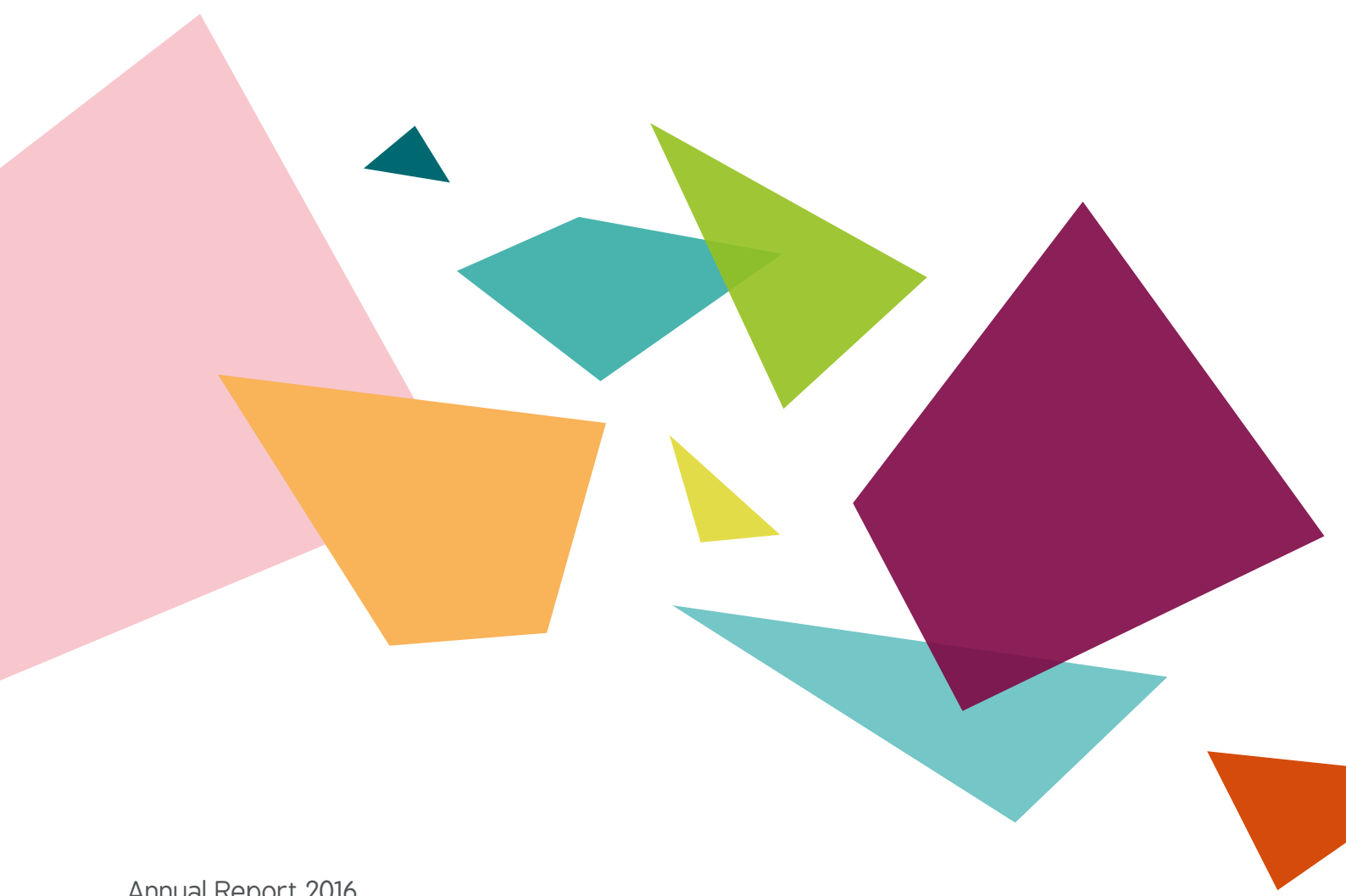




# Our story for 2016



# About SGCH

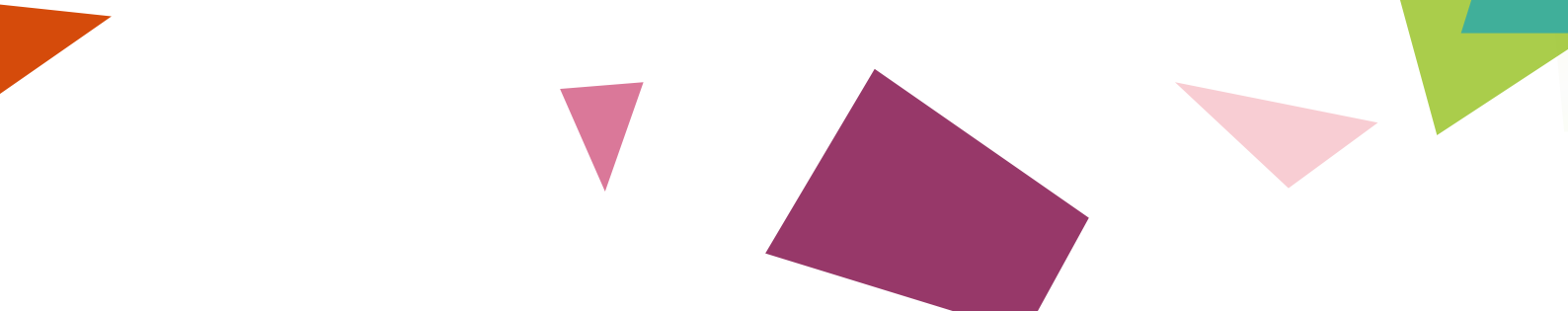
2	Chairman's message
3	CEO's message
4	Strategic plan
8	2015-2016 highlights
12	Properties, developments and offices
14	Partnerships and programs
18	Our team
20	Group structure
21	Governance
24	Financial statements
INSERT	Josh's Story

Our vision is **great places** for **everyone**. Our business is **people** and **places**. We develop and manage **sustainable**, **safe** and **affordable** homes and work in partnership to create **vibrant**, inclusive **communities**.

Connecting people to **opportunity**, we take a place-based approach to **advocate** for, **coordinate** and **partner** with the services that people and communities need.

With over **30 years** of experience, SGCH provides a place to call home for more than **8,500 people** in **4,400 properties** across the Sydney metropolitan region. We are registered as a Tier 1 provider under the National Regulatory System for Community Housing.

Recognised as Employer of Choice (Public Sector and NFP) at the 2016 Australian HR Awards, our personalised approach to customer service is underpinned by our values of **Support**, **Accountability**, **Respect** and **Integrity**.





# Chairman's message



I am pleased to present another **outstanding** report for SGCH to wrap up the **2015/2016** financial year. In the past 12 months, SGCH has **continued** to provide personalised customer service, build social capital and cultivate thriving communities.

Our work in creating a pipeline of sustainable development has been a highlight. I look forward to seeing the outcomes in the years ahead as we welcome more people to quality, affordable new homes.

I have been privileged to be involved with SGCH for over 12 years, first as a member of staff, before joining the Board in 2009. I have seen the organisation grow and develop through key periods of change, and in 2016 there has been renewed energy with the release of *Future Directions for Social Housing in NSW*. This document sets out the Government's vision for social housing looking at the whole continuum of housing which is underpinned by three strategic priorities:

- More social housing
- More opportunities, support and incentives to avoid and/or leave social housing
- A better social housing experience.

SGCH has welcomed the strategy and continued to adapt and focus on future opportunities that align with our vision and values. In March we welcomed Scott Langford as Chief Executive Officer and, again, this appointment has brought new energy to the organisation. Together Scott, the Board and Executive Management Team honed our collective vision for SGCH and the people we serve. This has culminated in our new Strategic Plan and an emphasis on what we as an organisation strive to achieve – great places for everyone.

At its heart, this focus recognises that our greatest opportunity to affect change and connect people and community is when we have a deep connection to the communities we operate in. For this commitment and vision I thank my fellow Directors for their strategic oversight, Scott and the Executive Management Team for their leadership, and each and every person at SGCH.

SGCH has a talented and committed staff, that strives to deliver a service experience that delights our customers. The dedication to achieve strong outcomes is evident in the results of this year's report.

Dennis Cafe  
Chairman  
SGCH Group

# CEO's message



At the heart of *Our story for 2016* is **Josh's Story**. Josh's Story (insert) is an example of how any of us can **suddenly** find our situation changed and our lives turned **upside down**.

It also shows that there is always hope. We are driven to make a difference, and we achieve this in partnership with a network of support and business partners.

Since joining SGCH Group in March I have worked with the Board, the Executive Management Team, our staff, partners and tenants to listen and to understand where collectively we believe SGCH can make the greatest impact. How we can continue to deliver, and deliver more, strong outcomes for the people we serve – people like Josh.

People and places are truly the core business of SGCH. As a Tier 1 Registered housing provider we develop and manage sustainable, safe and affordable homes. With over 30 years of experience, our organisation understands that being a housing provider is about so much more than providing shelter. A home is about the connections we make in a community; friends, local services, civic facilities, the sense of a place where we belong.

This is the foundation for our new strategic vision – great places for everyone. It is the commitment that SGCH will focus on delivering the greatest impact through our existing connections in established locations, and make decisions about growth based upon the potential for a place-based approach.

We do this in partnership with many, our tenants, local community groups, government agencies, universities, businesses and financiers. The successes and achievements highlighted in this report are shared with our partners and I am grateful for their commitment to working alongside SGCH to amplify our collective impact

I thank you for your continuing support of SGCH, and congratulate our partners, Board and staff on a remarkable year of helping to create great places for everyone.

**Scott Langford**  
Chief Executive Officer  
SGCH Group



# SGCH Group Strategic Plan 2016-2019



## Our vision

Great places for everyone.



## Our values

Support, Accountability, Respect and Integrity.



## Our purpose

Connecting people to opportunity and collaboratively shaping great places through sustainable, safe and affordable housing.



## Our strategic directions

Our business is people and places. Our core activity as a housing provider is to develop and manage sustainable, safe and affordable homes and to connect people to opportunity. We form deep connections in the locations we operate, we are committed to strengthening our presence in existing locations and focused on opportunities to meaningfully shape places and local communities. We take a place based approach to advocate for, coordinate and partner with the services that people and communities need.

Our customers are at the heart of everything we do. Being accountable to the people we serve and the broader community, we work with a business head and a social heart to provide good long-term stewardship of resources. We take a sustainable approach to balance mission and margin, understanding that every dollar represents an opportunity to invest in someone's future.





## 1. Provide great places to live and connect people to opportunities.

### 1.1 Focus on places

Be a collaborative leader in transforming places. We have a deep, long term commitment to the places and people we serve and we measure the impact of our work.

### 1.2 More, sustainable, safe and affordable homes

Increase the number of good quality homes available for low and moderate income households in the places we are working.

### 1.3 Sustaining tenancies

Provide good quality homes and connect people to appropriate support services where required.

### 1.4 Enhanced connections to opportunities

Work with partners and tenants to build capacity and connections to opportunity, including pathways to other forms of secure housing where this is appropriate.







## 2. Be an organisation people want to work with.

### 2.1 Delighted customers

Deliver a service experience that delights our customers.

### 2.2 Highly effective team

Maintain an organisation that is a great place to work by attracting, retaining and empowering staff with the right skill mix, and aligned with our values and culture.

### 2.3 Partner of choice

Be partner of choice for values-aligned organisations and work together to achieve shared outcomes.



## 3. Drive a strong business that underpins our pursuit of purpose.

### 3.1 Well governed

Adhere to robust and appropriate governance to ensure risks and opportunities are identified and managed, commensurate with the scale and nature of our business.

### 3.2 Enabling business systems, structures and processes

Optimise the design and use of technology, work processes and operating structures to equip staff to pursue our core purpose.

### 3.3 Strong financial performance

Ensure financial sustainability and work our assets so every dollar strengthens our purpose and delivers outcomes for people and places.

# 2015-2016 highlights

In this financial year SGCH has continued its **strategic focus** to provide **personalised customer service**, build social capital and cultivate **thriving communities**.

We provided homes to

8,519

People

2015: 8,303

4,403

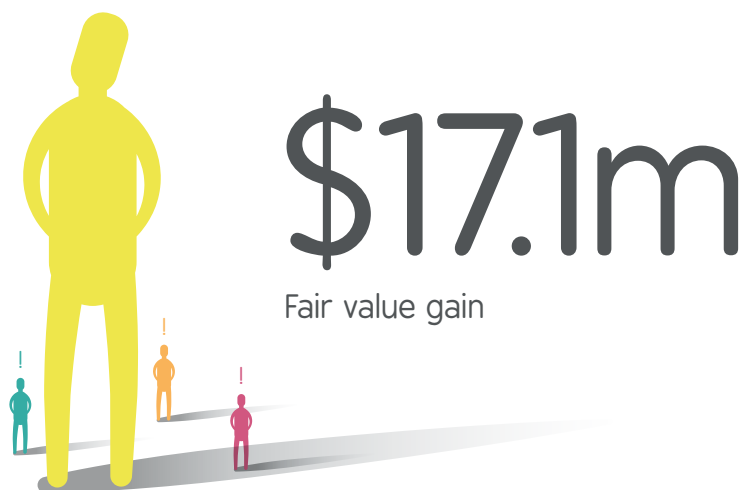
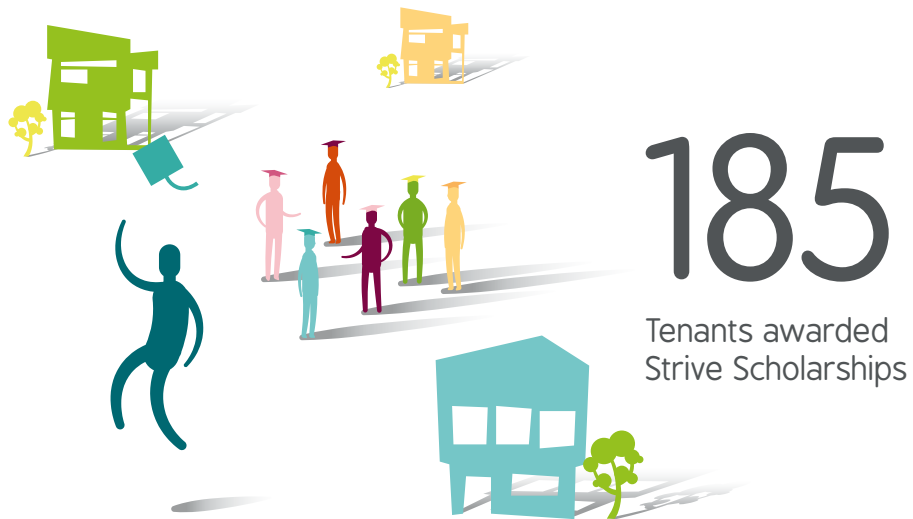
Properties

2015: 4,343



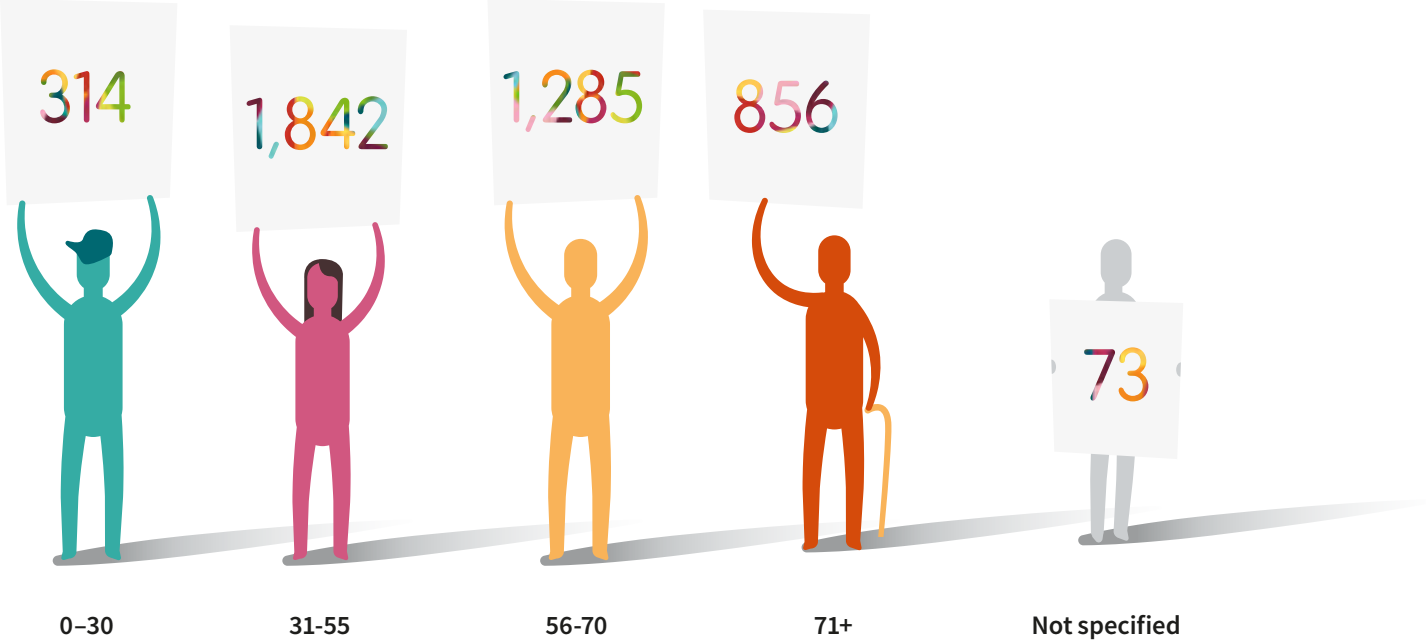
\$26m

Net surplus



Our Tenants

Ages



533

are employed



900

are single parents



1,917

have a disability



263

identify as Aboriginal or Torres Strait Islander



84%

Tenant satisfaction rate  
2015 result



94%

of customers rated their customer service experience as positive  
Q1 2016





## Gender



2,613



Female



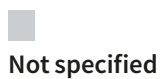
1,670



Male



87



Not specified

## People connected to community through

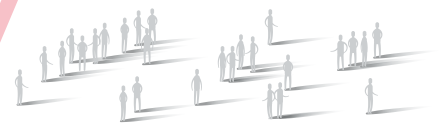
203

community events



437

vulnerable tenants were referred to our support co-ordination team, of which:



47

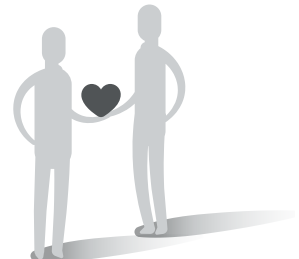
languages are spoken

Main languages spoken: English, Arabic, Cantonese, Mandarin and Vietnamese



96%

had their tenancy sustained



# Properties, developments and offices

## Developments

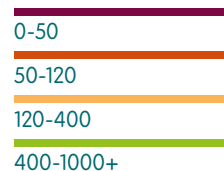
- 01 SSDAAG**  
Caringbah, Jannali, Loftus  
17 dwellings (over 3 sites),  
due early 2017
- 02 Miranda**  
7 townhouses (over 2 sites),  
due early 2017
- 03 Kirrawee**  
3 dwellings, due end Nov 2016
- 04 Sutherland**  
46 dwellings, due end Nov 2016
- 05 Menai**  
17 townhouses (8 delivered  
and tenanted, remaining 9  
due end Nov 2016)
- 06 Carss Park**  
2 townhouses delivered
- 07 Peakhurst**  
2 sites, 39 dwellings (Lawrence St)  
due Dec 2017, 8 dwellings (Ogilvy St)  
due mid 2017
- 08 Punchbowl**  
4 dwellings, due Nov 2016
- 09 Cartwright**  
31 dwellings, D.A. submitted
- 10 Bass Hill**  
5 dwellings delivered
- 11 Fairfield**  
41 dwellings, due end 2017
- 12 Westmead**  
67 dwellings, due mid 2018



## Total properties



## Number of properties



## Offices



## Properties





Hornsby 6

Strathfield 15

Canada Bay 90

Leichhardt 30

Burwood 3

Ashfield 47

Sydney 170

Woollahra 1

Waverley 1

Marrickville 160

Randwick 141

Canterbury 846

Botany 98

Hurstville 198

Rockdale 165

07



Hurstville  
Head Office

Kogarah 110

06

Sutherland 579

04

03

02

01



Sutherland  
Office

# Partnerships and programs

Our pioneering partnerships with government agencies, community groups and support services allow us to increase the number of good quality homes in the places we work and connect people to training, education, employment and community engagement opportunities.



*In July 2016, SGCH and the CEFC won the Best Partnership Award at the NSW Federation of Housing Associations – Awards for Excellence in Community Housing. The judges commented that the partnership with the CEFC was “visionary, innovative, and nationally significant. It has strong outcomes for clients and the community, and will have lasting impact across the broader sector.”*

## Clean Energy Finance Corporation

Over the next two years, SGCH and the Clean Energy Finance Corporation (CEFC) will deliver 200 new energy efficient affordable homes, mainly in Sydney’s south. At the same time we are retrofitting some of our existing properties, delivering energy efficiency measures to over 1,100 very low and low income households.

## Tenants will benefit from energy saving measures including:

- solar panels on their roof
- LED lights
- high performance ceiling and wall insulation
- ceiling fans
- energy efficient windows that block out heat and cold.

## Strive Scholarships

The Strive Scholarships Program helps Social and Affordable Housing tenants with the cost of educating themselves or their family, allowing them to follow their dreams and aspirations for the future.

By partnering with The Adolph Basser Trust, Kip McGrath, Asset Group Services, SGCH provided 185 tenants the opportunity to pursue their education by awarding \$220,000 worth of scholarships in 2016.

## Beginnings

In 2016, SGCH launched Beginnings, our community mentoring program funded by South Eastern Sydney Partners in Recovery as part of their Innovations Grants Program.

The program linked people experiencing mental health issues, or those at risk of homelessness, with a trained community mentor.

Twenty nine participants complete the Beginnings Program with the support of 19 mentors. The mentors helped their participants find their way, empowering them to link with their community and other support services.

## Partnerships in Bonnyrigg

At Newleaf Communities in Bonnyrigg, we partner with Bonnyrigg residents and local services to capitalise on community strengths and create a vibrant and inclusive neighbourhood. Since June 2015, we have engaged with 4,071 residents across 93 different activities. We have particularly focused on providing opportunities for tenants to have meaningful input, running a range of health and well being programs, addressing a gap in activities for local youth and improving safety.





Strive Scholarships



Clean Energy Finance Corporation



Beginnings



Partnerships in Bonnyrigg

## Partnerships and programs



Digi House



Connect and Grow



Sutherland Street to Home



Partnering to deliver homes for people with disability

## Digi House

In February 2016 SGCH hosted the launch of the Digi House Program that aims to improve the digital literacy skills of 20,000 people living in public and social housing in partnership with not-for-profit Infoxchange and Google.

SGCH residents who took part in the launch got comfortable with YouTube, apps, voice search and smart phones through live demonstrations. To practically apply their new skills, residents learnt how to use technology to assist them with cooking a meal, translating recipes into another language and finding out nutritional information.



## Infoxchange

*"Infoxchange is excited to partner with SGCH to provide a digital literacy program to social housing tenants across NSW. SGCH use their expertise to ensure that the services provided meet the needs of residents, which means better outcomes for everyone. It's been a great experience working with SGCH who make a positive impact on so many people's lives, and we look forward to growing this partnership."*

## Sutherland Street to Home

The Sutherland Street to Home project is an initiative of the South Eastern Sydney Partners In Recovery Program (SES PIR) and is being delivered in partnership with Neami National and SGCH.

The project offers quick access to housing for vulnerable rough sleepers in Sutherland through SGCH, providing seven people with properties from the private rental market and tenancy management services. Neami National Hurstville is providing ongoing support for 12 months to ensure the people on the program can maintain their tenancies, engage with their new community and meet any goals they identify in order to build a meaningful life.

We housed all seven people under the Sutherland Street to Home Project and of these; five are currently sustaining their tenancies. Two people left the program due to changes in their personal circumstances.

## Connect and Grow

The 'Connect and Grow' program was delivered in partnership between SGCH and infrastructure consultancy RPS. As part of a six week trial in August and September, Menai residents took part in free interactive workshops designed to help them live more sustainably. Participants learned handy hints and tips about gardening, waste and recycling, energy and water. At the end of the trial residents put their new skills to good use, planning a community garden at 601 Old Illawarra Road. SGCH is now looking at rolling out the program in other areas.

## Partnering to deliver homes for people with disability

In May 2016, we began building 17 new homes for young people with a disability.

SGCH is working with the parents and families of Sutherland Shire Disability Accommodation Action Group (SSDAAG), the NSW Government, Sutherland Shire Council, Southern Sydney Trusted Care and Sylvanvale to deliver homes and support services across three sites in the Sutherland Shire – Caringbah, Jannali and Loftus.

At the heart of this innovation have been the parents and their desire to make sure their children have access to quality care and accommodation, as well as the ability to choose their own home.



# Our team

SGCH is vibrant, inspiring and supportive. Our people and culture are our greatest strength and we are united in our passion and commitment to our customers. Our values of Support, Accountability, Respect and Integrity (SARI) are at the heart of everything we do.

## Ongoing focus on people and culture, providing support and influence has led to:

- highest overall staff satisfaction rating of 86% achieved in 2014-2015
- a strong staff engagement score of 80%
- 95% of our staff believe in the overall purpose and values of our organisation
- 86% of staff would recommend SGCH as a good place to work.

70%

are female



30%

are male



41%

are from a non-English speaking background



38%

were born outside Australia







### Carrie Levine

*"In my first week, my impression of SGCH was its workforce diversity, its internal customer service and staff wellbeing focus (everyone warmly welcomed me into the SGCH family!)"*



### Sasha Cochrane

*"I most enjoy the opportunities for learning and personal growth. I was 21 when I started at SGCH and in my time here I have been supported to complete my post graduate studies and extensive training, experience varied and challenging roles, and encouraged to try things I never thought I would do – like public speaking. I'm not sure I would have had these same opportunities anywhere else."*

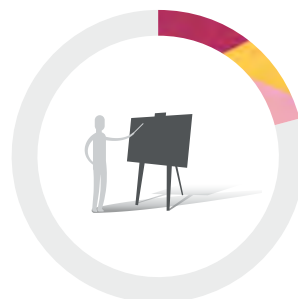
40%

are degree qualified



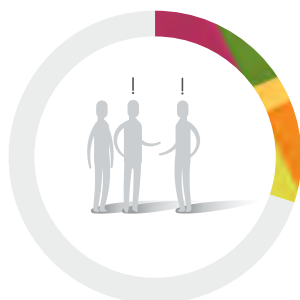
21%

are currently completing formal qualifications



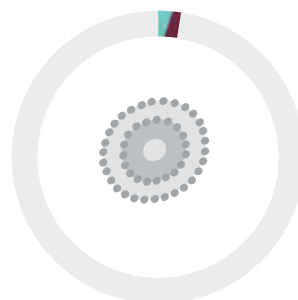
30%

speak more than one language



2.5%

identify as Indigenous Australian



# Group structure



# Governance

The SGCH Group has four Governance Committees in place to oversee strategic areas of business operation.



## Audit and Risk

The Audit and Risk Committee manages key risks of the Group, specifically:

- Ensuring the integrity of external and internal financial reporting, including compliance with applicable laws, regulations and other requirements in relation to external financial reporting
- Ensuring that appropriate and effective systems of internal controls, risk management and compliance are in place.



## Development and Construction

The Development and Construction Committee reviews the delivery of development and construction projects, specifically:

- Reviewing business cases for all new projects including agreeing relevant KPIs and risk mitigation measures
- Ensuring appropriate probity processes around acquisition, procurement and tender activities
- Receiving regular reports on progress of projects to determine that the agreed objectives and outcomes are on target.



## Management Development and Compensation

The Management Development and Compensation Committee is responsible for performance management, evaluation and selection for senior positions, including the Chief Executive Officer and all senior executives. The committee's scope includes compensation and remuneration.



## Nominating and Corporate Governance

The purpose of the Nominating and Corporate Governance Committee is to assist the Board in identifying qualified individuals to become Board members. The committee works to determine the composition of the Board of Directors and its Committees, and monitor processes to develop and implement the Company's corporate governance principles and practices to a level of good practice including assessing board performance and effectiveness.

# Directors of SGCH Portfolio, SGCH Sustainability

SGCH has a total of 10 Directors. These three Directors sit on our subsidiary Boards only.



**Jane Hewitt**

**BAppSc (Land Economics)**

Jane founded UniLodge (a leading provider of student accommodation), pioneered the international student accommodation market in Australia and is a leader in the corporatisation and professional management of student facilities on and off University campuses. She has extensive experience in business operations and real estate development of medium and high density housing. She is contributing to the development of social housing policy via her work with Social Ventures Australia and is a Director of the Beacon Foundation – a youth services organisation.



**Philip Manidis**

**BBus Sc (Cape Town) MCRP (Cape Town) FAICD**

Philip founded Manidis Roberts in 1988 and built a highly respected, successful and profitable professional services business. In 2012, Manidis Roberts had over 100 staff and a turnover over \$25 million. Philip was the Managing Director until 2005 and Chairman from 2007 to 2012. In the last 10 years, Philip was also a member of several alliance leadership teams, providing sophisticated leadership and governance on major infrastructure projects in the transport, water and energy sectors.



**Victoria Weekes**

**BComm LLB (UNSW) SFFinsia FAICD**

Victoria is an experienced non-executive Director and serves on public and private sector Boards including OnePath Funds Management (Chair), ANZ Trustees, ETrade and the Sydney Local Health District. Prior to her governance career, she held senior financial services executive positions with Westpac and Citigroup Australia and was formerly the Special Policy Advisor to the Australian Securities Commission.

**Qualifications, experience and special responsibilities of all SGCH Directors on pages 27-28.**

**Notes:**

Dennis Cafe (Chairman) – SGCH, SGCH Portfolio, SGCH Sustainability

Annette Gallard – SGCH, SGCH Portfolio, SGCH Sustainability

David Thrift – SGCH, SGCH Portfolio, SGCH Sustainability





# Financial statements 30 June 2016







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summary financial statements

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Summary consolidated statement of profit  
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Summary consolidated statement  
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Summary consolidated statement  
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Directors' declaration

# Directors' report

## Directors

The names of those who have been Directors during the year and at the date of this report are as follows:

Dennis Cafe

Ian Kenneth Ellis

Annette Gallard

Salaheddine Kahil (Salah)

Graham Millett

Graham Rowson

David Thrift

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

## Company Secretary

Rebecca Pierro

(Appointed 26 November 2015)

Martin Baird

(Resigned 26 November 2015)

Trevor Wetmore

(Resigned 31 July 2016)

Your Directors present their summary report on the consolidated entity (referred to hereafter as 'the Company') consisting of St George Community Housing Limited and the entities it controlled at the end of, or during, the year ended 30 June 2016.

## 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.

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.

## Operating Results

The surplus of the Company amounted to \$26,009,349 (2015: \$65,949,485). The Company is exempt from Income Tax.

## Directors' qualifications, experience and special responsibilities



**Dennis Cafe**  
**Chairman**

### **Qualifications and Experience**

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.



**Ian Kenneth Ellis (Ike)**  
**Vice Chairman**

### **Qualifications and Experience**

Assoc Dip Police Studies (Newcastle). Ike retired as Assistant Commissioner of the NSW Police Force in 2000. He is a graduand of the Australian Police Staff College Senior Officers Course, Senior Executive Program and Senior Executive Officers Course. Amongst many awards, in 1997 he was awarded the Australian Police Medal and later, the Police Commissioner's Olympic Commendation and Citation and the Deputy Commissioner's Commendation for Youth Issues. He is a former Director Safety & Security NSW Department of Education & Training.

### **Special responsibilities**

Vice Chairman of the Board.



**Annette Gallard**  
**Non-executive Director**

### **Qualifications and Experience**

BSoc Stud (USyd) MComm (UNSW) GAICD. Annette retired from the public service after a career of 28 years, 18 of which were in senior executive positions in the Community Services and Housing portfolios. Her most recent position was Chief Executive Officer, NSW Community Services. In 2012 she was awarded the Public Service Medal for outstanding public service to the achievement of social justice in NSW, particularly Aboriginal people.

### **Special responsibilities**

Member of the Audit & Risk Committee.



**Salah Kahil**  
**Non-executive Director**

### **Qualifications and Experience**

Sc Dip App Sc Masters Biomedical Engineering (Uni of NSW). Tenant of SGCH. Technical Officer with Douglass Hanly Moir Pathology. Governance experience as a Director of SGCH and Accommodation for Youth.

## Director's qualifications, experience and special responsibilities (continued)



**Graham Millett**  
**Non-executive Director**

### **Qualifications and Experience**

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**

Chairman of the Development & Construction Committee, member of the Audit & Risk Committee and the Management Development and Compensation Committee.



**David Thrift**  
**Non-executive Director**

### **Qualifications and Experience**

Retired company Director and senior executive with extensive experience in credit/risk management across a range of industries. Strong background 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, member of the Management Development and Compensation Committee and member of the Nominating & Corporate Governance Committee.



**Graham Rowilson**  
**Non-executive Director**

### **Qualifications and Experience**

NSW Service Manager for Control Systems Technology Pty Ltd. Previously a Director of SGCH for 3 years, 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.



## Meetings of the Directors

During the financial year and up to the date of this report, **11 meetings** of Directors were held. Attendance by each Director was as follows:

Director	Full Board		Audit & Risk Committee		Nominating & Corporate Governance Committee		Management Development & Compensation Committee		Development & Construction Committee	
										
D Cafe	11	10	–	–	2	2	2	2	–	–
I Ellis	11	7	–	–	–	–	–	–	–	–
D Thrift	11	10	4	4	2	2	2	2	–	–
G Millett	11	9	4	3	–	–	2	2	4	3
A Gallard	11	10	4	3	–	–	–	–	–	–
G Rowson	11	7	–	–	2	0	–	–	–	–
S Kahil	11	11	–	–	–	–	–	–	–	–



Number of meetings eligible to attend



Number of meetings attended

– Not a member of the stated committee

## Company Secretary's Qualifications

### Rebecca Pierro

BCom, LLB, FCSA  
(appointed 26 November 2015)

### Trevor Wetmore

CA ANZ, GAICD  
(resigned 31 July 2016)

### Martin Baird

BBus, Dip CSP; FCSA, FCPA, GAICD  
(resigned 26 November 2015)

## Significant Events after the Reporting Date

The following matters arose after the reporting date:

- (i) Contract for the design and construction for 62 – 64 Wrentmore Street, Fairfield has been provided to Ware Building Propriety Limited and executed on October 14, 2016.
- (ii) The debt facility with Westpac Banking Corporation has been extended by 3 months to May 31, 2018.
- (iii) A further draw-down of \$5.5m against the facility with Westpac Banking Corporation has been made.
- (iv) A further draw-down of \$4.7m against the facility with Clean Energy Finance Corporation has been made.

Other than the foregoing, no matter or circumstance has arisen since 30 June 2016, 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

There were no significant changes in the state of affairs of the Company during the financial year.

## 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.

## Indemnifying Directors, Officers or Auditors

Deeds of Indemnity have been entered into between the Company and Directors and Officers that indemnify them from financial losses that may occur arising from the performance of their duties. No indemnities have been given during or since the end of the financial year for any person who is or has been an 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.



**Dennis Cafe**  
**Chairman**

Sydney, 25 October 2016

### 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 \$1,418 based on 709 current ordinary members.



**David Thrift**  
**Chairman of the Audit and Risk Committee**

Sydney, 25 October 2016



# 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 2016. The financial statements and disclosures in the Summary Financial Statements have been derived from the 2016 consolidated 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 Profit or Loss and Other Comprehensive Income

Total revenue increased by \$9,226,652 (17%) to \$62,485,670 (2015: \$53,259,018) whilst other income decreased by \$38,405,237 (69%) to \$17,250,156. Total expenditure increased by \$10,761,551 (25%) to \$53,726,477 (2015: to \$42,964,926). The surplus for the financial year decreased by \$39,940,136 (-60%) to \$26,009,349 (2015: \$65,949,485).

The increase in revenue and expenditure is primarily driven by reflecting the income and expenses relating to 641 properties in Bonnyrigg for the full 12 months while FY15 recognised only 4 months as the new management contract was executed on March 2, 2015 along with the CPI indexation and increase in leased properties.

## Statement of Financial Position

Total assets increased by \$ 42,163,967 to \$611,064,713 (2015: \$568,900,746) representing an increase of 7%. The movement is due in part to the fair value increment recognised with respect to investment property of \$17,147,335 following the valuation exercised carried out by an independent registered property valuer as at 30 June 2016.

The Company has also invested significantly in the development of its existing projects, with capitalised subsequent expenditure of \$28,173,881 during the year.

Total liabilities increased by \$16,154,618 to \$66,516,040 (2015: \$50,361,421) representing an increase of 32%. The increase is predominantly in relation to a \$9,500,000 draw down under the Company's existing loan facility with Westpac Banking Corporation. An additional facility with Clean Energy Finance Corporation was entered into on 19 November 2016 – \$3,668,000 was drawn down as at 30 June 2016.

## Statement of Cash Flows

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

## Statement of Changes in Equity

During the year ended 30 June 2016 \$17,147,335 was transferred to the Investment Property Reserve, which reflects the fair value gain on investment property for the year.

# Summary consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Revenue</b>	2	62,485,670	53,259,018
<b>Other income</b>	3	17,250,156	55,655,393
<b>Expenses</b>			
Property expenses		(32,928,018)	(26,023,445)
Employee benefits expense		(13,488,177)	(10,871,896)
Depreciation and amortisation		(480,041)	(647,567)
Finance costs		(1,719,960)	(1,317,588)
Office rental expenses		(490,220)	(487,278)
Professional fees		(951,261)	(714,919)
Other expenses		(3,668,800)	(2,902,233)
<b>Surplus for the year attributable to members of St George Community Housing Limited</b>		<b>26,009,349</b>	<b>65,949,485</b>
Other comprehensive income for the year		–	–
<b>Total comprehensive income for the year attributable to members of St George Community Housing Limited</b>		<b>26,009,349</b>	<b>65,949,485</b>

# Summary consolidated statement of financial position

as at 30 June 2016

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and cash equivalents		34,025,631	35,931,937
Trade and other receivables		5,216,649	3,351,110
Other current assets		640,086	1,137,020
<b>Total Current Assets</b>		<b>39,882,366</b>	<b>40,420,067</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		1,429,087	1,494,633
Investment property and capital works in progress	4	569,753,260	526,886,046
Other financial assets		–	100,000
<b>Total Non-Current Assets</b>		<b>571,182,347</b>	<b>528,480,679</b>
<b>Total Assets</b>		<b>611,064,713</b>	<b>568,900,746</b>
<b>Current Liabilities</b>			
Trade and other payables		8,734,906	5,357,899
Employee benefits		1,248,430	956,220
Borrowings		212,000	212,125
Deferred grants		1,256,977	840,356
Unexpended grants		4,064,368	4,669,217
<b>Total Current Liabilities</b>		<b>15,516,681</b>	<b>12,035,817</b>
<b>Non-Current Liabilities</b>			
Employee benefits		149,952	146,795
Borrowings		32,738,753	20,339,620
Derivative financial liability		210,133	
Deferred grants		17,507,360	17,446,029
Unexpended grants		393,161	393,161
<b>Total Non-Current Liabilities</b>		<b>50,999,359</b>	<b>38,325,605</b>
<b>Total Liabilities</b>		<b>66,516,040</b>	<b>50,361,422</b>
<b>Net Assets</b>		<b>544,548,673</b>	<b>518,539,324</b>
<b>Equity</b>			
Accumulated surplus		62,339,481	53,477,467
Reserves		482,209,192	465,061,857
<b>Total Equity</b>		<b>544,548,673</b>	<b>518,539,324</b>



# Summary consolidated statement of changes in equity

for the year ended 30 June 2016

	Accumulated surplus \$	Investment property reserve \$	Total \$
<b>Balance at 30 June 2014</b>	43,053,415	409,536,424	452,589,839
Surplus for the year	65,949,485	–	65,949,485
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	65,949,485	–	65,949,485
Transfer to reserves	(55,525,433)	55,525,433	–
<b>Balance at 30 June 2015</b>	53,477,467	465,061,857	518,539,324
Surplus for the year	26,009,349	–	26,009,349
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	26,009,349	–	26,009,349
Transfer to reserves	(17,147,335)	17,147,335	–
<b>Balance at 30 June 2016</b>	<b>62,339,481</b>	<b>482,209,192</b>	<b>544,548,673</b>

# Summary consolidated statement of cash flows

as at 30 June 2016

	2016 \$	2015 \$
<b>Cash Flow from Operating Activities</b>		
Receipts from customers	67,576,225	56,221,342
Payments to suppliers and employees	(58,324,787)	(45,128,910)
Interest received	906,966	793,193
Finance costs paid	(1,480,447)	(1,903,187)
<b>Net cash provided by operating activities</b>	<b>8,677,957</b>	<b>9,982,438</b>
<b>Cash Flow from Investing Activities</b>		
Proceeds from sale of investment properties	2,441,445	–
Proceeds from sale of property, plant and equipment	–	54,783
Payment for investment properties	(26,248,657)	(12,785,507)
Payment for property, plant and equipment	(414,495)	(259,656)
Payment for investment in unlisted shares	–	(100,000)
<b>Net cash used in investing activities</b>	<b>(24,221,707)</b>	<b>(13,090,380)</b>
<b>Cash Flow from Financing Activities</b>		
Repayment of finance lease commitments	–	(18,556)
Receipts from government bodies	562,100	239,796
Proceeds from borrowings	13,168,000	10,500,000
Repayment of borrowings	(212,000)	(175,999)
Interest on government grants	119,345	181,199
<b>Net cash provided by financing activities</b>	<b>13,637,445</b>	<b>10,726,440</b>
<b>Net (decrease) / increase in cash held</b>	<b>(1,906,305)</b>	<b>7,618,498</b>
Cash at the beginning of the financial year	35,931,937	28,313,439
<b>Cash at the end of the financial year</b>	<b>34,025,631</b>	<b>35,931,937</b>

# Notes to the summary financial statements

for the year ended 30 June 2016

## Note 1 Basis of Preparation of the Summary Financial Statements

The Summary Financial Statements have been prepared from the audited financial statements for the year ended 30 June 2016. The audited financial statements for the year ended 30 June 2016 are 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 a detailed understanding of the financial performance, financial position and financing and investing activities of St George Community Housing Limited as the full financial report.

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

## Note 2 Revenue

	2016 \$	2015 \$
Rental Revenue	47,912,075	40,599,690
<b>Revenue from Government and Other Grants</b>		
CHLP – Leased properties grant, Note 2(a)	9,109,761	8,260,459
Release of deferred grants	575,004	582,423
National Rental Affordability Scheme Incentives	1,369,472	1,446,655
Other	691,678	76,696
Total government and other grants	11,745,915	10,366,233
<b>Other Revenue</b>		
Interest received from corporations	787,622	793,193
Reimbursement – tenants and landlords	1,466,303	986,702
Insurance recoveries	286,186	–
Management fees	287,569	513,200
	2,827,680	2,293,095
<b>Total Revenue</b>	<b>62,485,670</b>	<b>53,259,018</b>

## Notes to the summary financial statements for the year ended 30 June 2016 (continued)

### Note 3 Other income

	2016 \$	2015 \$
Fair value gain on investment properties	17,147,325	55,525,433
Gain on disposal of plant and equipment	–	54,783
Other income	102,821	75,177
	<b>17,250,156</b>	<b>55,655,393</b>

Refer to note 4 for details of the valuation basis of investment properties.

### Note 4 Investment property and capital works in progress

	Note	2016 \$	2015 \$
Balance at the beginning of year		526,886,046	458,745,362
Properties purchased		–	7,473,372
Capitalised subsequent expenditure		28,173,881	5,141,880
Disposal of investment property		(2,454,002)	–
Change in fair value of investment property		17,147,335	55,525,432
<b>Balance at the end of the year</b>		<b>569,753,260</b>	<b>526,886,046</b>

Included within Investment property is a balance of \$46,888,286 (2015: \$12,202,046) which relates to capital works in progress.

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

Ageing, Disability and Home Care which provided the grant used to purchase the property located at 182 Holden Street, Ashbury, has 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 valuation company whilst capital works in progress are measured at cost.

## 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 prepared from the audited financial report for the year ended 30 June 2016

The accompanying summary financial statements of St George Community Housing Limited, which comprises the summary statement of financial position as at 30 June 2016, the summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, related notes and the directors' declaration are derived from the audited consolidated financial report of St George Community Housing Limited for the year ended 30 June 2016. We expressed an unmodified audit opinion on that financial report in our audit report dated 25 October 2016.

The summary financial statements do not contain all the disclosures required by the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*. Reading the summary financial statements, therefore, is not a substitute for reading the audited consolidated financial report of St George Community Housing Limited.

#### Director's Responsibility for the Summary Financial Statements

The director is responsible for the preparation of a summary of the audited financial report on the basis described in Note 1.

#### 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*.

#### 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 2016 are consistent, in all material respects, with that audited financial report, on the basis described in Note 1.

#### BDO East Coast Partnership

BDO



Ian Hooper  
Partner

Sydney, 25 October 2016



# Directors' declaration

The Directors of the Company declare that the summary financial statements of St George Community Housing Limited for the financial year ended 30 June 2016, as set out on pages 33 to 38:

(a) are an extract from the full financial statements for the year ended 30 June 2016 and have been derived from and are consistent with the full consolidated financial statements of St George Community Housing Limited.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



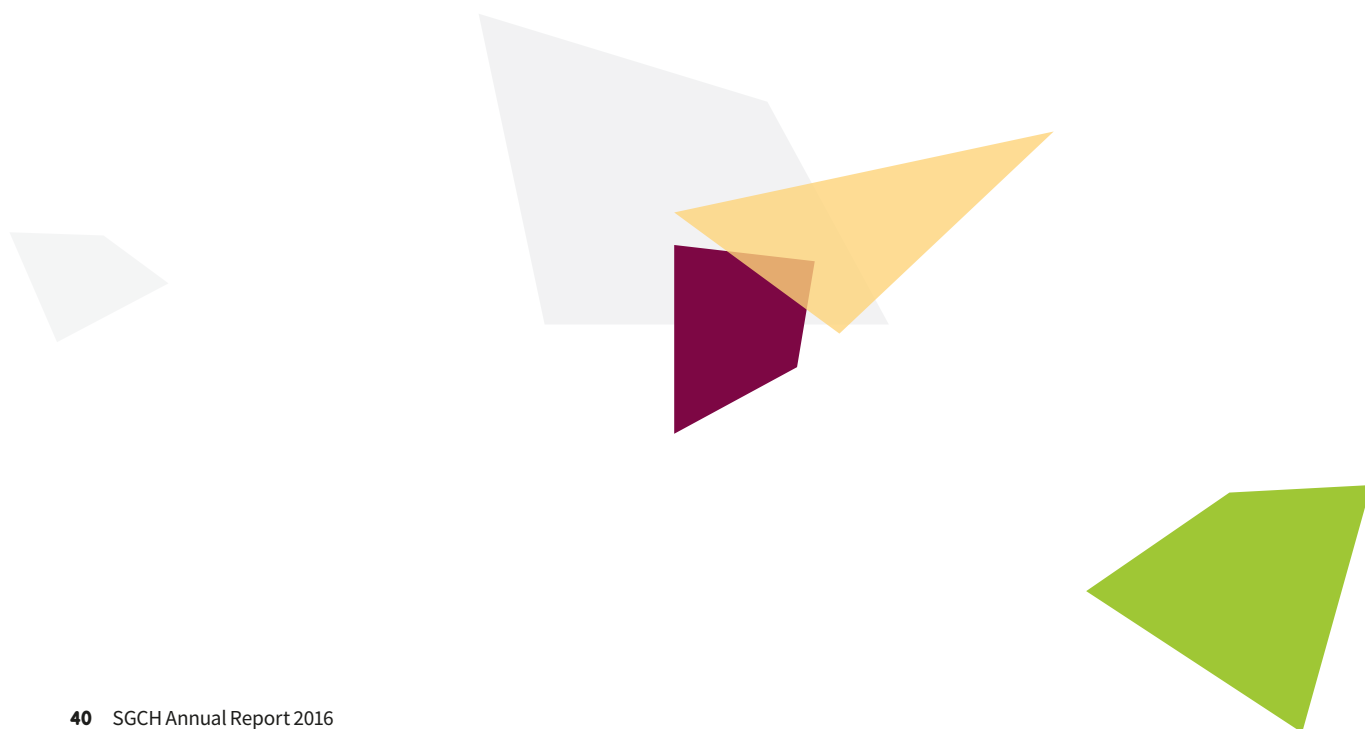
**Dennis Cafe**  
Chairman

Sydney, 25 October 2016



**David Thrift**  
Chairman of the Audit and Risk Committee

Sydney, 25 October 2016



Address: 38 Humphreys Lane  
Hurstville NSW 2220

Post: PO Box 348  
Hurstville BC NSW 1481

Phone: (02) 9585 1499

Email: [office@sgch.com.au](mailto:office@sgch.com.au)



