

ST GEORGE COMMUNITY HOUSING LIMITED ANNUAL REPORT 2011



“WE ARE ONE
OF AUSTRALIA’S
LEADING HOUSING
PROVIDERS WITH
OVER 8,000
AUSTRALIANS LIVING
IN OVER 4,000
HOMES WE MANAGE
OR OWN.”

This was a year of growth across the industry as we celebrated our 25th anniversary and began developing our own properties.

While we are moving towards financial independence, we maintain our values of support, accountability, respect and integrity. We currently partner with over 80 organisations to achieve our vision of ‘better lives, stronger communities through affordable, quality housing’.



EMAS
VERIFIED
ENVIRONMENTAL
MANAGEMENT

This annual report is published by St George Community Housing Limited.

ABN: 32 565 549 842

ISSN: 1448 6490

For a copy of the 2011 SGCH Annual Report

email office@sgch.com.au, phone (+61) 02 9585 1499

or visit www.sgch.com.au

Mill registration number D-177-00032.

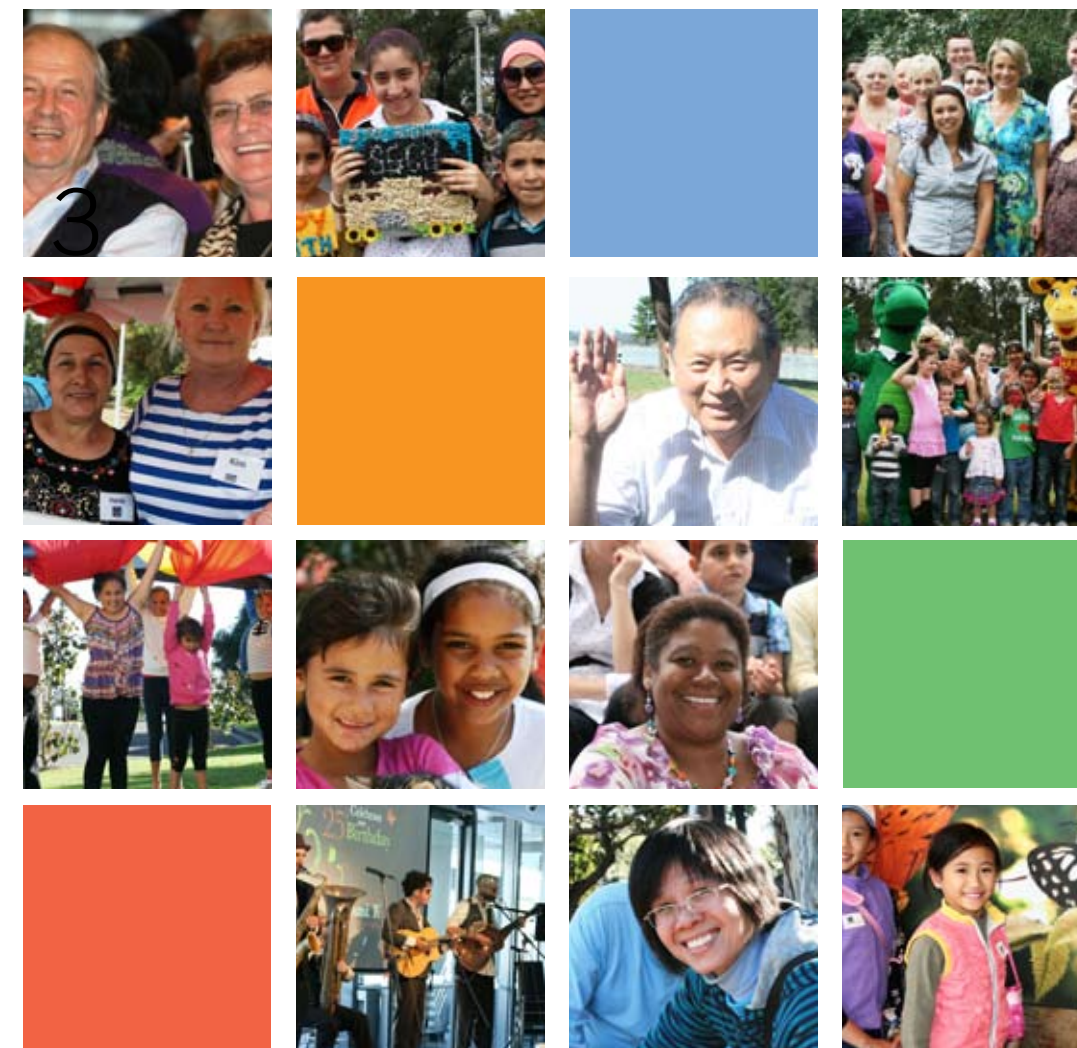
This material is printed on CPI Paper's Quatro (Gloss /Satin) manufactured by Sappi Paper at their EMAS mills.

The pulp for this paper is sourced from well managed, environmentally sustainable plantation forests.

EMAS is the European Union's regulated environmental management scheme

WELCOME TO THE ST GEORGE COMMUNITY HOUSING LTD ANNUAL REPORT 2011

Our head office is located in Hurstville. We acknowledge the traditional owners of this land, the Bidjegal clan of the Eora nation.



THE INDUSTRY	2
THE ORGANISATION	4
CHAIRMAN'S REPORT	6
CEO REPORT	8
PERFORMANCE HIGHLIGHTS	10
THE TEAM	12
TENANTS	14
TAG CHAIR REPORT	15
COMMUNITY	16
SUPPORTED HOUSING PARTNERSHIPS	18
NEWLEAF COMMUNITIES PUBLIC PRIVATE PARTNERSHIP	20
PROPERTY PORTFOLIO	25
CORPORATE GOVERNANCE STATEMENT	29

DIRECTORS	32
DIRECTORS' REPORT	33
SUMMARY STATEMENT OF COMPREHENSIVE INCOME	38
SUMMARY STATEMENT OF FINANCIAL POSITION	40
SUMMARY STATEMENT OF CHANGES IN EQUITY	41
SUMMARY STATEMENT OF CASH FLOWS	42
NOTES TO SUMMARY FINANCIAL STATEMENTS	43
AUDITOR'S / DIRECTORS' DECLARATION	48
INDEPENDENT AUDITOR'S REPORT	49

WHILE AUSTRALIA'S HOME OWNERSHIP RATE IS ONE OF THE HIGHEST IN THE OECD¹, HOUSING IS LESS AFFORDABLE HERE THAN IN ANY OTHER ENGLISH SPEAKING OECD COUNTRY (ACOSS²).

There are more than 105,000 Australians homeless every night, including 7,500 families. A common misconception is that the homeless population is mainly middle-aged or older men. In fact, most homeless people are under 35 (58%) and 42% are women (St Vincent de Paul Society NSW 2011).

The Community Housing sector helps prevent homelessness, and assists low and moderate income earners through the supply of more affordable housing. It is an integral part of the Australian social and affordable housing sector.

New policies, regulation and title (ownership) transfers have enabled growth providers such as St George Community Housing to transition from being largely property and tenancy managers to becoming property owners and developers.

The outlook for the sector is prosperous and beneficial for all Australians, as community housing tenants become more engaged with communities in which they live.

“AROUND 248,500 APPLICANTS WERE WAITING FOR SOCIAL HOUSING IN AUSTRALIA THIS YEAR. TO RESPOND TO THIS NEED, THE COMMUNITY HOUSING SECTOR IS GROWING RAPIDLY, IMPACTING POSITIVELY ON THE HOUSING SECTOR AT LARGE.”

Two Government Initiatives - the Nation Building Economic Stimulus Program and the Asset Ownership tender have helped us move towards financial independence. Ultimately this means we can provide more housing to more people.

St George Community Housing is now one of the largest non-government owners of social and affordable housing in Australia and is leveraging these assets to house more Australians including those who are homeless, elderly and most vulnerable; those who are in housing stress in the private rental market or in need of affordable housing that is close to work or study.

THE ORGANISATION

ST GEORGE COMMUNITY HOUSING OPERATES FROM A STRONG VALUES BASE.

SUPPORTIVE ENVIRONMENT

A business environment that is caring and provides support and encouragement to everyone involved with the management, delivery and use of our services.

ACCOUNTABLE PEOPLE AND PRACTICES

Being transparent and accountable to our stakeholders for our actions and decisions, and being collectively and individually professional in the way we conduct business.



RESPECT FOR STAFF, PARTNERS AND CLIENTS

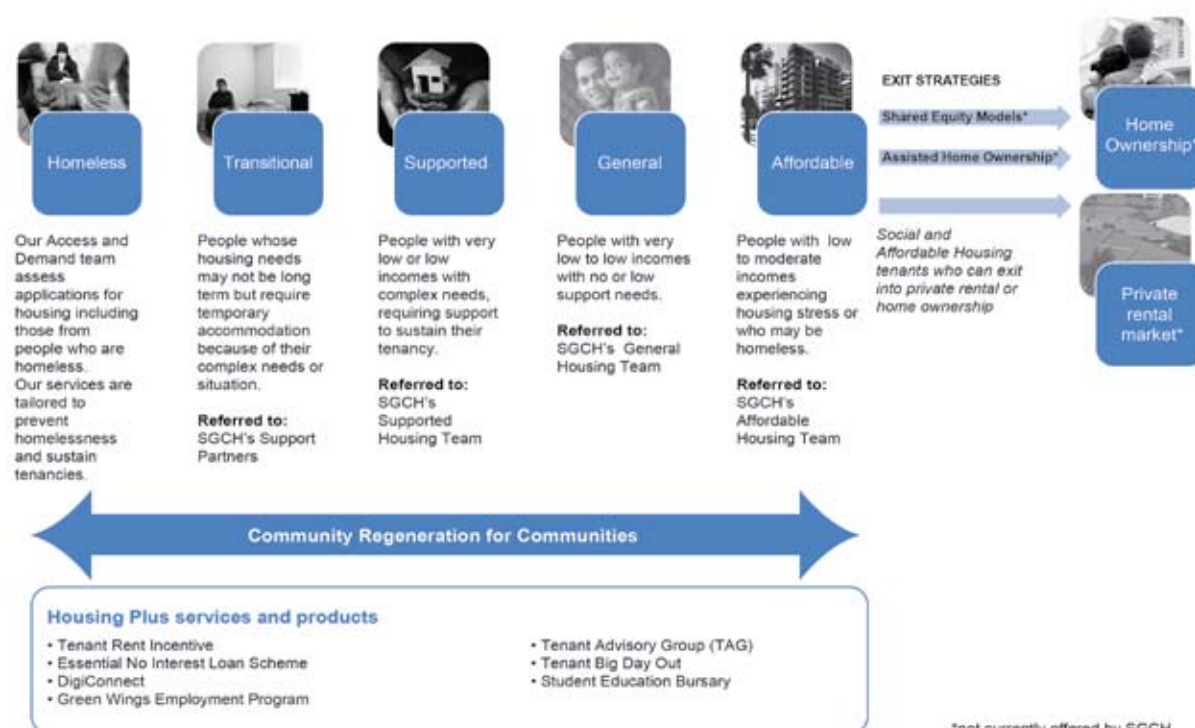
For the unique contribution of our staff and partners, and for clients, whatever their circumstances, willingness to listen to and gain understanding of others and to work together.



INTEGRITY IN OUR COMMUNICATIONS AND MEETING OUR RESPONSIBILITIES

Being honest, open and appropriate in our communications with others, understanding and meeting our governance and management responsibilities.

WE PROVIDE A DIVERSE RANGE OF HOUSING ASSISTANCE:



OVER THE LAST 25 YEARS ST GEORGE COMMUNITY HOUSING HAS WORKED HARD TO RESPOND TO THE HOUSING NEEDS OF MANY AUSTRALIANS INCLUDING THE MOST VULNERABLE, TO GIVE THEM ACCESS TO MORE OPPORTUNITIES AND HELP IMPROVE THEIR LIVES.

DEVELOPING AND OWNING OUR OWN DWELLINGS HAS HELPED US IMPROVE THE LIVES OF EVEN MORE AUSTRALIANS WITH OUR FOCUS ON THE FUNDAMENTAL VALUE OF 'A HOME FOR ALL'. ALONGSIDE THIS NEW MATURITY WE REMAIN COMMITTED TO YOU THE MEMBERS, WITH EVEN GREATER RESPONSIBILITY TO YOU AND THE COMMUNITY.

I'm pleased to report that this year, the St George Community Housing board has continued to work closely with management to ensure that our growth and development is controlled and measured in line with our strategic direction, and dedicated to a culture of transparency and accountability. The continued contribution of your volunteer directors is a significant and valuable asset to the company.

We have achieved a record budget, revenue and income streams, housed more people than ever before, and bedded down an award winning corporate governance structure that will sustain us for the next 25 years. Our growth this year was mainly due to the Nation Building properties that we acquired, and I am pleased to say that we met or exceeded our targets, which means we provided homes to those most in need, including seniors and those who were previously homeless.

The board appointed a company secretary and established three new sub committees: the Audit and Risk Committee, the Nominating and Corporate Governance Committee and the Management Development and Compensation Committee.

The work from these committees ensures we focus on maintaining a mature level of risk aversion and management, financial and operational accountability and commitment to our core business of providing 'affordable, quality housing' to our tenants.

This year we also developed and began monitoring a risk management plan according to Risk Management Principles and Guidelines (AS/ NZSISO 31000:2009), the Australian/New Zealand standard which incorporates the International Organisation for Standardisation general risk management process. Complying with this new, standard risk metric improves our reputation with financiers and sponsors, and this helps us to better leverage our assets for future growth.

This ongoing focus helps us to achieve our vision of 'better lives, stronger communities through affordable, quality housing'. I'm pleased our efforts are recognised by our peers. We won the Organisational Management and Governance, and the Excellence in Asset Management categories in this year's industry awards. We were also the runner up in the NSW Premier's Awards 2010 with our Inner City Youth at Risk Project that successfully housed 10 young homeless people in partnership with the South Sydney Area Health Service.

I take this opportunity to thank the CEO and her wonderful team at SGCH. St George Community Housing is growing stronger and more independent every year, and I look forward to another year of continuing to provide more quality housing to more people.

Yours sincerely,



Dennis Cafe



"I LOVE IT. I WISH MY PARENTS WERE HERE. THEY'D BE SO PROUD TO SEE I HAVE A NEW HOME. IT'S ALL I NEED, EXACTLY WHAT I NEED."

LAURICE YACOUB,
BONNYRIGG,
REHOUSED THIS YEAR.

TENANT LAURICE YACOUB, AND REHOUSING MANAGER ANGELA KUSTEC AT BONNYRIGG

IN CELEBRATING OUR 25TH BIRTHDAY THIS YEAR WE ARE REMINDED OF THE VALUABLE CONTRIBUTION THAT MANY HAVE MADE AND REFLECT ON THE GROWING SUCCESS OF OUR ORGANISATION.

Twenty-five years ago St George Community Housing (SGCH) managed 25 properties, had two staff and a management committee that met on the back verandah of one of their homes. Today we have over 4,000 dwellings, house more than 8,000 people and employ 96 staff.

Even more exciting this year has been the exponential increase in the number of homes that we own: this includes the allocation of 989 Nation Building dwellings. These homes house more than 1435 people - including 34% who were previously homeless, 12% Indigenous and 60% seniors. We effectively managed this in-house by collaborating with Housing NSW and other stakeholders and building our operational capability which included establishing a specialist Access and Demand team, and expanding our Assets team.

In July 2010, we achieved Class 1 Registration and received two awards at the NSW Federation of Housing Associations Conference: one for Excellence in Governance and Management and one for Asset Management. Risk Compliance ISO 31000 was also a key focus for us, and helped us to ensure that we have a robust risk management framework in place. We also implemented a new Management Information System, *One Housing*.

None of this would have been possible without a great deal of planning, hard work and commitment, and I am grateful to the dedicated staff that work at SGCH.

Our asset expansion, services and financial growth are based on mutuality and reciprocity. Partnerships at all levels with tenants, support providers, government, financiers and developers have supported us to become a leading community housing provider and one of the largest non-government provider of social housing in Australia.

Through our growth and scale, together with our partners we have been able to improve the lives of thousands of Australians by supplying safe, affordable and appropriate housing and a number of supportive programs and services for our tenants.

A key achievement this year has been diversification of our business model which includes the establishment of a Community Regeneration Team. This team is strategic and place-based, with an emphasis on tenant engagement and focus on our service delivery at the local level. The team has facilitated numerous community and tenant events which you can read about in the Community section.

A capability in development and construction was also established this year in order to deliver on our commitment to increase affordable housing supply and produce sustainable and quality accommodation.

In keeping with our promise to respond to our tenants' voices, we opened a satellite office in Sutherland so that the tenancy services are more accessible to over 600 tenants in that area.

We also launched two new programs – *Digiconnect*, which has already provided 20 tenants with internet access and computer packages; and *Entry Steps*, a training and employment program for tenants in partnership with Newleaf Communities Greenwings' program.

At Newleaf Communities in Bonnyrigg, Stage 2 was completed in July with 38 families moving into their brand new homes. We achieved an impressive tenant satisfaction rating of 88% in this long term community renewal project. This is testament to the customer service focus of the Newleaf team and the strength of the partnership of the Bonnyrigg Consortium.

We recognise the link between the capacity and culture of our team and our ability to sustain our growth and achieve excellence in all that we do. As such we have heavily invested in an integrated leadership development program across the organisation. We have embedded a strong focus on communication, engagement, culture and change management. Our people are well supported to lead their teams as champions of change achieving excellence together.

A staff satisfaction rating of 74% in a time of rapid growth and change is also a testament to the commitment that our staff have shown to the organisation and most importantly, to our tenants.

Growth has provided us with opportunities to consolidate our portfolio and deliver on our commitment to house those who are most in need. My ongoing focus, and that of my executive team, involves achieving our vision – *better lives, stronger communities through affordable quality housing*, and creating a constructive culture where we continue to work with all levels of government and the private sector to supply more affordable housing.

It is vital that we acknowledge the ongoing support of our tenants and members, and in particular our Tenant Advisory Group and the Chairperson, Kim Sowter. Finally, I would like to thank everyone who has contributed to our success this year; in particular our Chairman, Dennis Cafe, the directors, tenants and our dedicated team.

We look forward to our continued success as we assist those on low to moderate incomes to live in safe, secure and affordable housing. We trust you will continue to support us in these endeavours.

Yours sincerely,



Nazha Saad



PERFORMANCE HIGHLIGHTS

SATISFACTION RATINGS:

- Staff satisfaction rate: 74%
- Tenant satisfaction rate: 79%
- Support partner satisfaction rate: 74%
- Tenant satisfaction rate – Newleaf Communities (Bonnyrigg): 88%

SUSTAINING OUR BUSINESS:

- New IT system deployed to integrate all business operations: *One Housing*
- Established a satellite office in Sutherland servicing more than 600 local tenancies
- Relocated the SGCH head office to a brighter and more modern environment for staff and tenants to share at 38 Humphreys Lane, Hurstville
- Supported sustainable business growth through the establishment of specialised roles and teams including: Community Regeneration, Development and Construction and Service Improvement

SERVICE DELIVERY:

- Average number of face-to-face enquiries by applicants and tenants at our office per month: 131
- Completed Stage 1 and 2 of the Bonnyrigg Living Communities PPP urban renewal project
- Number of bursaries provided to tenants: 75
- Total value of bursary awards given out since 2005: \$236,000
- Funds raised for the ongoing provision of Vinnies' homeless services across the country, through the CEO Sleepout: \$12,904.00
- Signed Special Purpose Agreements with the Aboriginal Housing Office to provide tenancy management for 27 Aboriginal tenancies in Menai and Liverpool

ALLOCATIONS OF NEW HOUSING

NATION BUILDING:

SGCH achieved major housing growth through the Nation Building Economic Stimulus Program. A total of 989 brand new properties were transferred to SGCH's management across 74 sites, providing homes for 1435 individuals; 34% of whom were previously homeless and 12% who were Aboriginal and Torres Strait Islanders.

KEY NATION BUILDING STATISTICS:

- Number of people housed: 1435
- Number of people with a disability: 652
- Number of seniors: 600
- Number of homeless people housed: 476, of which:
 - 121 people were homeless and Aboriginal and Torres Strait Islander
 - 11 tenancies were homeless and Aboriginal and Torres Strait Islander and seniors
- Number of single person tenancies: 549
- Number of families: 393
- Number of people known to be escaping domestic violence: 19

AFFORDABLE HOUSING:

- 149 applications were lodged and assessed by SGCH for Affordable Housing
- 61 were eligible and placed on the SGCH Affordable Housing waiting list
- 25 people were housed in Affordable Housing during the financial year across our Affordable Housing programs, 10 of which had lodged their application the same financial year

AWARDS AND RECOGNITION

- Selected as a 'Provider of Choice' for another *Young People in Residential Aged Care* (YPIRAC) project managed by the *Department of Ageing, Disability and Home Care* (DADHC), bringing the asset value of this program to \$9 million and supporting even more young people with disabilities
- *Newleaf Communities* won the Urban Development Institute of Australia (UDIA) – NSW Austral Bricks Award for Excellence in Urban Renewal at Bonnyrigg
- *Newleaf Communities* won the Urban Taskforce Development Excellence Award - Masterplanned Community for Stage 1 of its Bonnyrigg Living Communities project
- CEO, Nazha Saad selected as a finalist for the NSW White Pages Community and Government Telstra Business Women's Award
- Won the 2010 NSW Community Housing Awards for Excellence in Organisational Management and Governance; and Excellence in Asset Management
- Runner Up for Premier's Award 2010 for *Engaging with the Community* for the Inner City Youth at Risk Program

“I WAS IN A VERY BAD SITUATION AS I WAS HOMELESS AND COUCH SURFING AMONGST FRIENDS AND FAMILY WHICH WAS VERY DIFFICULT WITH THREE CHILDREN.”

“It was hard not to have a place to call home. I was very happy with St George with the quick response from phoning me with an available property to getting me signed up and housed. Life is great now I have peace, stability and routine now that I'm securely housed.”

Vickie, an Aboriginal tenant from Casula

WE HAVE 96 TEAM MEMBERS FROM A RANGE OF BACKGROUND AND EXPERIENCES.

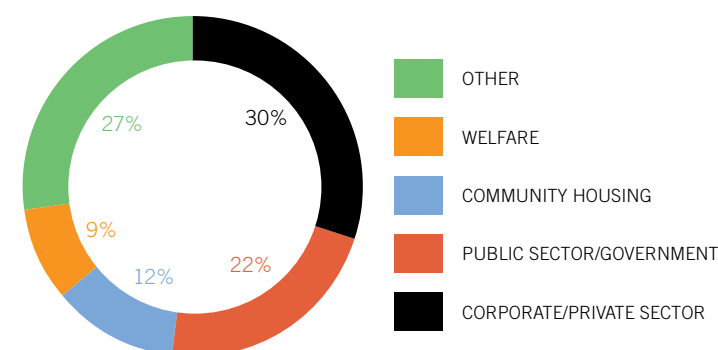
Our four key areas of operation:

- **Housing Services** manages housing strategy and delivery across social and affordable housing. It comprises Community Regeneration, Service Improvement, Access and Demand, General Housing, Supported Housing and Bonnyrigg. The Housing Services team is responsible for managing tenancies, access, applications, tenant engagement and community development initiatives, as well as our 'Housing Plus' products and services.
- **Corporate Services** manages functions such as finance, information technology, human resources, risk and compliance, policies and procedures, communication and marketing.
- **Property Services** manages assets, repairs and maintenance and new business development.
- **Development and Construction** manages development and physical renewal initiatives from conception to completion.



SGCH'S EXECUTIVE MANAGEMENT TEAM: (L-R) TREVOR WETMORE, GENERAL MANAGER - CORPORATE SERVICES; KAREN WALSH, GENERAL MANAGER - HOUSING SERVICES; NAZHA SAAD, CHIEF EXECUTIVE OFFICER; JOHN ENGELER, GENERAL MANAGER - PROPERTY SERVICES. ABSENT: FRANK LYONS, GENERAL MANAGER - DEVELOPMENT AND CONSTRUCTION.

INDUSTRY BACKGROUND OF STAFF



BORN OUTSIDE AUSTRALIA FROM COUNTRIES INCLUDING:

44%



OUR STAFF

FROM NON
ENGLISH SPEAKING
BACKGROUNDS: 42%

SPEAK TWO OR MORE
LANGUAGES: 51%

COMPLETED
UNIVERSITY: 42%

CURRENTLY STUDYING: 12%

CURRENTLY LIVING IN
SOCIAL HOUSING: 6%

HAVE LIVED IN SOCIAL
HOUSING 13%

EMMA WATERS PADSTOW



"MY NAME IS EMMA WATERS AND I AM A PROUD ABORIGINAL WOMAN FROM THE WADIGALI TRIBE IN NSW CORNER COUNTRY. I HAVE BEEN AN EMPLOYEE OF ST GEORGE COMMUNITY HOUSING FOR OVER 2 YEARS AND AM ALSO A TENANT."

"In my time here they have shown me nothing but respect and support, not only in my career path - from starting on reception to my current role as a Service Access Officer in the Access and Demand Team - but also in my personal life as I also suffer with Bipolar Effective Disorder. I know we always hear about St George Community Housing talking about the SARI values, but I can say to you all that I see them being lived out every day throughout the company. Whether that is by showing support by offering a client that's come in from sleeping rough a cup of tea or if we stuff up and make a mistake we will be accountable and say sorry and fix it because we cannot always be perfect. Showing support by helping people that have nothing by giving them furniture or a staff member donating some blankets or some cutlery to someone that's moving in to a property and has nothing and we always show integrity by always remaining transparent. I am proud to work for St George Community Housing."

OUR PURPOSE IS TO REDUCE SOCIAL AND ECONOMIC DISADVANTAGE THROUGH THE PROVISION OF SECURE, AFFORDABLE AND SENSITIVELY MANAGED HOUSING FOR PEOPLE WITH LOW AND MODERATE INCOMES.



Through our housing services we aim to:

- Assist people to solve their housing need by providing quality and affordable housing solutions.
- Be responsive to community needs.
- Encourage tenant engagement and achieve the highest standards of accountability, efficiency and service delivery.

We provide a diverse range of housing assistance to tenants across 23 local government areas. Our current tenant profile is:

- Number of people housed: 8,000
- Number of tenancies: 4,069
- Number of social housing tenancies: 3,925
- Number of affordable housing tenancies: 144
- Tenancies linked with formal support: 20%
- Single parent families: 24%
- Aged over 55/Seniors: 38%
- Head tenants under age 24: 9%
- People with a disability: 35.6%
- Aboriginal & Torres Strait Islander tenancies: 7%
- Speak a language other than English at home: 45%
- Number of languages spoken across our tenancies: 59
- Single person households (excluding Bonnyrigg) 33.5%

Our 2011 tenant survey indicated that overall satisfaction with SGCH housing services was high, with a satisfaction rating of 79%.

Additionally,

- Satisfaction for affordable housing tenants was very high - 88%
- Satisfaction with the way maintenance contractors interact with tenants was very high - 86%
- Satisfaction and awareness of our tenant newsletter was very high - 83%

2012 IS UPON US – CAN YOU BELIEVE IT? IN 2011 THE TENANTS DECIDED WE WANTED TO BE MORE HANDS ON. THE AIM OF THE TENANT ADVISORY GROUP THIS YEAR WAS TO MAKE SURE THAT EVERYONE COULD HAVE A SAY, GET INVOLVED AND FEEL PART OF THE GROUP.

Tenants have volunteered their time and we have raised money for various causes including the Cancer Council and the Queensland floods.

The Tenant Advisory Group (TAG) also works really hard to welcome all the new tenants. Many have never lived in social housing before or have joined SGCH after living in Housing New South Wales properties. We hold social lunches, BBQ's and the occasional Bingo game to make them feel at home.

Tenants have taken on more responsibility in 2011. We have approximately 40 volunteers who run projects such as the 2011 tenants' calendar, Seniors Week and NAIDOC week - where we went to Botany Bay National Park and we learnt about local Aboriginal culture and the environment.

2011 was also a big year for SGCH because of the 25th Birthday celebrations. The TAG was involved in helping organise the massive birthday carnival SGCH held at Wiley Park. We assisted with planning for the event, helping with the cake and card competitions, assisting on the day at food and drink stalls, ticket collection and also with judging the tenant talent quest.

Another large event was the Tenants' Big Day Out held at Sydney Wildlife World. Tenants brought their kids along for an experience they may not otherwise have had.

And through a relationship with the St George TAFE outreach coordinator, tenants had an opportunity to complete an 'Introduction to Computers' course at TAFE.

Many of the tenants who participated in this training have re-enrolled for more TAFE training in semester two.

The TAG identified the need for the White Goods Loan Scheme to change and now SGCH runs the Essential Loan Scheme, where more funds are made available to tenants for any essential service such as medical, furniture or electrical appliances. The TAG also identified that many families with low incomes cannot afford to purchase a computer, so the DigiConnect program was born.

I would like to take this opportunity to thank our Community Development Coordinator, Rowa Omari, who works tirelessly to help tenants at all times.

I would also like to thank the Board of Directors, senior management and staff for your ongoing commitment and dedication to tenant participation and tenant engagement.

Finally I would like to thank all SGCH tenants for your support and contribution throughout the year. I am looking forward to working hard alongside you all in the year to come. Together let us make SGCH the best community housing provider, setting an example towards tenant engagement for the social housing sector.

Best Wishes
Kim Sowter



TENANT ENGAGEMENT AND PARTICIPATION IS AT THE HEART OF WHAT SGCH DOES AS A COMMUNITY HOUSING PROVIDER, AND THIS YEAR WAS NO DIFFERENT.

SGCH delivered a range of community development programs and activities for tenants including school holiday programs, NAIDOC week events and the Tenants' Big Day Out.

The annual fundraising day for Australia's Biggest Morning Tea was a great success and the Tenant Calendar project received generous funding from Club Central Hurstville for next year. We continued to deliver environmental projects in partnership with local councils, including the *Getting Greener* and *Sustainable Action Values Everyone (SAVE)* projects which gave tenants the opportunity to build permaculture gardens and participate in other sustainability projects. Our *Housing Plus* suite of programs including DigiConnect and the Education Bursary went from strength to strength. This year we also launched *Entry Steps Green Wings Employment Program*, a tenant employment and training program in partnership with Newleaf Communities.

Our quarterly Tenant Newsletter continues to keep tenants informed and engaged, and our Tenant Advisory Group (TAG) continues to play a key role in representing the interests and needs of our growing tenant mix.

STUDENT EDUCATION BURSARY SCHEME

The SGCH Student Education Bursary Scheme provides financial support to tenants and their children to continue education at school, TAFE and university level. This year's bursary was another outstanding success with the total value of bursaries exceeding \$65,000.

This year:

- 123 families applied for a bursary
- Applications were received from tenants from 26 different cultural backgrounds
- 75 applicants were awarded a Bursary
- 18 applicants were awarded a Kip McGrath scholarship
- Since 2005, 360 tenants have received bursary awards valued at \$236,000.

Kip McGrath offered 20 students an opportunity to attend 40 weeks of tutoring in their local centres for FREE. Total value per student is \$2,000.

SGCH was able to offer additional bursaries to students thanks to a generous donation of \$30,000 from the St George Foundation raised at the 2010 Kogarah Mayoral Ball.



JONI BELL HURSTVILLE TENANT SINCE DECEMBER 2009



"I WAS LIVING WITH MY SISTER BUT SHE MOVED TO CHINA AND I HAD NOWHERE TO GO. I WAS MOVED TO A HOSPITAL BUT I WASN'T HAPPY BECAUSE THE WARD WAS LOCKED AND I WASN'T INDEPENDENT."

"Now I'm living in my own place and I'm studying a certificate for business computing at TAFE. I also volunteer at Kogarah Church in the office and in the food bay handing out food parcels for clients.

Since January I've lost 32 kilos. Ten more kilos and I'll be at my goal weight. I'm much healthier and Carla from St George Mental Health comes over and teaches me how to cook for myself. All the new things I've been doing it's changed my life. I'm so much happier."

APPROXIMATELY 20%
OF OUR HOUSING IS
SUPPORTED HOUSING
THROUGH OUR
PROGRAMS, SUCH AS THE
HOUSING AND SUPPORT
INITIATIVE, PORT JACKSON
SUPPORTED HOUSING
PROGRAM AND THE
ALLAWAH PROGRAM.

We manage 484 Supported Housing tenancies through formal agreements with our partners to ensure that supported tenancies have tailored and client focussed services to enable them to sustain their tenancies. Of these 484 tenancies, 205 are in the Port Jackson Supported Housing Program (PJSHP) and 42 are in the Crisis Accommodation Program.

The Port Jackson Supported Housing Program provides moderate to high levels of support to individuals who may not otherwise be able to maintain a tenancy.

SGCH has service agreements with agencies (Support Partners) that provide a range of support services to PJSHP tenants with complex needs. At the end of 2010/11, 15 Support Partners were connected to the PJSHP.

This year, more than 40 people transferred from the PJSHP into long term SGCH housing through the Nation Building Economic Stimulus Program. This is because the support enabled them to develop sufficient independent living skills and capacity to sustain a tenancy by themselves. The exit of so many tenants from the PJSHP has had the dual benefit of enabling more people who are homeless or at risk of homelessness that also require support to have access to properties in the program.

HOUSING ACCOMMODATION
SUPPORT INITIATIVE (HASI)

The highly successful HASI program provides in-house support to people with mental illnesses in cooperation with Health NSW funded support agencies. SGCH provides housing to 76 HASI clients in partnership with Community Mental Health Services and three mental health support agencies.

HOMELESSNESS ACTION PLAN

As part of the Homelessness Action Plan (HAP) under the National Partnership on Homelessness, we are committed to deliver 35 supported tenancies through three key initiatives: 10 through the Inner City Youth At Risk project in partnership with NSW Health; 15 through a Youth Hub project targeting young people exiting correctional facilities in partnership with Housing NSW; and 10 through the Supported Housing for People Exiting Prisons project in partnership with Corrective Services.

SUPPORT PARTNERS SURVEY

SGCH conducted a survey of its support partners to determine the effectiveness of our engagement with them in collaborating to deliver service to our tenants. There were 80 respondents to the survey.

Overwhelmingly, support agencies responded positively to questions relating to how well SGCH staff deliver service.

- 74% overall are happy with the partnership arrangements
- 77% are very satisfied with SGCH's service delivery
- 79% are very satisfied with how SGCH collaborates with our partners.

What SGCH does well?

- Good reception staff, helpful and courteous
- Dedicated and reliable Housing Managers
- Open to new ideas to improve partnership and service to tenants
- Management are open to concerns and address them promptly

“NICK*, 24, WAS
HOMELESS AND
SLEEPING UNDER
A BALCONY AT THE
OASIS CENTRE. SGCH
PROVIDED HIM WITH
A SAFE AND STABLE
HOME THROUGH THE
INNER CITY YOUTH AT
RISK PROJECT, WITH
TAILORED SUPPORT
FROM SUPPORT
PROVIDERS.”

“This partnership has enabled Nick to take pride and settle into his home and participate in the community.

He enjoys his garden that has vegetables growing. I was inspired myself to see pumpkins, tomatoes, corn and other vegetables flowering and growing.

Nick has also initiated his own compost and really enjoys his garden. Nick has been adding value to our property by maintaining and taking time to look after the yard and garden beds. His girlfriend has recently moved back in with him and they look as though they are progressing to a more positive tenancy together. I was extremely inspired by Nick.”

Angela Romano, SGCH Housing Manager, Supported Housing team

*PSEUDONYM USED

THE NEWLEAF COMMUNITIES BONNYRIGG PARTNERSHIP ACHIEVED MANY MILESTONES THIS YEAR, INCLUDING THE COMPLETION OF STAGES 1 AND 2 OF THE REDEVELOPMENT AND PROGRESSING DESIGN, PLANNING AND CONSULTATIONS FOR FUTURE STAGES, AS WELL AS THE DELIVERY OF COMMUNITY RENEWAL AND COMMUNITY DEVELOPMENT PROGRAMS AND ACTIVITIES TO ENGAGE WITH AND BUILD THE COMMUNITY.

This Public Private Partnership is a great example of a successful partnership between Housing New South Wales, Spotless Facilities Services, Westpac, Becton Property Group, Bonnyrigg Management, and St George Community Housing.

The \$733 million project is the first of its kind in Australia, and the new revitalised Bonnyrigg will deliver:

- around 2,330 brand new homes, 70% private and 30% social, all of which will be designed to a high quality and standard
- seniors living, including at least 20% of homes that are adaptable to enable residents to “age in place” as they get older and not need to move from their homes
- upgraded parks, new infrastructure and community facilities that are designed in consultation with the local community
- community development programs that enable local community participation and contributions to community life.

This PPP partnership is well underway and continues to deliver positive results for the community.



POSITIVE RESULTS IN THE REHOUSING PROCESS

- Stage 1 delivered 67 private homes and 39 social housing homes and was completed in July 2010. Our tenants have all settled into their new homes and have expressed their satisfaction with the rehousing, the service and the quality of their homes and neighbourhood.
- Stage 2 delivered 64 private homes and 38 social housing homes in July 2011 properties were handed over and we successfully settled 38 families into these brand new homes.
- Stage 3 demolition is complete, with all tenants from this stage successfully relocated to temporary homes, mostly on the estate.
- Stage 4 and Stage 5 Rehousing process commenced in January 2011. This involved the careful relocation of tenants from these stages to temporary homes that meet their needs on the estate. The Newleaf Team successfully relocated 41 families.
- Overall the team rehoused 79 tenants in the past year.

“SGCH STAFF ARE VERY HELPFUL AND SUPPORTIVE AND HAVE RELIEVED A LOT OF STRESS ASSOCIATED WITH MOVING. THE STAFF AT SGCH HAVE BEEN THERE WHEN NEEDED AND HAVE KNOWN HOW AND WHAT TO DO TO FIX/ADDRESS THE ISSUE” (BONNYRIGG TENANT RECENTLY RELOCATED INTO HER NEW HOME 2011)



POSITIVE RESULTS FROM THE TENANT SATISFACTION SURVEY

Overall satisfaction with tenancy management is high with an overall satisfaction rate of 88% - which is 7% higher than the previous year. Other satisfaction rates include:

- The way tenants are treated by their Housing Managers 91%
- The way they can contact their Housing Manager 88%
- The information and support provided by their Housing Managers 87%
- Bonnyrigg as a place to live 85%

These results are testament to the team work across the whole of the partnership, as well the customer service focus and intensive tenancy management approach taken by the housing team.

“THERE WILL BE NO DISCRIMINATION BECAUSE PUBLIC HOUSING PEOPLE AND THOSE IN PRIVATELY OWNED HOMES WILL LIVE TOGETHER, NOT DIVIDED BY SOCIOECONOMIC CLASS ”

(QUOTE FROM NEWLEAF TENANT FROM TENANT SATISFACTION SURVEY 2011)



POSITIVE RESULTS IN COMMUNITY AND TENANT PARTICIPATION

Over the past 12 months Bonnyrigg residents have provided more than 3,000 hours of volunteering assistance in their community. The extraordinary efforts of the 40 Bonnyrigg volunteers has seen their assistance range from providing 100 hours of music lessons to young students through to 360 hours of computer tutoring.



POSITIVE RESULTS IN SOCIAL ENTERPRISE, EMPLOYMENT AND TRAINING

Green Wings: \$1.7m in funding was secured through the Federal Government for a place-based green jobs training and employment program "Green Wings". The project created a total of 5 full time jobs, 24 casual jobs, 8 one-year traineeships and 18 school based traineeships. Since initiated, Green Wings work has diversified into business administration, property and garden care, cleaning, streetscape projects and retro-fitting homes to increase energy efficiency. SGCH entered into an agreement with Newleaf Communities for the expansion of our Entry Steps training and employment program to be delivered through Greenwings for asset maintenance of our properties.



POSITIVE RESULTS PROMOTING THE PUBLIC PRIVATE PARTNERSHIP PROJECT

This year saw a lot of activity and interest from people from around the world who have heard about the project's success. Bus tours, guided walking tours and morning teas were hosted by the staff from the Newleaf Team and SGCH senior management, to name but a few:

- Former NSW Premier Visit
- Westpac Affordable and Social Housing Forum visit and site tour
- NSW Minister for Finance and Service, Greg Pearce, Visit and Site Tour
- Victorian Department of Housing Visit and Site Tour
- Department of Community and Housing Services (ACT) site tour and visit
- Shadow Minister Federal Housing, Marise Payne Visit
- New Zealand Housing Minister Phil Heatley and NSW Housing Minister Frank Terenzini Site Visit and Tour
- Senator Mark Arbib (Minister for Indigenous Employment and Economic Development, Minister for Sport, Minister for Social Housing and Homelessness) Visit and Site Tour



“MY 17 YEAR
MARRIAGE
COLLAPSED AND
I LOST MY WIFE
AND 4 CHILDREN.
THE WEEK AFTER
MY MARRIAGE
COLLAPSED
MY FATHER
PASSED
AWAY.”

“I ended up having a severe nervous breakdown and I took up gambling as a sort of soul seeking outlet. I became addicted to gambling and I lost everything in my life. I then ended up on the streets for about four years. In that time I hadn't worked, I was on anti anxiety medication and on many occasions I slept on park benches in the Campbelltown area and on weekends I slept in an elevator in the city. The only possessions I carried with me was 1 bag of clothing... my situation was desperate.

I then received a call from St George Community Housing that a property was available, a beautiful new property at Miranda. My life is starting to come together. About 12 weeks ago I had surgery [to fix something] which was life threatening. Had I not been housed through St George Community Housing I would have died on the streets. When I first moved in SGCH was extremely helpful and the General Manager gave me a brand new microwave so that I could start my life again as I had only the bag of clothes, so the microwave was my first household possession.”

Brian was recently housed by St George Community Housing in a Nation Building Economic Stimulus Program property.

AT SGCH WE HAVE
SIGNIFICANTLY
INCREASED THE
NUMBER OF PROPERTIES
THAT WE OWN, NOW
TOTTALLING 1,075 AND
REPRESENTING OVER
25% OF THE PROPERTIES
THAT WE MANAGE.

- Properties we manage: 4,069 (989 from Nation Building Economic Stimulus Program at end of June)
- Properties we own: 1,075
- Number of properties vested with title through the Asset Ownership tender: 100

We currently manage 144 Affordable Housing properties located in: Leumeah, Bankstown, Randwick, Marrickville, Strathfield, Little Bay, Maroubra and Canterbury. These are a combination of 100 properties owned by us and 44 properties that we manage on behalf of local councils.

NATION BUILDING ECONOMIC STIMULUS PLAN

During the last financial year, SGCH took delivery of over 989 of the 1,100 properties we were awarded under the Nation Building Economic Stimulus Plan. Of these properties, 84 sites were awarded in two stages and comprised a mixture of low-medium density stock and a number of well located high rise units, close to town centres.

All Nation Building stock, which is to be owned by SGCH, met the latest standards in terms of environmental design and many of these properties are adaptable and/or fully accessible units. SGCH met the challenges of receiving the largest share of the stock developed in metropolitan Sydney, which represented 25 percent of all stock awarded to Community Housing Providers in NSW.

These exciting developments represent an organisationally transformative opportunity with SGCH as the owner of the properties with title already transferred for the majority of this stock. Located in three main areas: Campbelltown LGA (101); Fairfield/Liverpool (491) and SGCH's heartland of Sutherland through the south-western suburbs to the eastern suburbs (550).

We are particularly proud of our growth in capacity throughout these challenges – given the scale, size, scheduling and standing of these important projects, and the fact that we managed the physical handover, delivery and defect inspection processes largely in-house. Construction-related values alone suggest that this particular project has netted SGCH over \$300 million in additional assets this year.

ASSET OWNERSHIP (AO)

SGCH was vested with the title for 100 properties in 2011 and will leverage off these assets to create even more affordable housing opportunities in areas of high demand. 100 dwellings from across Sydney were acquired through the AO tender, with a total 67 properties acquired from the Menai area.

CAPACITY BUILDING PROPERTIES

The purpose of the Capacity Building Program (sponsored by HNSW and CHD) was to pilot a capacity development program in property development, construction and project management for growth providers to enable them to acquire knowledge and skills, develop organisational capacity and capabilities, and develop and embed business practices and systems to deliver government funded projects.

SGCH has successfully allocated 42 brand new homes under this new program through the Concord Project, comprising 42 dwellings across 4 sites which were handed over to SGCH across December 2010/January 2011.

The Jannali Project, which comprises 8 dwellings is currently under construction and scheduled for hand over in November 2011.

WE ARE INDUSTRY LEADERS IN CORPORATE GOVERNANCE, WHICH HELPS US EARN THE CONFIDENCE OF INVESTORS AND ACHIEVE FINANCIAL INDEPENDENCE.

OUR ANNUAL STRATEGIC PLANNING WITH THE BOARD AND SENIOR MANAGEMENT FOCUSES ON PRIORITIES TO ACHIEVE OUTCOMES AND TO STEER THE ORGANISATION OVER THE NEXT THREE YEARS.

WE HAVE ESTABLISHED AND EMBEDDED RIGOUR AROUND GOVERNANCE, REPORTING AND RISK TO PROTECT OUR ASSETS, DELIVER ON OUR PRIORITIES AND COMPLY WITH STANDARDS, INCLUDING REGULATION, ACCREDITATION AND POLICY.

THESE SYSTEMS AND STRUCTURES HELPED US WIN THE NSW FEDERATION OF HOUSING ASSOCIATION'S AWARD FOR EXCELLENCE IN ORGANISATIONAL MANAGEMENT AND GOVERNANCE; AND EXCELLENCE IN ASSET MANAGEMENT. THIS YEAR, WE ALSO ACHIEVED CLASS 1 REGISTRATION UNDER THE REGULATORY CODE.



FINANCIALS

CASH ASSETS
INCREASED

22%↑

PROPERTY
ASSETS
INCREASED

\$250
MILLION↑

50%↑

STAFF
INCREASED

THE BOARD OF THE COMPANY IS COMMITTED TO THE HIGHEST STANDARDS OF ETHICAL BEHAVIOUR AND A SYSTEM OF CORPORATE GOVERNANCE WHICH IS SUITABLE FOR A COMMUNITY HOUSING PROVIDER GIVEN THE SIZE OF THE COMPANY AND THE REQUIREMENTS OF THE REGISTRAR OF COMMUNITY HOUSING NSW AND HOUSING NSW.

As a Company Limited by Guarantee, SGCH operates in accordance with the Corporations Act 2001.

PRINCIPLE 1: LAYING SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Establish and disclose the respective roles and responsibilities of both the Board and Management.

ROLE OF THE BOARD

The Board Charter covers:

Setting the Company's values and standards of conduct and ensuring that these are adhered to.

Providing leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed.

The Board is responsible for all matters relating to the strategic direction, policies, and practices, and establishing goals for the management and operation of the Company.

DELEGATION TO BOARD COMMITTEES

During the year, the Board established the following Board Committees:

- Audit and Risk Committee;
- Nominating and Corporate Governance Committee; and
- Management Development and Compensation Committee.

DELEGATION TO MANAGEMENT

The Board has established a Delegations Register which specifies those matters delegated to the Chief Executive Officer for delegation to senior management. The CEO reports to the Board in relation to the performance of those delegations.

ROLE OF THE COMPANY SECRETARY

The Company engages a Company Secretary. The Company Secretary prepares for and attends members' meetings and directors' meetings, ensuring that appropriate notice is given, agendas are distributed and minutes are kept. The Company Secretary also ensures proper company records are maintained.

PRINCIPLE 2: STRUCTURING THE BOARD TO ADD VALUE

Have a Board of effective composition, size and commitment to adequately discharge its responsibilities and duties.

The Directors' Report sets out the details of the skills, experience, and expertise of each Director.

ROLE OF CHAIRMAN

The Chairman's role is to provide leadership for the Board and ensure that it fulfils its responsibilities for the governance of SGCH.

The Chairperson ensures that the Board provides broad mentoring, support and encouragement to the CEO, thus ensuring and enabling the best performance of the senior management team. The Chairperson optimises the relationship between the Board and management to reflect the best interests of the organisation.

ROLE OF THE DEPUTY CHAIRPERSON

The Deputy Chairperson carries the same individual responsibility as all Directors but also carries a major role assisting the Chairperson with his/her role and acting as the Chairperson when circumstances demand.

ROLE OF THE CEO

The role of the CEO is to be responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board.

APPOINTMENT AND RENEWAL

The Boards consists of a non executive Chairman, and seven non executive Directors

The Company's Constitution provides that non executive Directors must seek re-election by members at least every three years if they wish to remain a Director. Any new non executive directors appointed by the Board must seek election by members at the next Annual General Meeting of the Company.

Directors are all independent directors and are not remunerated for the services they provide to the Company, they are volunteers.

The Company has a Nominating and Corporate Governance Committee.

The purpose of the Nominating and Corporate Governance Committee is to:

- assist the Board in identifying qualified individuals to become Board members,
- help determine the composition of the Board of Directors and its Committees,
- monitor the application of the corporate governance principles and practices
- help assess board performance and effectiveness, and
- oversee risk management related to the Company's governance.

PRINCIPLE 3: PROMOTION OF ETHICAL AND RESPONSIBLE DECISION-MAKING

Actively promote ethical and responsible decision-making.

CODES OF CONDUCT

The Staff Code of Conduct details the minimum standards of behaviour expected of all employees and is designed to ensure employees understand their responsibilities and obligations, as well as providing guidance to employees faced with an ethical dilemma or conflict of interest.

The Company also has a Directors' Code of Conduct specifically designed for Directors and the additional requirements that apply to this position.

PRINCIPLE 4: SAFEGUARDING INTEGRITY IN FINANCIAL REPORTING

Have a structure to independently verify and safeguard the integrity of the Company's financial reporting.

The Company has an Audit and Risk Committee to oversee financial reporting including compliance. The Committee has three members, all of whom are Directors.

The Audit and Risk Committee is responsible for:

- External Financial Reporting including appointment and consultation with the external auditor.
- Related Party Transactions
- Risk & Compliance - responsible for overseeing the performance and effectiveness of SGCH Risk Management Plan, which is compliant with AS/NZ ISO 31000.

PRINCIPLE 5: MAKING TIMELY AND BALANCED DISCLOSURE

Promote timely and balanced disclosure of all material matters concerning the Company to the Board. The Company also has obligations to the Registrar of Community Housing and Housing NSW to keep them informed of material matters or events that occur.

PRINCIPLE 6: RESPECTING THE RIGHTS OF MEMBERS AND TENANTS

Respect the rights of members and tenants and facilitate the effective exercise of those rights. The Company is owned by its members and the Board's main responsibility to them is to support and further the Company's strategic objectives and so increase the benefits available to all members both tenant and non tenant.

The Board maintains active face to face communication with members via the Annual Report and the Annual General Meeting which is held in November each year, the Company also has a tenant engagement plan.

PRINCIPLE 7: RECOGNISING AND MANAGING RISK

Establish a sound system of risk oversight and management of internal controls. This is achieved through the Audit and Risk Committee, the Compliance program, Accreditation and review by the Registrar of Community Housing NSW.

PRINCIPLE 8: REMUNERATING FAIRLY AND RESPONSIBLY

Ensure the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is defined.

The Company has a Management Development and Compensation Committee which looks after remuneration issues relating to the CEO and senior executives. As well as the CEO's remuneration as set out in Principle 1 above, the Charter of the Committee requires it to review and approve on an annual basis the evaluation process and compensation structure for the Company's senior executives.

SGCH IS
MANAGED BY
A BOARD OF
VOLUNTEER
DIRECTORS.



MR DENNIS CAFE



MR WAYNE CARTER



MR IKE ELLIS



MS JOAN FERGUSON



MR SALAH KAHIL



MR GRAHAM MILLETT



MR GRAHAM ROWLSON



MR DAVID THRIFT

YOUR DIRECTORS PRESENT
THEIR REPORT ON THE
ST GEORGE COMMUNITY
HOUSING (THE COMPANY)
LIMITED FOR THE YEAR
ENDED 30 JUNE 2011.

DIRECTORS

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

Dennis Cafe
Wayne Carter
Ian Kenneth Ellis
Joan Ferguson
Salaheddine Kahil (Salah)
Graham Millett
Graham Rowson
David Thrift

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
Resigned 27 July 2011

PRINCIPAL ACTIVITIES

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

The Company is involved with many State and Federal government agencies. Any change in the policies of the governments may impact upon the way the Company performs its principal activity.

OPERATING RESULTS

The surplus of the Company amounted to \$254,368,122 (2010: \$4,984,963). The Company is exempt from Income Tax.

REVIEW OF OPERATIONS

In April 2010 the company started taking possession and tenancing Nation Building Economic Stimulus Plan ("NBESP") and Asset Ownership ("AO") properties. The properties were gifted to the company as part of the NBESP initiated by the Federal Government and the AO initiative of Housing NSW. Throughout the year the company took possession of the properties as the construction companies completed the building work. On 17 April 2011, 973 properties were vested to the company by the State Government. The gift of these properties and the rents earned from tenancing the properties are the principal reasons for the increase in income and expenses. In order to manage the growth in operations additional staff were employed.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In July 2011 the Company entered into contracts to purchase two properties at Sutherland for \$1,685,000. Deposits of \$168,500 were paid in June, with the remaining balance to be paid in full on settlement using funding received through a grant from the Department of Ageing, Disability and Home Care.

Other than the foregoing no matter or circumstance has arisen since 30 June 2011, 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.

PERFORMANCE MEASUREMENT AND SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Board and management have internal operational KPIs to assist in assessing performance. These are reassessed quarterly to maintain currency and relevance. These KPIs include financial performance measures, tenancy management measures and maintenance targets.

During the financial year the Company achieved the following significant milestone:

- Successful in tendering for the NBESP and AO projects. Participating in these projects will directly result in an increase in the number of owned properties by 1,241. In the current financial year 973 of the properties were vested to the company.

FUTURE DEVELOPMENTS - SHORT AND LONG TERM OBJECTIVES OF THE COMPANY

The Company is expected to experience growth as a consequence of entering the affordable housing market. The Company has established a Development and Construction department in order to meet its commitments to Housing NSW in respect of the gifted NBESP and AO properties. It is expected that the company will raise finance from financial institutions in the year ending 30 June 2012 and commence procuring affordable housing dwellings through construction and by other methods of procurement. 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.

The longer term strategy is for the Company to increase its ability to develop and construct affordable housing dwellings over the next five years and to participate in Public Private Partnerships that may eventuate. The Company is also investing time and effort in increasing its ability to deliver Community Regeneration projects.

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' 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.

Special responsibilities

Chairman of the Board. Chairman of the Nominating & Corporate Governance Committee and the Management Development and Compensation committee.

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.

Special responsibilities

Vice Chairman

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.

Special responsibilities

Member of the Audit & Risk Committee and the Management Development and Compensation Committee.

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.

Special responsibilities

Member of the Nominating & Corporate Governance Committee.

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.

Special responsibilities: None

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.

Special responsibilities

Member of the Audit & Risk Committee and the Management Development and Compensation Committee.

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.

Special responsibilities

Member of the Nominating & Corporate Governance Committee.

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.

Special responsibilities

Chairman of the Audit & Risk Committee and member of the Nominating & Corporate Governance Committee.

NAZHA SAAD
COMPANY SECRETARY

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

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:

DIRECTOR	FULL BOARD		AUDIT & RISK COMMITTEE		NOMINATING & CORPORATE GOVER- NANCE COMMITTEE		MANAGEMENT AND DEVELOPMENT COMPENSATION COMMITTEE	
	# OF MEETINGS ELIGIBLE TO ATTEND	# OF MEETINGS ATTENDED	# OF MEETINGS ELIGIBLE TO ATTEND	# OF MEETINGS ATTENDED	# OF MEETINGS ELIGIBLE TO ATTEND	# OF MEETINGS ATTENDED	# OF MEETINGS ELIGIBLE TO ATTEND	# OF MEETINGS ATTENDED
D Cafe	13	11	-	-	3	3	1	1
J Ferguson	13	9	-	-	3	3	-	-
S Kahil	13	12	-	-	-	-	-	-
D Thrift	13	11	4	4	3	3	-	-
G Millett	13	12	4	4	-	-	1	1
W Carter	13	11	4	3	-	-	1	1
I Ellis	13	11	-	-	-	-	-	-
G Rowlson	13	6	-	-	3	1	-	-

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.

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.

CONTRIBUTIONS ON WINDING UP

In the event of the company being wound up, ordinary
members are required to contribute a maximum of \$2
each. The total amount that members of the company
are liable to contribute if the company is wound up is
\$1,380, based on 690 current ordinary members.

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 48.

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.

This report is made in accordance with a
resolution of directors, pursuant to section
298(2)(a) of the Corporations Act 2001.

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

Director
David Thrift



3 November 2011

DISCUSSION AND ANALYSIS
OF THE SUMMARY
FINANCIAL STATEMENTS

BASIS OF PREPARATION OF THE
SUMMARY FINANCIAL STATEMENTS

The Summary Financial Statements are an extract
from the full financial statements for the year
ended 30 June 2011. The financial statements and
disclosures in the Summary Financial Statements
have been derived from the 2011 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 Summary
Financial Statements. The discussion and analysis
is based on St George Community Housing
Limited's financial statements and the information
contained in the Summary Financial Statements.

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

STATEMENT OF COMPREHENSIVE INCOME

Total Revenue increased by \$7,027,067 to
\$33,420,471, 26.6%, compared to the previous
year (2010: \$26,393,404). Total Expenditure
increased by \$6,244,446 to \$27,652,887, 29.2%
compared to the previous year (2010: \$21,408,441).
The surplus for the financial year increased
by \$249,383,159 to \$254,368,122, 5002.7%
compared to the previous year (2010: \$4,984,963).

The across the board increases in Revenue and
Expenditure can be attributed to an increase in the
number of properties under management by 1,207
or 42%. The increase in the company's surplus
is as a result of the 973 properties gifted to the
company as part of the NBESP and AO. The gift of
these properties has been recognised in income,
and has resulted in a net gain of \$240,769,215.
The remaining increase in surplus can be attributed
to the fair value gain on investment properties of
\$7,831,323 which were revalued during the year.

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

STATEMENT OF FINANCIAL POSITION

Total assets increased by \$254,803,213 to \$299,742,310 (2010: \$44,939,097) representing an increase of 567%. The increase is due to SGCH being gifted 973 properties under the NB and AO projects during the financial year.

Total liabilities increased by \$435,091 to \$33,491,091 (2010: \$33,056,000) representing an increase of 1.3%.

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 \$210,668 to \$3,565,250 (2010:\$3,354,582) to bring it in line with the Community Housing Provider Three Year Planned Maintenance Program requirement. The company created a reserve for investment properties, recognising the movement in fair value of the properties at each reporting date.

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

		2011	2010
	NOTE	\$	\$
Rental revenue	2	22,736,389	16,268,232
Revenue from government and other grants	2	7,404,669	7,510,425
Other revenue	2	3,279,413	2,614,747
Net gain on acquisition of investment properties	3	240,769,215	-
Fair value gain investment properties	4	7,831,323	-
Property expenses		(17,413,546)	(15,154,572)
Employee benefits expense		(6,520,443)	(3,839,891)
Depreciation and amortisation		(206,072)	(59,074)
Finance costs - Commercial Bill Interest		(757,290)	(743,090)
Office rental expenses		(440,070)	(197,904)
Other expenses		(2,315,466)	(1,413,910)
Net surplus for the year attributable to members of St George Community Housing Limited		254,368,122	4,984,963
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to members of St George Community Housing Limited		254,368,122	4,984,963

27% ↑

INCREASE
IN INCOME

TOTAL
EXPENDITURE
INCREASED

29% ↑

42% ↑

INCREASE
IN PROPERTIES
UNDER
MANAGEMENT

\$300
MILLION ↑

TOTAL ASSETS
INCREASED TO

RESERVE FOR
FUTURE PLANNED
MAINTENANCE
INCREASED

\$3.5
MILLION ↑

SUMMARY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	2011	2010
NOTE	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	17,005,892	13,934,804
Trade and other receivables	4,362,255	2,887,109
Other current assets	800,669	535,775
TOTAL CURRENT ASSETS	22,168,816	17,357,688
NON-CURRENT ASSETS		
Trade and other receivables	231,000	-
Property, plant and equipment	960,252	1,432,973
Intangible assets	12,242	18,362
Investment property	4 276,370,000	26,130,074
TOTAL NON-CURRENT ASSETS	277,573,494	27,581,409
TOTAL ASSETS	299,742,310	44,939,097
CURRENT LIABILITIES		
Trade and other payables	5,008,330	4,273,499
Short term provisions	429,475	1,209,359
Short term borrowings	688,446	470,485
Deferred grants	361,255	337,505
Unexpended grants	4,668,250	3,803,868
TOTAL CURRENT LIABILITIES	11,155,756	10,094,716
NON-CURRENT LIABILITIES		
Deferred grants	11,461,221	11,798,727
Unexpended grants	407,305	407,384
Long term provisions	25,564	14,555
Long term borrowings	10,441,245	10,740,618
TOTAL NON-CURRENT LIABILITIES	22,335,335	22,961,284
TOTAL LIABILITIES	33,491,091	33,056,000
NET ASSETS	266,251,219	11,883,097
EQUITY		
Accumulated surplus	14,085,431	8,528,515
Reserves	252,165,788	3,354,582
TOTAL EQUITY	266,251,219	11,883,097

SUMMARY STATEMENT IN CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	ACCUMULATED SURPLUS	PLANNED MAINTENANCE RESERVE	INVESTMENT PROPERTY RESERVE	TOTAL
NOTE	\$	\$	\$	\$
Balance at 30 June 2009	3,499,622	3,209,780	-	6,709,402
Retrospective adjustment on change in accounting policy	5 188,732	-	-	188,732
Total comprehensive income for the year	4,984,963	-	-	4,984,963
Transfer to reserves	(144,802)	144,802	-	-
Balance at 30 June 2010	8,528,515	3,354,582	-	11,883,097
Total comprehensive income for the year	254,368,122			254,368,122
Transfer to reserves	(248,811,206)	210,668	248,600,538	-
Balance at 30 June 2011	14,085,431	3,565,250	248,600,538	266,251,219

SUMMARY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	33,100,342	27,286,666
Payments to suppliers and employees	(29,718,338)	(19,772,455)
Interest received	664,858	127,122
Finance costs paid	(757,290)	(743,090)
Net cash generated from operating activities	3,289,572	6,898,243
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(470,455)	(87,637)
Payment for investment properties	(88,604)	(956,496)
Net cash used in investing activities	(559,059)	(1,044,133)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of finance lease commitments	(73,807)	(8,721)
Receipts from government bodies	820,920	2,120,110
Repayment of borrowings	(450,000)	(500,000)
Interest on government grants	43,462	85,000
Net cash generated from financing activities	340,575	1,696,389
Net increase in cash held	3,071,088	7,550,499
Cash at the beginning of the financial year	13,934,804	6,384,305
Cash at the end of the financial year	17,005,892	13,934,804

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1. BASIS OF PREPARATION OF THE SUMMARY FINANCIAL STATEMENTS

The Summary Financial Statements have been prepared from the audited financial report for the year ended 30 June 2011. The audited financial report for the year ended 30 June 2011 is available on request from St George Community Housing Limited.

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 summary financial statements are derived from and are consistent with the full financial statements of St George Community Housing Limited. The summary financial statements 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 reports .

The accounting policies have been consistently applied by St George Community Housing Limited and are consistent with those of the preceding financial year in their entirety, with the exception of the measurement of investment properties except for the change in accounting policy relating to the measurement of investment properties - refer to note 5 for further details.

NOTE 2 - REVENUE

	2011	2010
	\$	\$
Rental Revenue	22,736,389	16,268,232
Revenue from Government and Other Grants		
General programme	5,772,298	5,849,165
Ageing, Disability & Home Care	74,596	69,131
Port Jackson Program	356,796	372,291
Release of deferred grants – AHIF Bankstown	106,269	106,269
Release of deferred grants – AHIF Leumeah	161,458	161,467
Release of deferred grants – ADHC	46,019	46,019
National Rental Affordability Scheme Incentives	688,654	720,375
Other	198,579	185,708
Total government and other grants	7,404,669	7,510,425
Other Revenue		
Interest received from corporations	756,858	221,859
Reimbursement – tenants and landlords	793,002	760,174
Place based management fees	1,593,582	1,512,787
Program management fees	(181,265)	93,305
Other income	317,236	26,622
Total Other Revenue	3,279,413	2,614,747
Total Revenue	33,420,471	26,393,404

NOTE 3 NET GAIN ON ACQUISITION OF INVESTMENT PROPERTIES

SGCH were gifted 973 properties under the Nation Building and Asset Ownership project during the financial year. Of these properties, 75 are under construction at reporting date, and therefore the risks and rewards of ownership have not passed to SGCH. These properties have been valued at \$12,000,000 on completion and will be recognised in other income on completion.

	2011	2010
	\$	\$
NOTE		
Fair value of gifted properties	242,320,000	-
Professional fees and other related costs	(1,550,785)	-
Net Gain	240,769,215	-

Refer to note 4 for details of the valuation of the properties

NOTE 4 INVESTMENT PROPERTY

	2011	2010
	\$	\$
Investment Property		
Balance at the beginning of year	26,130,073	25,173,578
Capitalised subsequent expenditure	88,608	-
Additions resulting from properties gifted	3 242,320,000	-
Properties purchased	-	956,495
Change in fair value of investment property	7,831,319	-
Balance at the end of the year	276,370,000	26,130,073

In the prior year financial statements the investment property was held at a cost of \$26,130,073 less depreciation of \$733,014 giving a net book value of \$25,397,059. The company changed its accounting policy for investment properties during the reporting period, refer to Note 5 for further details.

The majority of the properties are leased to low income tenants. The lease terms vary depending on the property provider and range from 2 weeks to 12 month rolling contracts.

Ageing, Disability and Home Care who provided the grant used to purchase the property located at 182 Holden Street Ashbury, have lodged a caveat over the property. The commercial bills held with the Commonwealth Bank of Australia are secured by a mortgage held over the investment properties at Leumeah and Bankstown.

Valuation Basis

The fair value of investment properties has been determined by an independent registered property valuer. The valuation has been determined with reference to recent market sales in similar locations to each property.

NOTE 5 CHANGE IN ACCOUNTING POLICY

The company changed its accounting policy relating to the measurement of investment properties for the financial year ending 30 June 2011. Investment properties were previously recognised by the company on a cost basis. The company has now elected to recognise investment properties at their fair value. This change has been implemented as the directors are of the opinion that the fair value model will provide more relevant information, and result in a more accurate carrying value of investment property at reporting date. The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2010 is as follows:

FOR THE YEAR ENDED 30 JUNE 2011

STATEMENT OF FINANCIAL POSITION

NOTE 5 CHANGE IN ACCOUNTING POLICY (CONTINUED)	REPORTED 2010	ADJUSTMENT	RESTATED 2010
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	13,934,804	-	13,934,804
Trade and other receivables	2,887,109	-	2,887,109
Other current assets	535,775	-	535,775
TOTAL CURRENT ASSETS	17,357,688	-	17,357,688
NON-CURRENT ASSETS			
Property, plant and equipment	1,432,973	-	1,432,973
Intangible assets	18,362	-	18,362
Investment property	25,397,059	733,015	26,130,074
TOTAL NON-CURRENT ASSETS	26,848,394	733,015	27,581,409
TOTAL ASSETS	44,206,082	733,015	44,939,097
CURRENT LIABILITIES			
Trade and other payables	4,273,499	-	4,273,499
Short term provisions	1,209,359	-	1,209,359
Short term borrowings	470,485	-	470,485
Deferred grants	337,505	-	337,505
Unexpended grants	3,803,868	-	3,803,868
TOTAL CURRENT LIABILITIES	10,094,716	-	10,094,716
NON-CURRENT LIABILITIES			
Deferred grants	11,798,727	-	11,798,727
Unexpended grants	407,384	-	407,384
Long term provisions	14,555	-	14,555
Long term borrowings	10,740,618	-	10,740,618
TOTAL NON-CURRENT LIABILITIES	22,961,284	-	22,961,284
TOTAL LIABILITIES	33,056,000	-	33,056,000
NET ASSETS	11,150,082	733,015	11,883,097
EQUITY			
Accumulated surplus	7,795,500	733,015	8,528,515
Reserves	3,354,582	-	3,354,582
TOTAL EQUITY	11,150,082	733,015	11,883,097

STATEMENT OF COMPREHENSIVE INCOME

NOTE 5 CHANGE IN ACCOUNTING POLICY (CONTINUED)	REPORTED 2010	ADJUSTMENT	RESTATED 2010
	\$	\$	\$
Rental revenue	16,268,232	-	16,268,232
Revenue from government and other grants	7,510,425	-	7,510,425
Other revenue	2,614,747	-	2,614,747
Property expenses	(15,154,572)	-	(15,154,572)
Employee benefits expense	(3,839,891)	-	(3,839,891)
Depreciation and amortisation	(603,357)	544,283	(59,074)
Finance costs	(743,090)	-	(743,090)
Office rental expenses	(197,904)	-	(197,904)
Other expenses	(1,413,910)	-	(1,413,910)
Net surplus for the year attributable to members of St George Community Housing Limited	4,440,680	544,283	4,984,963
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year attributable to members of St George Community Housing Limited	4,440,680	544,283	4,984,963

REVENUE FROM
GOVERNMENT
AND OTHER
GRANTS
DECREASED

1%↓

25%↑

OTHER REVENUE
INCREASED

40%↑

RENTAL REVENUE
INCREASED

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: The directors of St George Community
Housing Limited

I declare to the best of my knowledge and
belief, in relation to the audit for the financial
year ended 30 June 2011 there have been:

- no contraventions of the auditor independence
requirements as set out in the Corporations
Act 2001 in relation to the audit, and
- no contraventions of any applicable code of
professional conduct in relation to the audit.

PKF



Tim Sydenham
Partner
PKF
Level 10,
1 Margaret Street
Sydney, NSW 2000

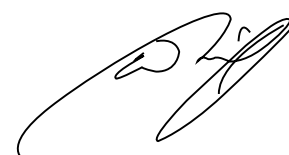
Dated Sydney, 3 November 2011

DIRECTORS' DECLARATION

The directors of the Company declare that the
summary financial report of St George Community
Housing Limited for the financial year ended
30 June 2011, as set out on pages 37 to 46:

- (a) are an extract from the full financial report
for the year ended 30th June 2011 and
have been derived from and are 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.



David Thrift
Director

Dated this 3 November 2011

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF ST GEORGE COMMUNITY HOUSING LIMITED

REPORT ON THE SUMMARY FINANCIAL STATEMENTS

The accompanying summary financial statements,
which comprises the summary statement of financial
position as at 30 June 2011, the summary statement
of comprehensive income, summary statement of
cash flows for the year then ended, related notes
and the directors' declaration are derived from the
audited financial report of St George Community
Housing Limited for the year ended 30 June 2011.
We expressed an unmodified audit opinion on that
financial report in our report dated 25 October 2011.

The summary financial statements do not contain
all the disclosures required by the Australian
Accounting Standards - Reduced Disclosure
Requirements and the Corporations Act 2001.
Reading the summary financial statements, therefore,
is not a substitute for reading the audited financial
report of St George Community Housing Limited.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on
the summary financial statements based on our
procedures, which were conducted in accordance
with Auditing Standard ASA 810 Engagements
to Report on Summary Financial Statements.

AUDITOR'S OPINION

In our opinion, the summary financial statements
derived from the audited financial report of St
George Community Housing Limited for the
year ended 30 June 2011 are consistent, in all
material respects, with that audited financial
report, on the basis described in Note 1.

PKF



Tim Sydenham
Partner
PKF
Level 10,
1 Margaret Street
Sydney, NSW 2000

Sydney, 3 November 2011



ST GEORGE COMMUNITY HOUSING LTD

38 Humphreys Lane, Hurstville NSW 2220

Email: office@sgch.com.au Tel: 02 9585 1564 Web: www.sgch.com.au