial year</b>        | <b>13,934,804</b>  | <b>6,384,305</b>    |



# Notes to the Concise Financial Report

For the year ended 30 June 2010

## 1. Basis of Preparation of the Concise Financial Report

The concise financial report is an extract from the full financial statements for the year ended 30 June 2010. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the Corporations Act 2001.

The financial statements are presented in Australian Dollars which is the Company's functional and presentational currency.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial statements of St George Community Housing Limited. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of St George Community Housing Limited as the full financial statements.

The accounting policies have been consistently applied by St George Community Housing Limited and are consistent with those of the previous financial year in their entirety. .

The Company has maintained a planned maintenance program for Capital Properties held pursuant to the funding agreement with the NSW Community Housing Division. This program will be funded from current cash balances and anticipated future operating surpluses.

## Note 2

| Revenue   |            |            |
|---|------------|------------|
| Rental Revenue                                  | 16,268,232 | 11,482,547 |
| Revenue from Government and Other Grants        |            |            |
| General programme                               | 5,849,165  | 6,146,889  |
| Ageing, Disability & Home Care                  | 69,131     | 65,302     |
| Port Jackson Program                            | 372,291    | 363,116    |
| Release of deferred grants – AHIF Bankstown     | 106,269    | 12,619     |
| Release of deferred grants – AHIF Leumeah       | 161,467    | 94,189     |
| Release of deferred grants – ADHC               | 46,019     | 23,031     |
| National Rental Affordability Scheme Incentives | 720,375    | 148,256    |
| Other   | 185,708    | 135,928    |
| Total government and other grants               | 7,510,425  | 6,989,330  |
| Other Revenue                                   |            |            |
| Interest received from corporations             | 221,859    | 253,720    |
| Reimbursement – tenants and landlords           | 760,174    | 429,031    |
| Place based management fees                     | 1,512,787  | 1,172,780  |
| Program management fees                         | 93,305     | 225,668    |
| Other income                                    | 26,622     | 49,077     |
|   | 2,614,747  | 2,130,276  |
| Total Revenue                                   | 26,393,404 | 20,602,153 |

# Statement of Changes in Equity

For the year ended 30 June 2010

|   | Accumulated Surplus | Reserves (\$) | Total (\$) |
|---|---------------------|---------------|------------|
| Balance at 30 June 2008                 | 2,111,428           | 2,350,424     | 4,461,852  |
| Total comprehensive income for the year | 2,247,550           | -             | 2,247,550  |
| Transfer to reserves                    | (859,356)           | 859,356       | -          |
| Balance at 30 June 2009                 | 3,499,622           | 3,209,780     | 6,709,402  |
| Balance at 30 June 2009                 | 3,499,622           | 3,209,780     | 6,709,402  |
| Total comprehensive income for the year | 4,440,680           | -             | 4,440,680  |
| Transfer to reserves                    | (144,802)           | 144,802       | -          |
| Balance at 30 June 2010                 | 7,795,500           | 3,354,582     | 11,150,082 |

## Directors' Declaration

The directors of the Company declare that the concise financial report of St. George Community Housing Limited for the financial year ended 30 June 2010, as set out on pages 28 to 35.

- (a) complies with Accounting Standards AASB 1039: Concise Financial Reports; and
- (b) is an extract from the full financial report for the year ended 30th June 2010 and has been derived from and is consistent with the full financial report of St. George Community Housing Limited.

This declaration is made in accordance with a resolution of the Board of Directors.

Dennis Café  
Director

Dated at Sydney this 26 October 2010

## Auditors' Independent Declaration

As lead Auditor for St George Community Housing Ltd. for the year ended 30 June 2010, I declare to the best of my knowledge and belief there have been:

- (a) no contraventions of the Auditor Indendence requirements or the *Corporations Act 2001* in relation to the Audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of St George Community Housing Ltd.

PKF

Tim Sydenham  
Partner

Dated at Sydney this 26 October 2010

# Independent Auditor's Report

## To the members of St George Community Housing Limited

Report on the Concise Financial Report

The accompanying concise financial report of St George Community Housing Limited comprises the Statement of Financial Position as at 30 June 2010, the Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and related notes, derived from the audited financial report of St George Community Housing Limited for the year ended 30 June 2010, and the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

### Director's responsibility for the concise financial report

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report, selecting and applying the appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

## Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of St George Community Housing Limited for the year ended 30 June 2010. Our audit report on the financial report for the year was signed on 26 October 2010 and was not subject to any modification. The Australian Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with the requirements laid down in AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

### Auditor's opinion

In our opinion, the concise financial report including the discussion and analysis of St George Community Housing Limited for the year ended 30 June 2010 complies with Accounting Standard AASB 1039: Concise Financial Reports.

PKF



Tim Sydenham  
Partner

Sydney, 26 October 2010



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