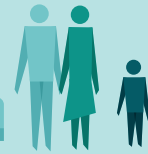






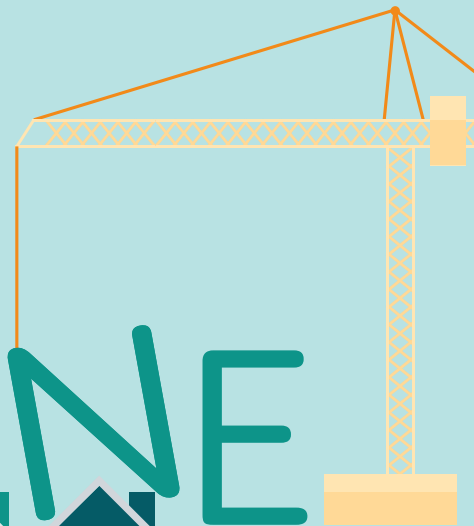
GREAT



PLACES



FOR



EVERYONE



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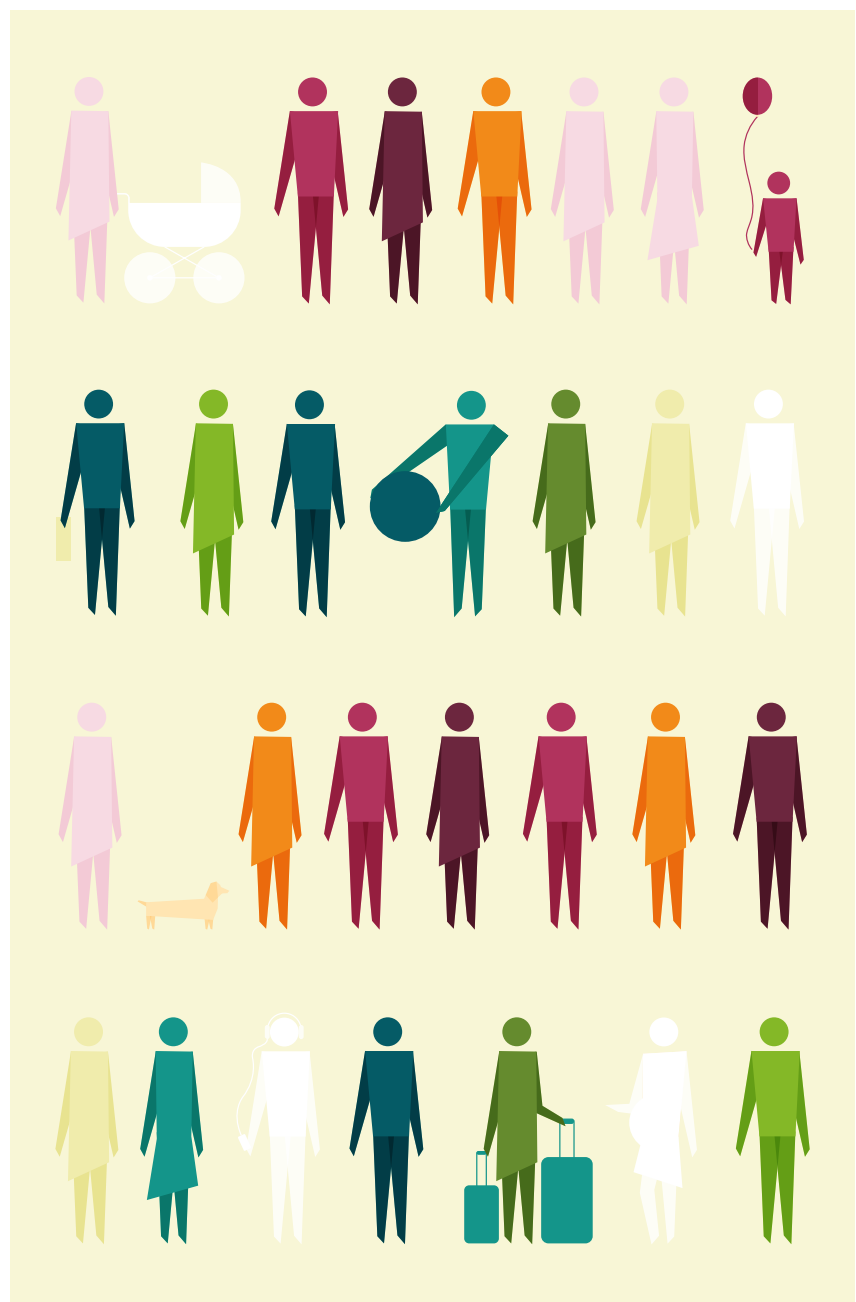
Welcome

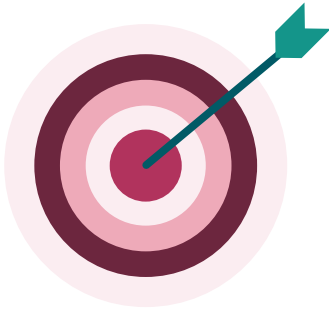
Our Annual Report 2020 summarises how we are performing against our Strategic Plan 2019-2024 and provides an overview of our current operations and future outlook.

Now in our 35th year of operation, SGCH provides sustainable, safe and affordable housing for 11,500 people in around 6,600 properties across the Sydney metropolitan region. We work in partnership to deliver on our vision of providing 'great places for everyone'.

Just as the COVID-19 pandemic has reshaped the way we all live and what we imagine our future looks like; it has also impacted how SGCH operates, our strategic priorities, and the planned delivery of initiatives and projects.

With home becoming the first defence against the spread of the virus, the pandemic has brought the growing need for more social and affordable housing into sharp focus. While there is much to be done as Australia responds to the pandemic and establishes a new normal, SGCH continues to provide stability for the people and communities we serve during these uncertain times. Increasingly, we see our role as integral to delivering strong economic, environmental and social outcomes for the benefit of our partners, customers and communities.





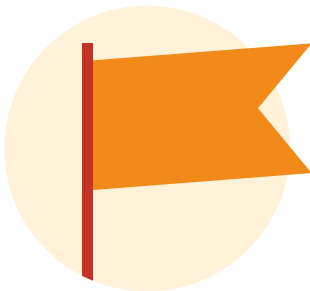
Purpose

We collaboratively shape great places through sustainable, safe and affordable housing and connect people to opportunity to improve quality of life.



Vision

A leading business, in a thriving community housing industry, providing great places for everyone.



Strategic Outcomes

1. Improve outcomes for people, communities and places
 2. Grow a quality, sustainable housing portfolio
 3. A leading business
 4. High performing culture
-



Drivers of success

Improve outcomes for people, communities and places

- Engaging with our customers
- Delivering customer centric services
- Facilitating access to appropriate supports
- Community-led place planning
- Sustaining tenancies

Grow a quality, sustainable housing portfolio

- An industry leading development capability
- Strategically managing our assets
- Creating and pursuing opportunities for sustainable growth
- A sustainable capital structure and partnerships

A leading business

- Ensuring strong financial performance
- Maintaining best practice governance, risk and reputation management
- Effective partnering
- Fostering a strong brand
- Transforming how we deliver systems and processes that are fit for today and scalable for tomorrow

High performing culture

- A focus on safety and wellbeing
 - Consistently aligned behaviours
 - Commercial acumen
 - Building capability through learning and development
 - Providing clear accountabilities
 - Managing talent to attract and retain great people
-



Key Measures

- People and place
- Customer satisfaction
- Property portfolio
- Governance and risk
- Financial performance
- Reputation
- Safety
- Employee engagement



Culture

Deliver together with
passion and purpose



Values

- Innovation
- Support
- Accountability
- Respect
- Integrity



Vital Behaviours

- I do what I say I will
- I speak up
- I ask is there a better way
- I make mindful requests



Enabling Domains

- | | |
|-----------------------------|---------------------------------|
| • Safety and wellbeing | • Partnerships and stakeholders |
| • Customer service | • Governance |
| • Finance | • Sustainable growth |
| • Innovation and capability | • Operational excellence |
| • Technology | |
-



"I'm very proud of how the Greenway Tenant Group and our Wellbeing Centre have been able to provide support to Greenway residents during the pandemic. We've continued to host OzHarvest two days a week, the local church has also delivered 100 Sunday lunches every week. We've increased our community transport service – taking around 150 additional trips to medical appointments so vulnerable people didn't need to use public transport. We're lucky to live in a community that supports each other at times like this."

Bryce, Greenway tenant

"I didn't think I'd see anything like this in my lifetime, it's been surreal, almost like watching a movie! Keeping in touch has been hard, not being able to see people face-to-face has been difficult ... but we've had phone calls and video calls with SGCH. We've been able to keep people connected by creating CCP Studio and taken our tenant group catchups and activities like Yoga and Zumba online. It's been wonderful"

Angela, SGCH Tenant Coordination Panel Chair



"SGCH always steps up when the chips are down. During COVID, we've been provided with a lot of information and support that has really helped people feel safe and calm during an uncertain and scary time."

Kim, South Hurstville tenant



About us



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 35 years' experience, SGCH provides a place to call home for 11,500 people in around 6,600 properties across the Sydney metropolitan region. We are recognised as a Tier 1 provider under the National Regulatory System for Community Housing.

We bring capability and capital to work in partnership with governments, developers and builders, financiers and investors, community groups and individuals within the community.

Leadership and governance

Our organisational capabilities are founded on the strength of the broad experiences of our people. The SGCH Group Board comprises professional non-executive Directors with expertise and experience across a wide range of sectors and professions including infrastructure, property, construction, financial services, finance, audit and housing.

Our Executive Team drives the core services, asset management and development activities delivered by our 200-plus staff.

Introduction



Scott Langford

Group CEO

As Group CEO, Scott leads our team with a strategic focus on achieving our vision of great places for everyone. Scott is supported by strategic planning, governance, assurance and corporate reputation functions.



Barb McKenna

**General Manager –
Customers and Communities**

Delivering services to SGCH's 11,500 customers across northern, western and metro Sydney; Barb's portfolio includes: assessment and private rental products, allocations, community and place, support coordination, rent review and income management and repairs call centre.



Andrew Brooks

**General Manager –
Development and Property Services**

Andrew's portfolio is responsible for the full lifecycle of homes from new development or acquisitions through to disposals where assets are no longer fit-for-purpose. This includes the development of new homes, strategic asset management, maintenance planning and delivery.



Kevin McCarthy

Chief Financial Officer

Overseeing SGCH's Finance portfolio – encompassing capital raising, treasury, financial management and reporting – Kevin's team provides financial services and support across the business including: financial strategy and management, accounts payable, accounts receivable and payroll.



Suellen McCaffrey

**General Manager –
People and Group Services**

Suellen's portfolio has a focus on internal customers and partnering to support the success of our people and projects. The team functions include: Business Transformation, Customer Communications and Marketing, Information Technology and People and Development.



Renee Wirth

**Group Executive and Director
Office of CEO**

In 2020, this new role was created to support the integrated nature of SGCH's work – providing an additional executive resource to strengthen the strategic planning and assurance approaches across the organisation. In this role, Renee coordinates our Corporate Affairs and Communication, Internal Audit and Risk, and Governance teams.

Where we operate

Providing sustainable, safe and affordable housing to 11,500 customers, SGCH currently owns, manages and operates around 6,600 properties across 21 local government areas (LGAs) in the Sydney metropolitan area.

We are delivering Australia's largest non-government pipeline of new social and affordable housing with active construction sites operating in the City of Sydney and Liverpool City LGAs and more sites across Sydney in planning stages.

While our main regional offices in Hurstville, Bonnyrigg and St Leonards have remained open, in March 2020, our smaller satellite offices in Riverwood, Fairfield, Greenway and Sutherland were temporarily closed due to the COVID-19 pandemic.



SGCH presence by Local Government Area



Message from our Group Chair, Annette Gallard



It goes without saying that 2020 has been an unprecedented time in our history and the ongoing impact of COVID-19 will reverberate for quite some time. I acknowledge the hardship and distress felt by so many in our communities as we respond and adapt.

The health, psychological, social and economic impacts will continue for some time. While there is no playbook to chart our way through this, SGCH draws strength from its culture, governance and 35-year history in serving the people who need our support across Sydney.

In June 2020, I was formally appointed as Group Chair of SGCH as part of a planned succession process. I thank my predecessor David Thrift for his 11 years of service on the Board, from which he will be retiring in November 2020. During the past three years as Chair, David has anticipated the increased and changing expectations for good governance practice and commissioned an external review process that will ensure our Board is robust, diverse and fit for the future.

The Board comprises experienced directors with a great diversity of skills and backgrounds. This combined depth of expertise and insight, has been an incredible source of strength in setting and stewarding SGCH's strategy and navigating the challenges presented by the pandemic.

When COVID-19 was declared a pandemic our initial and immediate focus was on the health and safety of our customers, staff and partners. This remains paramount.

The early days of restrictions in NSW were frightening for many people – particularly single, older households. In conversations with our Tenant Coordination Panel, I've been proud to hear about how our team members have been supporting customers, particularly those who are most vulnerable, and the difference this has made. For many, calls from SGCH were a lifeline.

In November 2019, SGCH launched our five-year Strategic Plan to guide us through to 2024. Just as we were moving into the early stages of implementing this plan, COVID-19 arrived on our shores causing us to reassess our priorities. Guided by scenario planning we undertook a risk assessment process to stress test a range of possibilities and clarify where we must focus our resources. Despite the challenges of COVID-19, we concluded that our strategy continues to set the right overall direction for SGCH. Using this as our 'guiding star', we have reworked our short-term plans to navigate this period of uncertainty.

In terms of our performance for the year, I am pleased to say that we have made positive progress against our Key Measures (refer page 15). COVID-19 has also highlighted the resilience of our commercial model. This combined with steps taken to buffer our financial position and the \$210 million refinancing of SGCH Sustainability with National Housing and Finance Investment Corporation (NHFIC) in June 2020 has placed us in a strong position to create more homes and opportunities for people in Sydney in the years ahead.

While the overall strategy remains appropriate, the Board believes that the impact of COVID-19 necessitates a shift in implementation priorities. At a high level, these priorities are:

- **core services** – investment in fundamental systems that will improve efficiency and customer outcomes, particularly in the ways we work and how technology supports our organisational priorities, and
- **more sustainable, safe homes** – unlocking our capital strategy to pursue opportunities to deliver new social and affordable housing with public and private partners.

Our people are vital to the successful implementation of our strategic priorities. The Board has articulated a clear focus on our culture, values and behaviours that will deliver increased productivity and efficiency for the

benefit of our customers. On behalf of the Board, I want to recognise that SGCH's management and staff have achieved extraordinary things under incredible pressure. With many of our team members continuing to work from the office to provide essential services for customers, the logistics and planning required to ensure health and safety was significant. I thank all involved for the innovation and adaptation required for our teams to work through this pandemic.

Although our external environment is turbulent, our strong standing built on good governance and values has allowed us to remain focused on core priorities and on our vision to deliver

'great places for everyone'. For SGCH, there is still scope for innovative and imaginative ways to amplify our impact. I look forward to continuing to work with all of our stakeholders to create shared value for the benefit of our communities.



Annette Gallard



Message from our Group CEO, Scott Langford



2020 marked a SGCH milestone with 35 years of service to the NSW community. It has proven to be a challenging year as the COVID-19 pandemic has wreaked social, economic and health challenges on a scale not experienced in the history of SGCH. The call to “stay at home” as COVID-19 rippled across communities has reinforced the importance of the safety and security of a home. In crisis, access to a safe, sustainable and affordable home is a vital safety net, and in recovery, a crucial springboard.

I want to thank our customers, contractors, partners, government and team for the way they have adapted in response to the pandemic. We continue to draw on this resilience as we adapt and change in order to serve our customers and communities.

As with other challenges faced throughout our 35-year history, SGCH’s unrelenting focus in navigating COVID-19 has been on supporting people and communities in Sydney through the provision of social and affordable housing. Though our strategy has evolved over time to respond to changes in the operating environment, this focus on our core purpose has enabled us to create enduring value for customers, the community and stakeholders.

In late 2019, we launched our Strategic Plan 2024 and set our sights five years into the future. We worked across the organisation to cascade the plan and embed this through goals and operational plans. This helped to clearly define our opportunities for collaboration and set out how we each contribute to the success of SGCH. While the pandemic disrupted the implementation of some operational plans, it also served to reset and refocus our objectives. We looked at what had to pause, accelerate or defer to deliver essential services and responses for customers.

We tested a range of scenarios with the leadership team and directors to set the risk appetite and our organisational priorities. The absolute focus is on ensuring core service delivery for our customers. I am pleased to report the highlights of our progress against our strategic outcomes as well as insights into where we are focusing our efforts for the future.

In the past year we’ve delivered 194 new homes, and have active sites across Sydney building another 376 homes. Each of these new homes is a key to opportunity for our customers. The Group achieved an underlying operating surplus of \$5.3 million for the 2019/20 year prior to one-off expenses of \$4.196 million related to the refinancing of SGCH Sustainability. This result is indicative of steps taken to manage the impact of COVID-19 and create an additional financial buffer. The successful refinancing of subsidiary SGCH Sustainability with the NHFIC has increased the Group’s cash position substantially. Total cash on hand sits at approximately \$140 million, with approximately \$60 million in unrestricted cash available, including \$50 million in the SGCH parent entity. This gives us a strong liquidity position and unlocks potential options for our capital strategy to generate more homes. SGCH is in a robust financial position to withstand possible impacts from COVID-19 and invest in implementing our strategy.

Introduction

During the year significant advances were made on implementation of the governance review, enhancing risk management frameworks, and the development of a technology roadmap. The strength of our culture placed us in a solid position to withstand the sudden and ongoing impact of COVID-19. Our team performed well under significant pressure, working through the crisis to support our customers and each other.

We will continue to develop and deliver on our strategic plan with a focus on our four strategic outcomes. This report includes dedicated chapters about each of these outcomes with details of achievements, activity and plans.

SGCH has been a responsive partner to the Commonwealth, New South Wales and local governments through the pandemic and we continue to see this as an organisational priority. As governments work to support and sustain communities through the pandemic, they should not shoulder this burden alone. Now is the time to make good on the promise of community housing organisations and deploy the capacity built over the past decade.

SGCH brings both capability and capital, positioning us to work with government and private sector partners. With our capital strategy providing us with relatively high liquidity, and our team standing ready to drive outcomes, we are able to strategically commit to future opportunities. SGCH is ready to play

our part in the recovery, working in partnership with government, investors and delivery partners to achieve economic, social and environmental outcomes through affordable housing.

I am proud of how my colleagues across the organisation have adapted to the enormous changes and challenges that have been forced upon us in the past year. This is a positive reflection of the inherent strength of our culture and the commitment of our team.



Scott Langford



Progress against key measures

The 2019-2024 Strategic Plan identifies eight key measures with metrics set to track progress towards our strategic intent. This is the first year of reporting against these key measures using these metrics. Some new metrics set in late 2019 were not able to be established or progressed as planned due to a shift in organisational priorities as a result of COVID-19.

Key Measure	Metric	Result	Comments
People and place 	People and place outcomes (PAPO)		New measures
	We asked how satisfied customers were on four measures:		
	How safe you feel	72.8% satisfied	
	Your standard of living	70.7% satisfied	
	Feeling part of your community	67.9% satisfied	
	Your health	67.8% satisfied	
Customer satisfaction 	Customer effort score	71% favourable	New measure
	Tenant satisfaction score	86% satisfied	87% (2017 Tenant Satisfaction Survey (TSS))
	Tenant satisfaction with property	84% satisfied	80% (2017 TSS)
	Tenant satisfaction with R&M service	84% satisfied	88% (2017 TSS)
Homes 	Properties under management	6,557	6,402 (2019)
	Properties meeting standards	Safe and Sustainable Homes (SASH) standard	Planned work on development of SASH delayed by COVID-19 but progressing
Financial performance 	Operating cash flow	\$21.3 million	\$30.8 million (FY18/19)
	EBITDA margin	11.6%	16.1% (2019)

Key Measure	Metric	Result	Comments
 Governance and risk	Projects complete to budget, time, specification and benefits realised	75%*	*Tracking four projects using four metrics, the average score was 3/4 metrics met
	Risk Management Framework controls implemented	Continually tested through assurance processes, review of the risk register, and the internal audit program	
 Reputation	Corporate reputation score	+3.7*	*Scale of -5 to +5. Benchmarked in 2018, not conducted in this financial year due to COVID-19. More information about Reputation in Chapter 3, page 77.
	Brand sentiment	n/a**	
** To be benchmarked			
 Safety	100% identified hazards addressed	100%	Lost time injury incidence rate (LTIIR) refers to the number of lost time injuries relative to the number of employees calculated over a specified time period. The calculation shows the number of LTIs experienced per 100 employees.
	Lost time injury incident rate	2.4	
 Employee engagement	Engagement (Gallup Q12)	4.14	4.11 (2019). For more information about Gallup Q12 please see Chapter 4, page 90.
	Staff retention rate	91.42%	
91.76% (2019) retention rate			

Financial year 19/20 highlights

2019–2024 Strategic plan – Strategic outcomes	Highlights
<p>Improve outcomes for people, communities and places</p> 	<ul style="list-style-type: none"> • 86% overall satisfaction (Tenant Satisfaction Survey) • 196 households positively exited social housing • 15 years of scholarships, \$1.59 million supporting 2,000 students • 28% of engaged participants placed in training or employment • 98% Social and Affordable Housing Fund (SAHF) tenants satisfied with condition of their home • 604 referrals for Support Coordination • \$50,000 grant creates Bonnyrigg Sensory Garden • 10 rough sleepers housed through Together Home • 88% of allocations to priority target groups • 208 homeless people assisted into temporary accommodation • 60 assistances for other private rental products • \$97 million - Estimated value of rental subsidies to tenants • 223 COVID-19 Hardship Policy reductions in place
<p>Grow a quality, sustainable housing portfolio</p> 	<ul style="list-style-type: none"> • \$1 billion in assets • \$3.25 billion in assets under management • 194 new homes delivered • 376 units across 4 sites under construction • \$20.05 million invested in maintenance program
<p>A leading business</p> 	<ul style="list-style-type: none"> • EBITDA margin 11.6% • \$100 million p.a. revenue • \$450 million senior debt facilities • 1.08% rent arrears • 22 days turnaround time for vacancies (5.87 days below benchmark) • 98% of tenancies sustained <3% eviction rate • \$1.1 million operating surplus • Capital strategy to deliver 200 to 500 new homes every year • Media coverage of key project announcements: 75 media mentions reaching audience of 64.8 million • Advocacy on rental support and no evictions during COVID-19 • Continued alignment of risk management framework to ISO 31000:2018
<p>High performing culture</p> 	<ul style="list-style-type: none"> • Awarded Employer of Choice in The Australian Business Awards 2020 • Achieved target gender balance at board level (40:40:20) • 86% of team members are satisfied with SGCH as a place to work • 96% staff agree they have good communication with co-workers • 95% staff agree keeping high levels of health and safety is a priority of this organisation • 107 courses with 2,923 enrolments • 814 recognitions for team members

Responding to the impact of COVID-19

The COVID-19 pandemic has caused health, economic and social shocks which continue to be felt. Early on commentators have tried to make sense of the repercussions by drawing parallels to the Spanish Flu epidemic, Great Depression, post-World War II and more recently, the Global Financial Crisis.

While it is clear that lessons can be drawn from history, there is no playbook or certainties about how the pandemic will reshape how we live, work, learn and play.

Our response

The impacts of COVID-19 in NSW accelerated in March 2020, creating an unprecedented level of volatility, uncertainty, complexity and ambiguity in the broader economy and community.

The Board and Executive team agreed on the following three key objectives for our organisational response:

- The safety and ongoing support of our customers;
- The safety of our team, contractors and partners; and
- Ensuring the organisation was in the best possible position to weather this event and be part of the economic and social recovery.

Our initial response focused on increased safety requirements and changing our customer service delivery models in a COVID-19 safe manner. Many of our customers are vulnerable to health and financial shocks and were already faced challenging circumstances before the unfolding pandemic. We implemented a COVID-19 Hardship Policy to ensure that any household suffering loss of income due to the pandemic could be supported. The success of this policy and the engagement approach with customers is highlighted by the low rental arrears rate of 1.08% at the end of June.

We sought to engage with all our households through a check-in call. Within the first two months alone, 2,300 calls were made, with priority given to the hundreds of customers with identified vulnerabilities (e.g. the elderly, single and those requiring support coordination services) and many requiring follow up support or assistance.

Across Northern Sydney, we work collaboratively to respond to homelessness and rough sleeping under a service system partnership through the Social Housing Management Transfer program. This was vital as many organisations worked together at the start of the pandemic to ensure responsive housing and support services were available to rough sleepers.

We are also participating in Together Home, a \$36 million NSW Government program to support

people experiencing homelessness by providing safe and secure housing with wrap around support services.

We deferred the biannual rent review for our customers in social housing where rent is assessed based on income. This meant that Coronavirus supplements, special payments or the Federal Government's stimulus payment would not be counted as assessable income. This decision effectively meant around 95 per cent of our customers had more money in their household budget to live on.

We made the decision to close our smaller satellite offices in Riverwood, Fairfield, Greenway and Sutherland and had to cancel our regular events and group meetings for customers. These changes were made to ensure the safety of customers and staff as social distancing requirements could not be guaranteed in smaller offices or at events. As at October 2020, these satellite offices remain closed. Core customer service teams at our main offices in Hurstville, Bonnyrigg and St Leonards have been working throughout the pandemic. With a rostered system alternating a week in the office with the next working from home to mitigate risk of infection, these teams have provided essential services and support for customers.

The balance of our team began working from home in late March 2020. This was a big adaptation not only to the way we work, but how we interact and perform our roles. Whether in the office or working from



Our offices have implemented measures for the safety of customers, visitors and team members.

home, all of our team had to adapt to changes in their work and the impact on their home and family life.

For many of our team members, there was a determination to work through uncertainty by focusing on what they could achieve. Our leadership team identified organisational priorities through stress testing and exploring possible mitigations with a focus on communication and informed engagement with all our stakeholders. This included advocacy around evictions to ensure tenants were safely housed, engagement with our financiers and providing updates to the Regulator. Our teams continue to be supported with regular and transparent information about the pandemic, our response and how the organisation is tracking.

We recognised early in the pandemic that there would be different stages to the COVID-19 response, and that at times we would need to move between these stages to provide a framework for how SGCH would respond. The understanding that this would not be a linear pattern prepared the organisation and signaled that resilience was the key strength to draw upon.

With our new Strategic Plan launched in late 2019, we also needed to review our priorities in light of the unfolding impacts of COVID-19. Throughout April and May, our leadership team workshopped scenarios with the Board to inform further planning, adapt our approach and refocus our strategic priorities. In our first virtual town hall meeting in June, these priorities were communicated to all staff, providing a clear understanding

of the process, rationale and future direction. In prioritising the delivery of core services and more sustainable, safe homes we have accelerated plans and concentrated resources to achieve these goals.

As we continue to live with COVID-19, we will adapt and respond to our external environment, working within public health guidelines to maintain a safety culture for our customers, team and contractors. Managing the impact of COVID-19 on our organisation will remain at the forefront of our operations as we continue to serve and support our communities, ensuring that SGCH is in the best possible position to contribute to the economic and social recovery.

1

Improve
outcomes
for people,
communities
and places



Our strategic outcome to improve outcomes for people, communities and places, defines how we connect our customers to opportunity and improve quality of life. Providing safe, sustainable and affordable housing is the foundation of our work.



Success Drivers

Engaging with our customers

Delivering customer-centric services

Facilitating access to appropriate supports

Community based place planning

Sustaining tenancies



Key Measures

People and place

Customer satisfaction



2019 /2020 Highlights

86% overall satisfaction

196 households positively exited social housing

15 years of scholarships, \$1.59 million supporting 2,000 students

28% of engaged participants placed in training or employment

98% SAHF tenants satisfied with condition of their home

604 referrals for Support Coordination

\$50,000 grant creates Bonnyrigg Sensory Garden

10 rough sleepers housed through Together Home

88% of allocations to priority target groups

208 homeless people assisted into temporary accommodation

60 assistances for other private rental products

\$97 million - estimated value of rental subsidies to tenants

Our customers

6,557

Head tenants

3,678

Single households

646

Identify as Aboriginal or Torres Strait Islander

11,292

People housed

2,347

Single households (55+)

55

Languages spoken by customers

196

Customers moving from social housing to affordable housing or private tenancies in 2019 / 2020.

2,336

Children

1,938

Households with a disability

Main language groups

English

Arabic

Vietnamese

Mandarin

Cantonese

Korean

Engaging with our customers

We take the time to understand our customers and their needs. Where possible, we make an annual visit to every one of our 11,500 customers. We know that needs change over time and are influenced by demographics such as family structure, age, ethnicity and mental and physical health. Understanding this, we are able to create and deliver flexible, customer-centric services that are relevant and meaningful for our customers.

Our customers provide the best information about what is offered by SGCH and others in the community. They help us understand what they need and what we can do to meet those needs.

In 2020, we conducted research through our internal project team, Project Next, about customer experience and ways to improve customer service. Through a mix of in-depth interviews, discussion groups and observations with tenants and customer facing teams, the research highlighted that:

- back-end systems need to support teams to respond, improve and excel
- a person-centred approach to policies and procedures

helps customers feel heard and understood

- unresolved issues with repairs and maintenance can lead to customer frustration
- customers want communications with a clear understanding of what to expect, and
- a strengths-based approach to solving issues and finding new ways of working together benefits both tenants and the SGCH team.

We are responding to the feedback with a customer-centred approach that ensures our organisational design supports our people and customers by creating a new customer care hub.

Customer satisfaction survey 2020 results



86%

Happy with service
provided by SGCH



85%

Customers feel safe
in their home



85%

Satisfaction with repairs

SGCH tenant groups

Run by customers for customers, our 27 local tenant groups are based in geographic locations across the SGCH portfolio. In addition to hosting social and wellbeing events, representatives from the Local Tenant Groups sit on the Tenant Coordination Panel and provide the SGCH Board and leadership team with valuable insights into the experience and needs of SGCH customers.

27

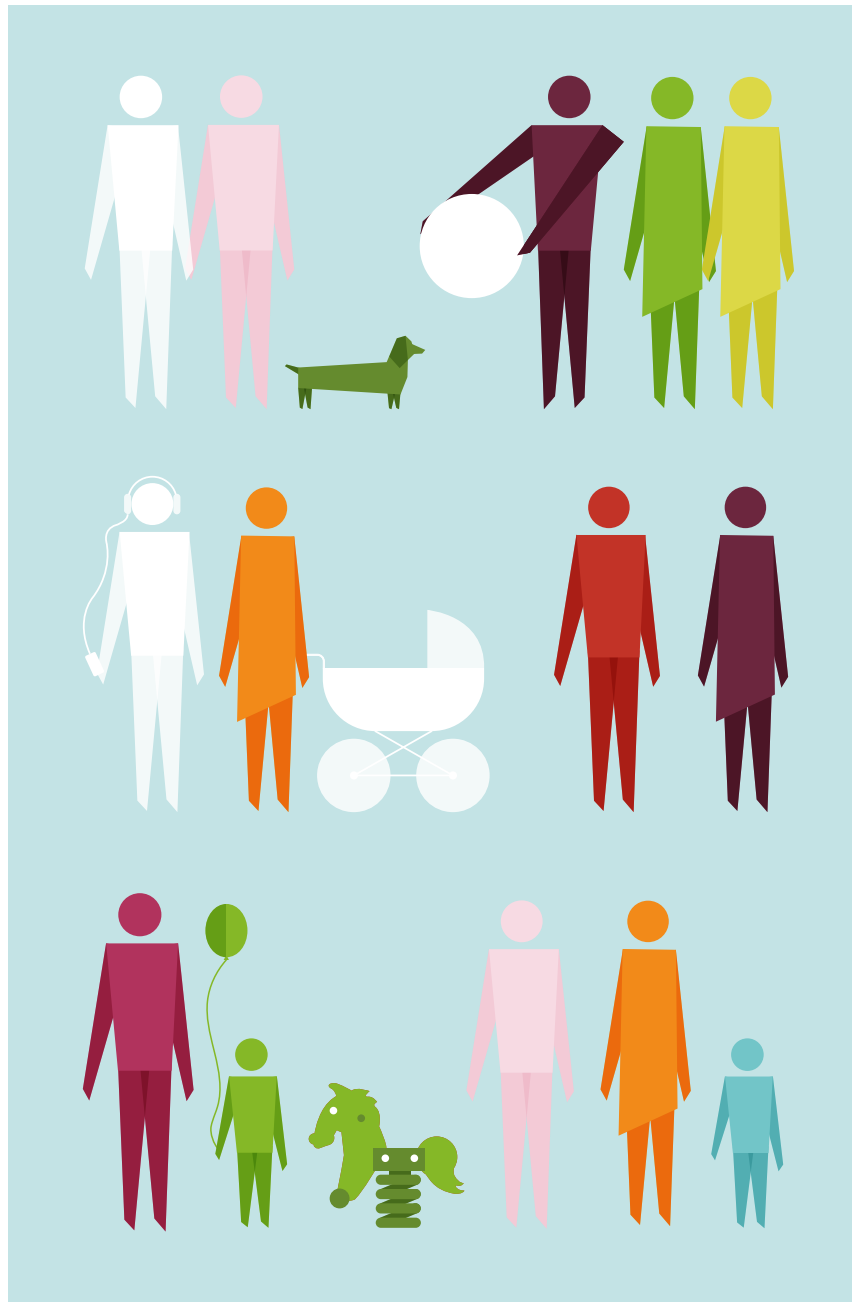
Local tenant groups

2,000

Tenant group members

30

Tenant group meetings



Assyrian Tenant Group



Munira values her connection with others in the Assyrian Tenant Group.

Munira is part of the Assyrian Tenant Group in Bonnyrigg. The small, all women group meets at least once a month to share information and ideas and participate in health and wellbeing activities.

With assistance from our Placemaking Team, this year the group have arranged local information sessions on health topics, and hosted sessions with Centrelink, NSW Police and NSW Fire and Rescue. They've also held a Christmas function and participated in NAIDOC events and raised awareness and funds for kids who are deaf or hard of hearing on Loud Shirt Day.

The group also enjoys cooking and Zumba. Recently, they have transferred their meetings to Zoom with around 8 people attending each meeting.

“It’s important to stay connected at this time, especially for people who speak other languages, it’s easy to feel isolated. We all share similar stories and really enjoy the chance to catch up, share ideas and learn more about local services and events.”

Customer feedback

SGCH welcomes feedback from our customers as an important opportunity to understand where our services can be improved.

Our Customer Feedback team investigates and responds to all appeals and complaints received within 28 days*. In FY19/20 there were 336 feedback matters received by SGCH, representing an increase of 26 per cent from the FY18/19 year. This

is the first full year of reporting that includes the 1,400 customers in the Northern region who joined SGCH in April 2019.

**Average response time for appeals was 13 days and 15 days for complaints.*



336

feedback matters received



26%

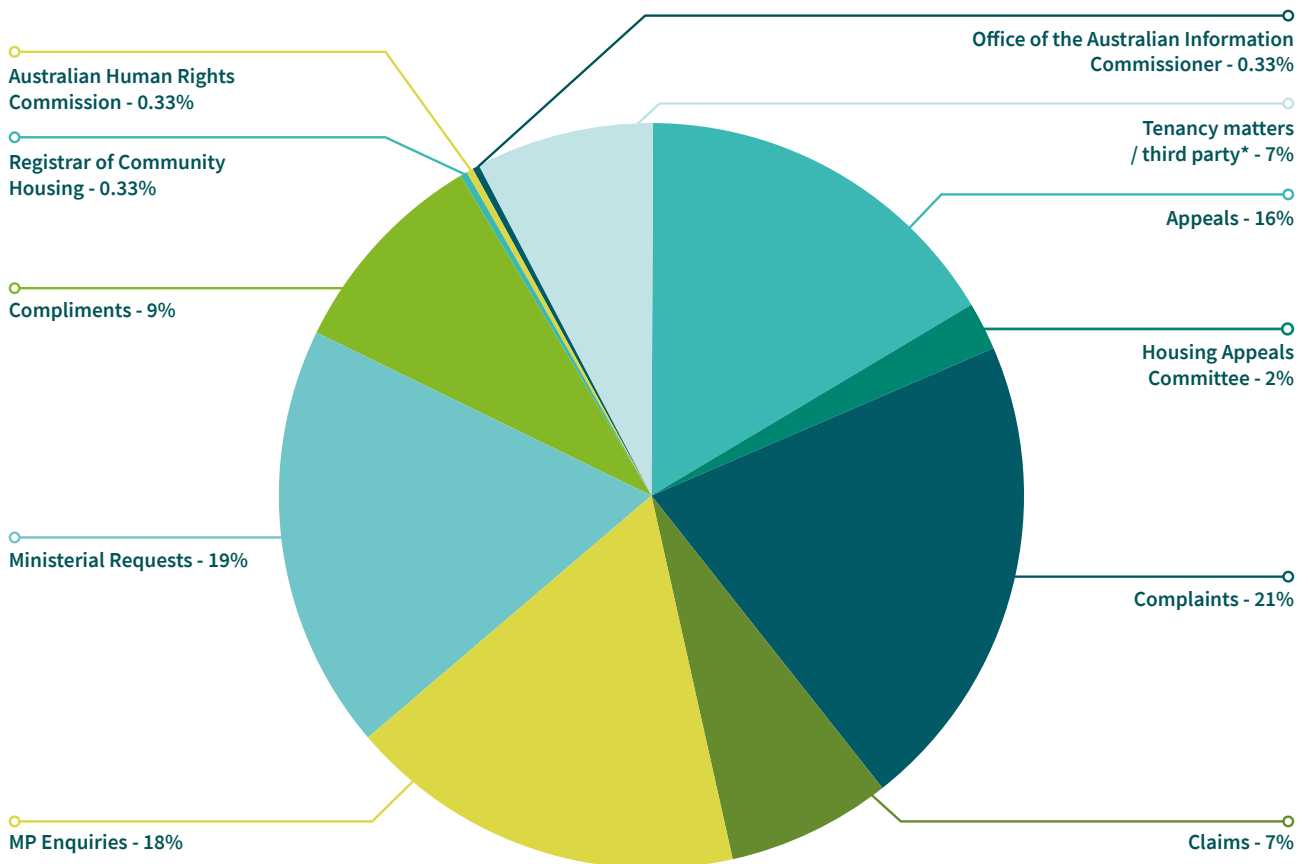
up 26% per cent from FY18/19



+1,400

new customers, Northern region

Feedback type



*Category for anonymous tenancy-related matters.

Of the complaints and appeals received:

- 55 appeals were responded to representing a 10 per cent decrease from FY18/19; 24 were upheld and 31 not upheld
- 6 of the 7 appeals to the Housing Appeals Committee were not upheld (agreed with SGCH original decision)
- 70 complaints received, an increase from 34 complaints received in FY18/19, and
- of the 70 complaints, 28 were from customers in the Northern region; 19 of these were related to asset maintenance.

As a result, service improvements focused on moving SGCH towards a more customer-centric approach were made including two major initiatives:

- **Project Pinnacle** – responsive communication with customers on non-urgent repair and maintenance requests resulting in increased customer satisfaction levels, and
- **Project Next** – customer experience research and resulting improvements including the shift towards a customer care hub in FY20/21.

Type of complaint and outcome

Type	Number	Substantiated	Not substantiated	Partially substantiated	Referred as tenancy matter
Property	46	15	9	16	6
Customer service	16	3	6	7	–
Tenancy charge/debt	8	1	2	5	–
Total	70	19	17	28	6

Facilitating access to appropriate support

A safe, secure and affordable home provides much more than shelter. It is also the emotional and social centre of a person's life. When this foundation is solid, people have the ability to nurture themselves and others – and people and communities become more resilient. SGCH builds solid partnerships and community links for customers to access education and employment opportunities, leading to positive health, social and economic outcomes.



The original 2006 Strive Scholarships recipients with the then Minister for Housing and Member for Kogarah, The Hon. Cherie Burton, MP.

Celebrating 15 years of Strive Scholarships

As part of our 20th anniversary celebrations in 2006 we launched a bursary program to support school, university and TAFE students of any age living in a SGCH property. Since the first 25 scholarships were awarded in 2006, almost 2,000 students have received \$1.59 million in what is now our Strive Scholarship program. This year, scholarships were awarded to 270 students.

Providing financial assistance of up to \$1,500 per annum the scholarship can be used to pay for anything related to education such as: course fees, tuition, textbooks and school-related equipment, as well as extra-curricular activities such as sports, music and arts.

Strive Scholarships aim to:

- encourage students to achieve their educational goals
- support recipients to complete their education
- increase access to tertiary study, and
- create career and employment opportunities.

Supporters and sponsors of Strive since 2006

Over the past 15 years Strive has been supported by our corporate and business partners, private donors and members of the public. Thank you to:

Westpac Bank

Commonwealth Bank

Kip McGrath Tutoring

Officeworks

St George Foundation

Lenovo

HP

The Adolph Basser Trust

Assett Group

SR Constructions

Andrews Fire Protection

Phoenix Fire Protection

Private donors: Philip Manidis, Michelle Butler, Karen Walsh, John Engeler.



SGCH Strive Scholarship Ceremony 2020.

Year-on-year Strive data

Year	Number awarded	Value (\$)
2006	25	130,000
2007	28	130,000
2008	24	130,000
2009	70	130,000
2010	75	130,000
2011	75	60,000
2012	75	60,000
2013	77	59,000
2014	60	48,000
2015	77	60,000
2016	248	172,000
2017	254	229,000
2018	266	260,000
2019	245	258,000
2020	270	257,000

Ryan and Rowan's story



Ryan and Rowan, now final year university students.

Inaugural recipients of the Strive Scholarships (then known as the SGCH Education Bursary Scheme), Ryan and Rowan, were students in Years 2 and 3 at Yarrawarra Public School. Fifteen years later, those little boys (aged 7 and 8 at the time) are now working full-time and preparing for their final university exams. Ryan is preparing to graduate from Commerce/Law and Rowan in Civil Engineering.

Reflecting on what the Strive Scholarship meant to his education, Ryan said:

“SGCH has both supported and endorsed my family throughout our whole education journey. I remember being an original Bursary recipient whilst in primary school. My mum used the funds to purchase a printer and new stationary for me and my siblings. SGCH made us feel special and that we had someone to rely upon in our academic ventures. Being invited to attend the annual event for scholarship recipients showed the extent of support SGCH offered to students. We were so happy to be part of an organisation who recognised us!

“I was lucky enough to receive the Bursary again in high school. I was about to enter my final HSC year without a laptop or a computer at home. Receiving the Bursary that year changed my life, I bought a computer for the whole family to use and with that technology I was able to achieve great success in my HSC year. From this success I was accepted to undertake a double degree in Law and Commerce.

“SGCH has been behind every academic success I have ever had in my life and without their support I would not be in the position I am today. The Bursary made me feel important, valued, and recognised. Our family will never forget the support SGCH has provided us and I will personally never be able to give enough thanks to them for helping shape me into the individual I am today.”

“I just would not have been able to do this without help from Carrie. She encouraged me to realise I have a great skill set and helped me get the confidence to apply and the resilience to reapply. Don’t get me wrong, I’m always going to need help with housing but having some of my rent paid out of money I earn through working makes me feel like I contribute. It is a joy I haven’t experienced in a long time.”

Catalyst Program participant, Stuart

Catalyst Program

Social and economic independence is critical for individuals to maintain their tenancies. Through SGCH’s Catalyst Program, our Employment and Opportunities Manager, Carrie Levine, works with customers and their households to find and maintain suitable training and/or employment. Of the 156 customers referred in the past year, 28 per cent of participants were placed in employment or training.

Since Catalyst began over 30 per cent of the 320 participants have been placed in training, education and employment. Six customers have also positively exited social housing and moved into affordable housing or the private market.

Participants are followed up on a six-monthly basis, and more often as necessary, to offer further assistance and track their progress.



Catalyst Program outcomes

Year	Referred	Engaged	Placed
2018	180	61	28
2019	153	119	41
2020	156	140	39

Valerie's story

In April 2018, SGCH offered Valerie* and her husband an affordable housing unit as part of its Social and Affordable Housing Fund (SAHF) delivery program. She contacted us soon after about our employment program, Catalyst.

Valerie worked with our Employment and Opportunities Manager, Carrie, to identify suitable vocational training to support her goal to work in an office environment. With the support she needed to draw on her overseas

office management experience and existing skills, Valerie received help in updating her resume with a focus on tailoring it to office administration positions.

After engaging with Carrie, Valerie successfully completed her Diploma of Business Administration at TAFE NSW and commenced full-time employment in her chosen field.

Unfortunately, Valerie was recently stood down due to the COVID-19 pandemic, but with Carrie's support is now seeking alternative paid employment.

**Name changed to protect privacy*

Vivian's story

When SGCH Support Coordinator, Maria, first met Vivian*, she was anxious and agitated. A survivor of domestic abuse, Vivian had been in transitional housing and was supported by the Salvation Army. Ongoing court battles and prolonged adjournments involving her perpetrator triggered profound anxiety and depression.

Vivian was also worried that her perpetrator, or people affiliated with him, were following her. This led to being unable to have her back to the door, hypervigilance and parking her car up to 8km away from home. Suffering flashbacks and thoughts of worst-case scenarios, Vivian was unable to sleep and distraught. Vivian felt moving into a new SAHF property was her opportunity to start a new life. Maria worked with her to develop a support plan which included scheduled health checks, and ongoing support to gauge her

levels of satisfaction and personal wellbeing. The Salvation Army continued their support and Vivian attended regular counselling sessions.

Within a year, Vivian has transformed. Maria reported that Vivian was glowing, sociable and confident – a completely changed woman. Vivian proudly told Maria that she only needed to see her counsellor every one or two months instead of attending weekly sessions. She has reconnected with her family overseas, become a peer support mentor using her experience to help others, and is enrolled in a TAFE course to complete a Diploma of Community Services. Her vision is to open a women's shelter with a focus on rehabilitation with nature.

Now describing her depression and anxiety as only minor, Vivian thanked Maria saying that the first time they met, all she needed was someone to listen.

**Name changed to protect privacy*



Cheryle, SAHF customer.

“The quality of the housing, and the support I have received has been amazing. Hopefully more homes will come so more people can enjoy life as fully as I now do.”

Cheryle, SAHF customer

The Social and Affordable Housing Fund (SAHF)

The NSW Government’s Social and Affordable Housing Fund (SAHF) is an innovative approach to providing housing combined with tailored support coordination for individuals, families and communities. SGCH is delivering over 500 new homes under this program.

In the 2019/2020 financial year we tenanted almost 50 new SAHF homes, bringing our total SAHF portfolio to 184 and providing a home to 319 individuals.

Customers living in SAHF homes can be part of the social or affordable housing cohort to access the support benefits of the program.

SAHF customer, Cheryle, said:

“The quality of the housing, and the support I have received has been amazing. Hopefully more homes will come so more people can enjoy life as fully as I now do.”

This year we surveyed our SAHF customers on their experience.

In addition, 141 residents were assessed using the Personal Wellbeing Index (PWI). Overall, customers expressed high satisfaction in relation to their personal wellbeing, ranking security, safety, personal relationships, standard of living and life generally at a satisfaction level of 90 per cent or higher.

SAHF customer survey results



Overall satisfaction
with SGCH housing
services



Overall satisfaction
with condition of
home



Overall satisfaction
with SGCH Support
Coordination Services

Delivering customer-centric services

Understanding our customers helps us to deliver customer-centric services. With systems in place to gather and act on feedback, we aim to support individuals, build communities and strengthen support systems.

Port Jackson Supported Housing Program

SGCH manages the Port Jackson Supported Housing Program (PJSHP) – a Department of Communities and Justice (DCJ) program that provides transitional housing tenancies for people who require a high level of support to stabilise their lives and develop the skills needed to maintain long-term tenancies when they exit the program.

We partner with 18 preferred specialist services who deliver support to 214 households in the PJSHP across five Local Government Areas (LGAs). Properties in the PJSHP include:

- 84 with specific program arrangements with allocated partners, and
- 130 that are available for nomination from any of the 18 preferred partners.

Individuals living in PJSHP housing are supported with a package to support their specific needs. Target groups include people who are homeless or at risk of homelessness and have complex needs arising from a combination of issues such as: age-related frailty, mental illness, physical or intellectual disability, acquired brain injury, family dysfunction, alcohol or other drug dependency.

Partnership to improve affordable housing outcomes for Aboriginal people

The lack of affordable housing for Aboriginal and Torres Strait Islander people (Aboriginal people) is an issue of concern for three of the largest generalist community housing providers in the City of Sydney – SGCH, Bridge Housing and City West Housing.

Across greater Sydney, only seven per cent of all social and affordable properties managed by these organisations are allocated to Aboriginal people. And in the City of Sydney, Aboriginal tenancies represent nine per cent of our total affordable housing allocations. While this is a good start there is much more to be done to support Aboriginal communities.

In 2020, we submitted a proposal to the City of Sydney to fund a new Affordable Housing Manager position. With funding secured, the role will improve access to affordable housing opportunities for Aboriginal people through the provision of targeted and culturally appropriate housing-related services in the City of Sydney LGA. SGCH will undertake this as a shared capacity development project along with Bridge and City West.

Sustaining tenancies

Some of our customers need assistance through housing subsidy and practical assistance to maintain their tenancies and connect with their communities. Throughout our 35-year history, our portfolio has included at least 30 per cent of customers who need help to maintain their housing and access services. This remains a hallmark of the SGCH service offering.

Over the past eight years we have adapted our practice framework to build a specialisation model for working with vulnerable people and their communities. With distinct teams providing an integrated service, the model supports vulnerable customers with complex behaviours in sustaining their homes through hands-on tenancy and support coordination services.

Designed in-house, the SGCH's Vulnerability Assessment Tool (VAT), helps to determine risk levels at any point of customer contact – from allocations to sign up, eight-week mark and on-going home visits. High risk tenancies are referred to our support coordination team, who use key indicators from the VAT to design a support model to help a customer to maintain their tenancy.

This early intervention approach has been successful, with 98 per cent of customers referred for support coordination maintaining their home.

One of the highest ratings on the VAT is rental arrears and debt. If a customer is in arrears, before formal action is taken (i.e. under 14-days arrears), our income management team refer the customer to the support coordination team for assistance. Early intervention in arrears prevents the arrears growing to a point where a customer's tenancy is at risk. Using this approach, we have decreased our rental arrears and tenant debt with 98 per cent of all customers referred for support coordination due to early arrears or debt being able to maintain their tenancy.

Arrears and debt over time

Year	General arrears	Arrears (% rental income)	General debt	SHMT arrears / % rental income	SHMT debt
2019/2020	\$396,642	0.53%	\$466,792	\$155,936 / 0.21%	\$77,270
2018/2019	\$560,000	0.93%	\$399,000	\$193,000 / 1.38%	\$76,000
2017/2018	\$480,000	0.80%	\$424,000	n/a	n/a

*SHMT - Social Housing Management Transfer – northern portfolio transferred from DCJ with existing arrears and debt reported separately from 2018/2019.

Support coordination services

In 2020, our Support Coordination Team (SCT) managed 604 referrals, up from 531 in 2019. We are seeing increased referrals for financial assistance as a result of COVID-19 and have increased interaction with customers over the age of 65 years to support them during the pandemic. This has resulted in an increased number of formal support referrals to support partners (see Figure 1) with financial difficulty, rental arrears, mental health, age (elderly), property care or medical reasons cited as the main reasons for referrals.

Top 5 reasons for referrals



Figure 1

	Financial year 2019 / 2020	Financial year 2018 / 2019
Total referrals managed by the Support Coordination Team	604	531
Customers linked to formal support services	140	98

Our Home – Miller



Damian at his new home in Miller.

Our Home - Miller is a pilot project developed with our partners, Civic Disability, to help people in the National Disability Insurance Scheme (NDIS) access social housing.

To be eligible, NDIS participants need to be living in unstable or unsuitable housing and have greater housing independence as one of their stated NDIS goals. Applicants also need to be on the social housing waitlist and have enough drop-in support funding to ensure a stable and positive independent housing experience.

We started our pilot in our Cabramatta Avenue, Miller development. SGCH worked with Civic to house four young people with disability in accessible homes in the development. These

new customers of SGCH now have the security of a long-term, affordable and appropriate home with daily support from Civic.

New Miller resident, Damian is enjoying meeting new people, resuming activities he enjoys like swimming, and having support from Civic with cooking and cleaning.

“I can’t put into words how much I enjoy living in my new home.”

Community based place planning

We invest in placemaking because we know it builds stronger connections and creates social capital. SGCH focuses on programs that empower customers to make decisions that affect them. Our 27 local tenant groups feed into our Tenant Coordination Panel, providing us with valuable insights into the communities we work in and the people we serve.

Placemaking in a pandemic

In March 2020, we temporarily ceased offering face-to-face community development programs due to the pandemic. With block meetings, gatherings, meet and greets and tenant group meetings on hold, we adapted our approach to contacting and connecting with our customers to include:

- phone catch ups with local tenant groups
- video conference meetings with the Tenant Coordination Panel
- letterbox drops with local information from partners
- supporting community gardens with deliveries of materials and plants
- video messages for customers from popular facilitators
- 'drive by' and 'walk about' sessions in common areas of larger sites

- coordinating a virtual response team to respond to identified common area issues, and
- working with local councils to support vulnerable customers with care packages.

Working in partnership with our Handyperson team, customers and the wider community, we also design and create safe spaces and functional communal facilities. In the past year, we invested more than \$270,000 in community gardens, outdoor communal spaces, community rooms and closed-circuit television (CCTV) cameras to improve safety and amenities.

Customer events and attendance

	Financial year 2019 / 2020 (to March 2020)	Financial year 2018 / 2019
Customer events (face to face)	827 events 10,000 attendees	1,600 events 10,000 attendees
Customer events hosted virtually – CPP Studio	30 events 168 attendees	–

Community Place and Partnerships (CPP) Studio

In a typical year, SGCH organises 1,600 community, health and wellbeing, education and social activities and events – offering thousands of customers opportunities for social connection and community involvement. Prior to March 2020, we held 827 events attended by almost 10,000 customers. Then, with face-to-face events on hold due to COVID-19, we quickly adapted by creating the CPP Studio as an online tenant participation platform to help maintain connections with customer. By the end of June, we had run 30 CPP events attended by 168 customers.

Mini placemaking plans

Local ‘mini’ placemaking plans have been developed in consultation with residents for sites in Marrickville, Punchbowl, Caringbah, Redfern, Riverwood, Narwee and Campbelltown. Planned improvements will transform underutilised areas into useful, safe and attractive spaces. Works to-date have included garden improvements, tree lopping, safety audits, common area clean ups and rubbish removal, improvements to common area access and lighting.

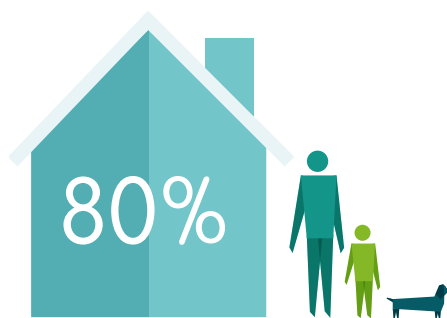
In the past year, two sites were completed in Campbelltown and Punchbowl with encouraging customer survey results.

In addition, one new Local Tenant Group was formed, and two customers sought assistance from the support coordination team and Catalyst program for information on training and employment.

Customer survey results



of participants reported feeling safer at home because of the improvements



said the neighbourhood had improved



increase in reports to SGCH about antisocial behaviour and common area maintenance requests, demonstrating customers' increased connectedness and trust in SGCH.



Bonnyrigg placemaking survey

In November 2019, we surveyed 10 per cent of our Bonnyrigg customers about the SGCH placemaking plan for Bonnyrigg. The survey focus areas covered:

- health care, social services, and recreational provision
- education, training, and employment opportunities
- community life and the neighbourhood, and
- safety, community reputation and change.

Bonnyrigg customers were asked	Agree
There are good education and training opportunities	82%
Local events and activities meet my needs	79%
I am satisfied with my neighbourhood	77%
There are enough parklands and open spaces near me	69%

Bonnyrigg Sensory Garden



Jyemeka and Shirley tending to the Sensory Garden.

In August 2019, SGCH submitted an entry into the NSW Government's My Community Project. Thanks to 649 votes from the community, we received a \$50,000 grant towards our Sensory Garden project in Bonnyrigg.

With input from the community, the garden design created an accessible space with features for people with a physical or intellectual disability. Completed in July 2020, the garden features a range of trees, shrubs and plants to appeal to the senses of sight, smell, taste and touch. GW Landscapes will work with us over the next few years to ensure that the plants settle in.

The SGCH Handyperson team also installed stone and bench seating, and a wooden arbour to provide shade. This added different textures to the visual appeal of the garden and a quiet place for people to sit and enjoy the space. The team has also installed a water tank, drinking water fountain, a 'water pool' that reflects light, and a garden shed to store all the tools and equipment. The garden will be maintained by community volunteers with SGCH providing training to support the development of their gardening knowledge and leadership skills.

The Bonnyrigg Sensory Garden is proudly funded by the NSW Government in conjunction with SGCH and contributions from the Land and Housing Corporation and SR Construction.



Responding to homelessness

As part of our responsibilities under the Social Housing Management Transfer program, we deliver housing assistance and support for people experiencing homelessness and people at risk of homelessness in the northern Sydney region.

In 2020, our Pathways team assisted 208 people into temporary accommodation and provided 60 assistances for other private rental products.

During the pandemic we worked in collaboration with other support services to ensure the delivery of responsive housing and support services for rough sleepers.

Working with Bridge Housing and Link Housing, we developed a Homelessness Action Plan for the Northern Sydney District. The plan outlines our collaborative and proactive approach to providing a person-centred response to people experiencing homelessness in partnership with homelessness services including: Burdekin Association, Catholic Care, Dignity, Manly Warringah Women's Resource Centre, Mission Australia, Phoenix House, Taldumande Youth Services and Women's Community Shelters.

Since the commencement of the collaborative approach in 2019, we have assisted:

758

customers finding temporary accommodation

275

customers being housed in social housing, and

171

customers being housed through private rental assistance products.

Together Home

In June 2020, the NSW Government announced a \$36 million investment into our communities through Together Home. The program will support people experiencing homelessness by providing safe and secure housing with wrap-around support services provided by community housing providers in partnership with government, specialist homelessness and health services.

Together Home builds upon the emergency response to COVID-19 and leverages partnerships that have seen people safely housed during the pandemic.

Through the Together Home program, SGCH has received funding to provide 10 leasehold properties for two years to people experiencing homelessness. SGCH is working closely with the Department of Communities and Justice (DCJ) and the Newtown Neighbourhood Centre to provide wrap around, person-centred support for participants in the program.

With a well-established partnership through our Port Jackson Supported Housing Program (see page 35) – which sees SGCH offer 214 supported housing dwellings for people with high support needs – the Newtown Neighbourhood Centre brings their experience working with rough sleepers. The Centre coordinates Sydney's Multi-Agency Homelessness Outreach (MAHO) – which consists

of members from DCJ, Missionbeat Outreach, Inner West Council, Newtown Police, Way to Home, Neami National and Sydney Local Health District – to assist people who are sleeping rough in and around the Newtown area.

DCJ local housing staff are responsible for referrals to the program with significant support in the form of training, information sessions, communication and wellbeing tools for the participating community housing organisations and support partners. There has been a strong partnership and coordination effort by Homelessness NSW to support the program.

2

Grow a quality,
sustainable
housing portfolio

Grow a quality, sustainable housing portfolio



SGCH's strategic outcome to grow a quality, sustainable housing portfolio describes our purpose and intent to develop more housing for more people now and into the future.



Success Drivers

An industry-leading development capability

Strategically managing our assets

Creating and pursuing opportunities for sustainable growth

A sustainable capital structure and partnerships



Key Measures

Property portfolio



2019/2020 Highlights

6,557 homes across portfolio

194 new homes delivered

\$1 billion in assets

\$3.25 billion assets managed

Our assets

SGCH manages a portfolio of property assets with a value of approximately \$3.25 billion, including over \$1 billion of assets on our balance sheet. We have clear objectives to invest in quality new buildings and improve the safety and sustainability of our existing portfolio. This dual approach amplifies our long-term impact, ensuring quality assets that are fit for today and the future.



SGCH property assets (2017-2020)

	2017	2018	2019	2020
Owned	1,530	1,542	1,659	1,828
Leased	617	619	665	657
Managed	2,556	2,595	4,078	4,072
Total dwellings	4,703	4,756	6,402	6,557
Affordable housing	341	324	391	482
Social housing	4,362	4,432	6,011	6,075

Repairs and maintenance

This year SGCH invested \$20.05 million in repairs, maintenance and planned works to maintain or improve the quality of the homes we manage (see table below). In consultation with our customers, non-urgent repairs previously completed within 28 days are now diverted to our inhouse Handyperson Team and responded to within 14 days.

As part of the Social Housing Management Transfer (SHMT) contract, repairs and maintenance for our northern region customers are managed by Land and Housing Corporation contractor, Broadspectrum.

Summary of SGCH & SHMT (Northern Region works) repairs, maintenance and planned works conducted by SGCH and Broadspectrum.

Type of work order	Completed by SGCH	SHMT (Northern Region) managed by Broadspectrum
Emergency work (4-hour response)	2,047	0
Urgent repairs (24-hour response)	4,737	4,627
Non-urgent repairs (14-day response)	12,498	0
Warranty and defects works	752	0
Common area maintenance	15	614
Insurance works	6	0
Planned maintenance	4,625	2,238
Disability modifications	83	134
Total	24,763	7,847

Responding to our customers' needs

“The SGCH handyperson team was friendly and professional. The work that has been done has given our home a real lift - I’ve lived here for more than 20 years and it’s never looked better or felt safer. Thank you!”

Melita, Artarmon



SGCH Handyperson Rick and Chatswood customer Vica.

SGCH Handyperson Team

In its second year of operations, the SGCH Handyperson Team is continuing to show results. Delivering routine maintenance within 14 days, compared to the industry benchmark of 28 days, our Handyperson Team is integral to improving our portfolio and liveability for residents by delivering a more customer-focused and responsive service. This year, the SGCH Handyperson Team reduced our operating expenses by approximately \$700,000 – freeing up funds that will be used to deliver more projects to improve the safety, amenity and appeal of our customers' homes.

At the start of the pandemic, the SGCH Handyperson Team's workload was diverted onto outdoor projects and vacant properties. This had a twofold benefit of providing improved amenities in common areas; and importantly, the increased visibility of the SGCH team on sites helped to

alleviate the sense of isolation felt by many vulnerable tenants. Projects completed during COVID-19 include:

- garden rejuvenation projects – in common areas of large complexes and in our group homes
- Bonnyrigg Sensory Garden
- graffiti removal
- tree lopping and removal
- letterbox upgrades
- community room upgrades
- Marrickville garden rejuvenation project to complement stimulus works
- assisting customers with hard waste, garage and common area cleans
- installation of lock boxes on our properties for the fire department, and
- installation of 60 hand sanitiser dispensers at all our larger blocks.

February storms

In early February 2020, NSW experienced devastating storms that forced flood evacuations and leaving tens of thousands of homes across Sydney without electricity.

The SGCH Repairs and Maintenance team, along with staff from other areas of the business, rolled up their sleeves to respond to the 300-plus calls received over the 48-hour period. This was a big effort given that we typically raise around 60 work orders each day.

“I was really happy with my repair and found it very helpful to have a name and contact number to follow up with. It was really good customer service.”

Shane, Beverly Hills

Project Pinnacle: responding to customer feedback

In response to customer feedback indicating a desire to be kept up-to-date about their requests, this year we ran a trial project to improve communication with customers who lodged non-urgent work orders or were living in properties that were having planned maintenance. Named Project Pinnacle, the initiative involved providing customers with regular reports on the status of repairs throughout the works period. The outcome of this project was a customer satisfaction result of 84 per cent and enhanced accountability of the contractors working in our customers' homes.

Highlighting the difference, the Project has made, SGCH customer, Richard said, “When I called and spoke to Karolina, she was helpful, personable and even gave me a work order on the spot. From there I thought SGCH would forget about me and that the repair wouldn't be attended to however, I got a call from the trade within 4 days and in the same week the job was done. The trade was professional, friendly and efficient, he even fixed a separate issue that wasn't part of the request but he took it upon himself to do as I said it caused me grief, he did it all in half an hour. I've noticed over the years the service has definitely improved.”

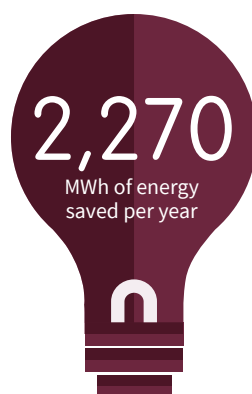
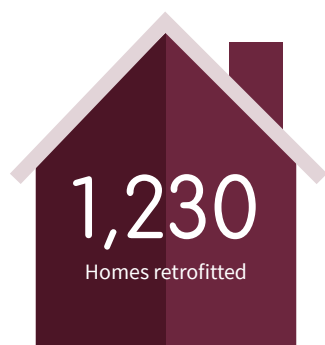
Clean energy improvements

Through a co-funding agreement with Clean Energy Finance Corporation (CEFC) and the Department of Planning, Industry and Environment (through the former NSW Office of Environment and Heritage Home Energy Action Program), we undertook a program to improve the efficiency of our portfolio and reduce household costs for customers. To date, 1,230 dwellings have been retrofitted with energy efficient and renewable energy technologies. At a

total cost of \$4.1 million, we estimate this initiative will save approximately 2,270,000 kilowatt-hours of energy every year. This represents a cost saving at current electricity prices of \$491,700 to the portfolio, with an average annual saving of \$400 for each home.

Fire safety program

In July 2019, we launched a portfolio-wide review of building safety and a concurrent works program to enhance the safety of all our high-rise buildings. This project included the review and documentation of cladding on mid- and high-rise buildings, the replacement of cladding on two buildings, a review of fire compliance across the portfolio and implementation of resulting works. Throughout the process, we regularly communicated with our customers to ensure they felt safe and understood any changes being made to their home. The project established important new processes, documentation and insights that form part of SGCH's ongoing building and safety standards and practices.





Illawarra Road & Glen Street, Marrickville customers enjoying their new garden with the SGCH Placemaking team.

“It looks so good here now! We have lots of kids who live here and there’s more space for them to play and they are planting veggies. If they need to be home from school again, it will be a much better environment.”

Jana, Marrickville

Maintenance stimulus

Stimulus funding from the NSW Government’s Land and Housing Corporation (LAHC) accelerated a \$2.3 million external works project in two locations managed by SGCH. This created job opportunities for local tradespeople and contractors, and delivered upgrades to 97 social housing dwellings in Gymea and Marrickville.

The program delivered:

- Illawarra Road and Glen Street, Marrickville – \$1.19 million spent on external works including: upgrades to gutters, balconies, painting, gates and landscaping, and the installation of CCTV cameras in common areas to improve security, and
- Kingsway, Gymea – \$1.14 million spent on replacing waterproofing in basement car park slabs.

The works had been identified and planned as part of a future asset maintenance program. However, in proactively responding to the impact of COVID-19, LAHC worked with SGCH to accelerate the schedule. These significant works created improved amenities for our customers, beautified common areas and the investment will reduce some ongoing maintenance costs. Marrickville tenant group have also used the increased space to expand their garden.

Highlighting how the initiative has contributed to local employment, Managing Director of Assett Group Services, Joseph Puccio, said, “This program has directly contributed to us being able to retain two full-time workers. We have about 10 different sub-contractor companies we are employing too.”

Our housing pipeline

SGCH is developing energy efficient, sustainable homes and delivering Australia's largest non-government pipeline of social and affordable housing. This year, we delivered 194 new homes across metropolitan Sydney.

Social and affordable housing provides essential infrastructure for a well-functioning society and economy. Bringing together a range of stakeholder partners we deliver quality housing in areas of high demand to ensure strong social, environmental and economic outcomes. Even during the pandemic, we had seven sites under construction supporting 1,031 jobs and \$332 million of broader economic activity.

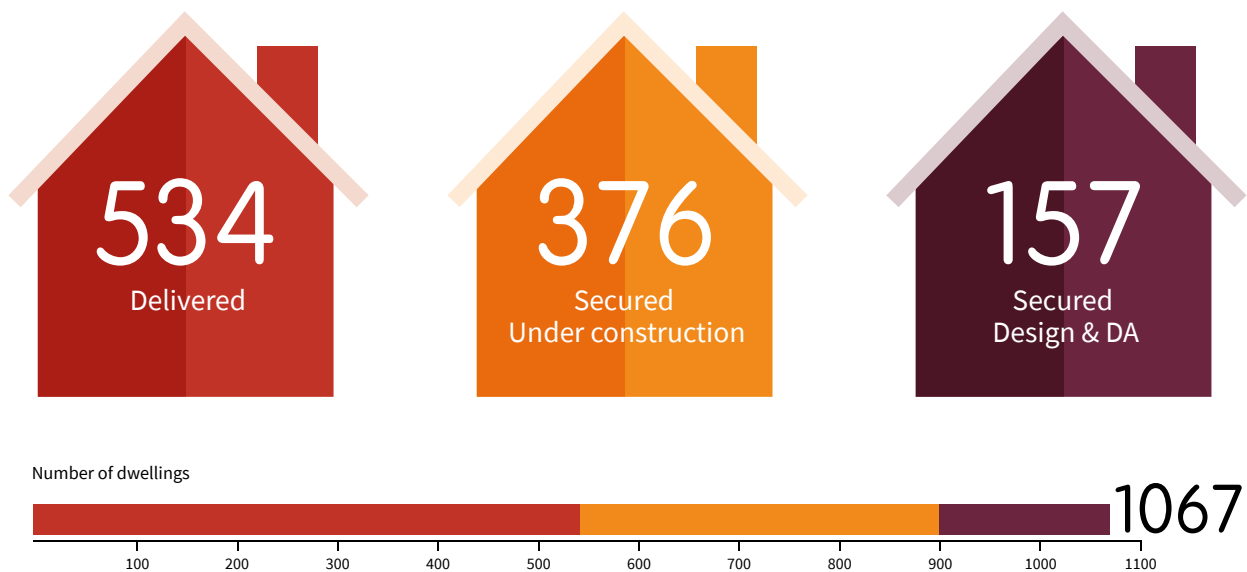
Development continues with 376 new social and affordable homes on track to be delivered by 2021 and a further 157 in planning stages:

194 new homes delivered

50% of Australia's largest non-government social and affordable housing pipeline delivered

Minimum 7-star NatHERS energy efficient homes for new homes

Delivering high quality homes



Commitment to environmentally sustainable development

Affordable housing by definition needs to be both affordable to live in and maintain – for both SGCH and our customers.

We are committed to environmental sustainability and reducing the footprint of our overall portfolio. This includes helping our customers reduce their environmental impact and save on energy bills.

The latest additions to the SGCH portfolio have also been designed to meet the Australian Government's Livable Housing Design Guidelines – Silver Level. This creates a resilient portfolio, designed to more easily adapt to the changing needs of our current and future customers.

Green Star for Homes

As some of the most vulnerable people in the community, our customers are impacted by rising energy costs and bill shock.

To address energy efficiency for the low-moderate income households we serve, our strategy is to invest in long-term sustainability measures that deliver social, economic and environmental benefits. Improving energy efficiency and thermal comfort improves the housing experience for our customers and provides benefits to the wider community through a reduced carbon footprint.

This commitment led us to support the Green Building Council of Australia's Future Homes project. Supporting the new Green Star for Homes standard ensures that new homes are built to a higher standard focused on health, resilience and net-zero energy. This is strongly aligned to our commitment to provide safe, sustainable homes and improve communities.

SGCH developments delivered this year are all built to a minimum 7-star standard under the Nationwide House Energy Rating Scheme (NatHERS), and all have the following energy efficient measures:

Photovoltaic solar installed on the roof servicing all common area power demands

Gearless traction lifts with Variable Voltage & Frequency (VVF) motors

Natural ventilation (no mechanical ventilation) in hallways

LED lighting for all lifts and lighting connected to lift call button

LED for garbage room/ plant room/ service room with motion sensor control

LED lighting with daylight sensors and motion sensors for ground floor lobbies and all other hallways

6 Star instantaneous gas hot water system for individual apartments

Individual fans ducted to façade for kitchen, bathroom and laundry exhausts, all interlocked to light switch

Dedicated Compact Fluorescent/LED fittings for all internal areas in apartments

Ceiling fans in all living rooms and bedrooms



Solar panels power the common areas at our development at Hoxton Park Road, Cartwright.

New quality, sustainable housing delivered in 2019 / 2020



12–16 & 18–22 Willan Drive, Cartwright

Delivered: April 2020
Project Cost: \$11.8 million
Finance partner: CEFC

These neighbouring sites were delivered in April 2020. Now a combined complex of 64 apartments, the buildings replaced six older-style townhouses purchased from private owners by SGCH. The buildings were specifically designed to accommodate a remaining cottage adjacent to the site that will have other apartments built next door. Cartwright is a high-need area for social and affordable housing and the properties leased within 21 days of completion. Customers who live in Willan Drive pay 30 per cent of their income to rent and enjoy the amenity of a 7.6-star NatHERS rated home.

“As soon as I saw the security intercom and the safe doors, and the lift up to the first floor, I was in.”

Veronica, Willan Drive, Cartwright



88–92 Elizabeth Drive, Liverpool

Delivered: May 2020
Project cost: \$20.82 million
Finance partner: CEFC

This 7.8-star NatHERS rated building was completed in May 2020. Elizabeth Drive is part of our commitment to the NSW Social and Affordable Housing Fund and is home to 42 social and affordable housing customers. The building is on a main road and was carefully designed to moderate bulk and scale using a highly articulated and stepped built form. A variety of building materials and finishes decreases the perception of a large, monolithic structure and landscaping, using a mix of deciduous and native plantings, is used to soften and beautify the peaceful rear common area.



71–75 Cabramatta Avenue, Miller

Delivered: April 2020
Project cost: \$15.96 million
Finance partner: CEFC

Completed in April 2020, Cabramatta Avenue, Miller is home to 39 new social housing customers. The development has a 7.1-star NatHERS rating. Customers came from the social housing waiting list or transfer list. With the Silver Liveable design features throughout the building and four adaptable apartments, we have been able to partner with Civic Disability to accommodate four households who are NDIA participants in an Independent Living model. The building is located directly opposite a school and, at six-storeys, is the first real density in the street so SGCH's expertise in community engagement and neighbour relations was critical to the success this project.

*"I am so excited to move in here.
This is the best news I've had, ever.
Now I have a place, I want to get a job
close to home. I can't wait to have my
kids come over to stay."*

Danny, Cabramatta Avenue, Miller



87–89 Nuwarra Road, Moorebank

Delivered: May 2020

Project cost \$17.83 million

Finance partner: CBA

Forty-two households who pay 30 per cent of their income to rent live at Nuwarra Road, Moorebank. Completed in May 2020, the building has a 7.6-star NatHERS rating – bringing increased amenity to the people who live here and decreasing the operating costs of the 6-storey building. Located in a neighbourhood where there is little social housing, we designed in tenure neutrality – meaning we use similar materials, fixtures and finishes as seen in private market offerings. This creates a sense of belonging and privacy for our customers in their new homes.

Social procurement



Miller Technology High School students at Cabramatta Avenue, Miller.

Although not a contractual requirement, we encourage social procurement amongst our builders. We aim to work with like-minded builders and use our established partnerships to secure opportunities for both existing tenants and the broader community.

“Working on site was great, everyone helped in different ways, explaining or teaching different ways to do things. It’s helped me put theory into practice,”

Dylan, Miller Tech student

Our Cabramatta Avenue development is located directly opposite Miller Technology High School (Miller Tech), a secondary school with approximately 675 students. Students attending the school are from diverse backgrounds with 78 per cent of students coming from non-English speaking backgrounds. Many students travel across Sydney to attend the school’s onsite Intensive English Centre that provides English instruction and cultural orientation for new arrivals and refugees. Miller Tech has clear focus on vocational education opportunities and pursues opportunities for their students to gain hands-on experience throughout their high school years.

When Miller Tech’s construction teacher, Ms Lenny Khamu, saw the hoarding go up directly across from the school, she went straight over to introduce herself to the Project

Manager, Ross Mangione from SGCH’s builder, Next Group to secure some work placements for her class.

That initial conversation between Lenny and Ross led to a great partnership that has seen twelve Miller Tech students gain valuable work experience in trades and construction on SGCH’s Cabramatta Avenue site.

“Working on site was great, everyone helped in different ways, explaining or teaching different ways to do things. It’s helped me put theory into practice,” said Miller Tech student, Dylan.

As a result of the program, two Miller Tech students are pursuing apprenticeships with subcontractors who worked on the site, while preparing for this year’s Higher School Certificate.

Suzy's story



Suzy is looking forward to a brighter future.

After her marriage ended, Suzy and her son returned to live with her parents. A qualified beauty therapist, Suzy continued to operate the business she has run for the past 19 years and was soon ready to find her own place again.

“With my rent a little bit cheaper, I can build my business faster and look to buying my own place in the next few years. That’s what I’ve worked hard for and now I know I can achieve it again,”

Suzy, Elizabeth Street, Liverpool resident

“It’s been really nice to live with my parents and get help with my son while I get back on my feet. But I’m so used to being independent, I really needed my own space again,” Suzy said.

In May 2020, Suzy moved into a two-bedroom apartment in SGCH’s new Elizabeth Street, Liverpool complex. Pleased with the location and amenity of the building, Suzy said, “It’s new and clean, and it’s in a great area close to everything I need. My family and my work are nearby. Most importantly, it’s safe and secure”

Now back at work after the COVID-19 restrictions forced her to temporarily close her salon doors, Suzy is excited about her new start.

“With my rent a little bit cheaper, I can build my business faster and look to buying my own place in the next few years. That’s what I’ve worked hard for and now I know I can achieve it again,” she said.

New homes under construction



Artists impression of Foyer Central.

City Road, Chippendale – Foyer Central

Located in the heart of Sydney, Foyer Central commenced construction in September 2019 and is due for completion in early 2021. The five-storey building will provide 73 apartments, 53 self-contained studios for students and 20 affordable housing apartments.

The project will be a Youth Foyer model aimed at tackling youth homelessness by providing independence and opportunities to realise potential for young people exiting out of home care, or who are experiencing or at risk of homelessness. They will have onsite support from Uniting to help them achieve their work and study goals.

Our partners in this project are City of Sydney, NSW Department Communities and Justice, NSW Office of Social Impact Investment, Uniting and Social Ventures Australia.



Louise Tran, ForPurposeCo and Michelle Moore-Fonseca, SGCH at Foyer Central start of construction event.

Juice for Good

Juice For Good™ is a social enterprise developed by OzHarvest's innovation arm, ForPurposeCo.™

Juice For Good is Australia's first fresh orange juice vending machine that uses blemished oranges that were destined for landfill because of their shape, size or colour making them imperfect for retail sale, but perfect on the inside for juicing and enjoying freshly squeezed.

SGCH has supported this worthy community initiative by providing Juice For Good a space to call home inside the walls of our construction hoarding at Foyer Central. Since October 2019, this unique vending machine has made positive impact for people and the planet!

- 3,355 fresh cups of OJ bought by consumers with profits going to OzHarvest to help provide food relief to those in need
- 16,775 oranges saved from going to waste, and instead purchased from Aussie farmers supporting local growers
- Three tonnes of oranges diverted from landfill



Artists impression of 11 Gibbons Street, Redfern.



Start of construction ceremony, February 2020.

11 Gibbons Street, Redfern

In December 2019, construction commenced on our largest project to date – an 18-storey, 162 apartment development in Redfern, that is due for completion in mid-2021.

Sharing our vision to provide social and affordable housing with proximity to education and employment hubs, the City of Sydney sold the former Council depot site at a discount to market rate. With Lendlease appointed as the

builder, this development will deliver a mix of one, two- and three-bedroom apartments, ground floor commercial space, a community hub and local management office for customers.

Lendlease have committed to local industry participation goals as well as indigenous employment and engagement through the construction. Together, we are building for the long term and delivering strong environmental, social and economic outcomes in Redfern.

Lendlease initiatives and actions at Gibbons Street

Initiatives

Engagement of Indigenous employees

Initiatives being adopted on the project by Lendlease

Actions

Subcontractors have been engaged on the journey and are participating in indigenous labour initiatives. This is also being sought through current and upcoming finishes tender packages.

The 11 Gibbons St project has had the following trades engage indigenous employees;

- Civil; 1
- Hydraulic; 2 apprentices via Aspire Program
- Steel fixer; 2
- Masonry; 1

Lendlease is arranging an Indigenous Participation Program with the local Redfern Indigenous community provider AES to provide pathways for Indigenous apprentices to enter into the construction industry aided by Lendlease through the relationships held with existing contractors.



Artists impression of Ironbark Avenue, Casula.



Artists impression of Flowerdale Road, Liverpool.

Casula and Liverpool

We are currently constructing two further projects in Sydney's high demand southwest. Due for completion in early 2021, these developments will bring a further 102 social and affordable homes to the area.

Complemented by our large portfolio in Bonnyrigg, these sites were selected to build on SGCH's emerging presence in the Liverpool and Holsworthy LGAs. We have established connections in the area and a local office where tenancy management, placemaking and support coordination services are offered to our customers. With 15 years' experience serving this community, we sought this opportunity to offer our services to more people in this high-demand area of Sydney.

3

A leading
business



SGCH's strategic outcome, a leading business, is the expression of our focus areas and how we function as an organisation. We seek to build, maintain and improve upon the drivers of success aligned to this outcome. Our progress is tracked against three key measures.



Success Drivers

- Ensuring strong financial performance
- Maintaining best practice governance, risk and reputation management
- Effective partnering
- Fostering a strong brand
- Transforming how we deliver
- Systems and processes that are fit for today and scalable tomorrow



Key Measures

- Financial performance
- Reputation
- Governance and risk



2019/2020 Highlights

- \$1.1 million operating surplus
- \$97 million savings for customers
- \$210 million debt facility with NHFIC
- Capital strategy to deliver 200 to 500 new homes every year
- Media coverage of key project announcements
- 75 media mentions reaching combined audience of 64.8 million
- Advocacy on rental support and no evictions during COVID-19
- Continued alignment to ISO 31000:2018
- Several internal projects enhancing systems and performance
- Aligned our technology strategy to the Strategic Plan 2019-2024

Financial performance

For detailed information about SGCH Group financial performance please refer to the Directors' Report and Summary Financial Statements 2019/20 in Chapter 6, pages 101–123.



FY19/20 highlights:

Strong financial performance through COVID-19 delivering underlying operating surplus of \$5.3 million

Solid financial management supports customers through rent review deferrals and hardship applications

Provided \$97 million in annualised equivalent financial benefit for our customers

As a for-purpose organisation with a Board of professional non-Executive Directors, we have a cultural focus on ensuring a strong financial performance and reinvesting our surplus towards achieving our

strategic outcomes. This year, we have grown to have more than \$1 billion in owned assets and \$3.25 billion in assets under management. Our overall performance has been very strong.

Revenue analysis

The principal driver of increased revenue in the current year has been the full-year effect on rent from tenants from the transfer of over 1,400 homes to SGCH management under the Social Housing Management Transfer (SHMT) program in April 2019. Similarly, the completion and letting of 194 new homes across five developments has also contributed to increased revenue from tenants.

Other drivers of revenue growth include increased availability payments from the NSW Government for our growing portfolio of Social and Affordable Housing Fund (SAHF) properties, and maintenance stimulus provided for NSW Government-owned properties managed by SGCH. These were somewhat offset by changes to accounting standards implemented in FY18/19 that increased revenue recognition of government grants in the prior year and reduced revenue recognition in the current year.

Expense analysis

Similar to our revenue increases, the principal driver of expense increases over the prior year was the full-year effect from the transfer of SHMT properties. Property expenses (particularly for repairs and maintenance) and employee expenses have both significantly increased to support the higher number of properties and tenants catered for by the business. The refinancing of a material financial facility from Clean Energy Finance Corporation (CEFC) to National Housing Finance and Investment Corporation (NHFIC) resulted in the write-off of previously capitalised borrowing costs and the payment of a contractual break fee to our former financier. These refinancing costs will be recouped from the significant interest savings generated.

The declining property market resulted in a (non-cash) fair value loss on the revaluation of owned investment properties. There were also smaller (non-cash) losses from fair value adjustments to Right of Use Asset values and Derivative Financial Instruments.

Multi-year trends

Our strong financial performance, coupled with the strategic management of resources, has ensured SGCH was well prepared for the impact of COVID-19. In examining multi-year data trends, the performance of the group remains relatively stable and demonstrates continued growth.

Overview of trends (2018-2020)

	2018	2019 ¹	2020
Rental income	\$54,170,175	\$60,253,567	\$73,313,309
No. properties at June 30	4,791	6,404	6,568
EBITDA	10.8%	42.0%	30.7%
Underlying EBITDA (excluding changes from AASB 15, 16 & 1058 adopted from FY19) ²	10.8%	16.1%	11.6%
Property values			
Completed properties	\$588,972,499	\$652,347,500	\$717,300,000
Work in progress	\$61,180,038	\$80,681,020	\$96,427,383
Non-current assets held for sales	\$10,112,500	\$6,237,500	\$1,402,500
Deposits on properties	\$9,321,500	\$3,996,844	\$1,079,049
ROU asset - investment property	–	\$85,781,943	\$87,054,620
Total	\$669,586,538	\$829,044,806	\$903,263,552
Maintenance expenditure by category			
Common area	\$2,129,984	\$2,692,321	\$3,494,871
Planned maintenance	\$2,917,323	\$5,219,508	\$6,519,574
Responsive maintenance	\$5,812,150	\$3,858,171	\$8,857,597
Other maintenance	\$2,003,201	\$424,910	\$1,181,127
Total	\$12,862,658	\$12,194,909	\$20,053,169

Note 1: SGCH began management of an additional 1,400 homes under the Social Housing Management Transfer on 1 April 2019. These are included in the 2019 property numbers however were only in operation for the final quarter of the year.

Note 2: the significant increase in reported EBITDA in FY19 over FY18 is due to the early adoption of AASB 15 (Revenue) and AASB16 (Leasing) standards. Underlying EBITDA is largely unchanged between these 3 years.

Impact of COVID-19

COVID-19 has had an impact on our planned activities but our results demonstrate the underlying business remains stable. A conservative approach to budgeting will maintain this position. Some of the financial impacts of the pandemic include:

- **Hardship rent reductions** – the COVID-19 Hardship Policy supported tenants that had been affected, mostly in our affordable housing portfolio. As at 30 June 2020, 223 rent reductions (representing about 3 per cent of our customer base) were in place to support households
- **Rent review deferral** – the bi-annual rent review process was deferred in May 2020 to support our customers and ensure COVID-19 government support payments made to households were not included in household income
- **Staffing** – with travel options limited and a shift towards working from home for most staff, there has been less annual leave taken during the pandemic resulting in a greater balance of the leave provision being retained. In recognition of the achievements of our team in providing continued essential services, the Board authorised a ‘thank you’ payment for all staff which was taken either as an additional one week’s pay or leave, and
- **Planned activity** – COVID-19 meant some events and activities, including our annual Big Day Out, could not occur. This primarily impacted the activities of Customer and Communities and Learning and Development teams.

We have closely monitored debtors and cash through COVID-19 and proactively engaged with customers about hardship concerns to support them in sustaining their tenancy. This is reflected in tenant arrears maintaining, and in many cases improving, on pre COVID-19 levels.

Analysis and changes

SGCH early adopted two new accounting in standards in FY18/19 that impact results in FY19/20 and analysis of the prior year comparison.

AASB15 (Revenue) standard has resulted in:

- the immediate recognition of \$8.3 million in grants vested in FY18/19 that previously would have been deferred and recognised over a longer period of time
- derecognition of future revenue previously classified as deferred grants in the balance sheet. This resulted in excess of \$20 million in grants that previously would have been recognised as revenue over the next 20 years being reclassified to the opening balance of retained earnings, never to be recognised through the statement of profit and loss, and
- on a like-for-like basis, FY18/19 revenue would be \$8 million lower, and FY19/20 revenue would be \$1 million higher.

AASB16 (Leasing) standard resulted in the recognition of a new asset in the balance sheet, being the value to the business from the Right to Use various leased assets, plus an offsetting Lease Liability, and:

- in FY19/20, the fair value of the Right of Use Asset is \$87 million. In FY18/19 the fair value was \$85.8 million.
- in FY19/20 rental payments to landlords of \$18.4 million (FY18/19 \$17.5 million) was derecognised in the profit and loss and a similar amount of interest plus either fair value adjustment on Investment Properties or depreciation of Fixed Assets was taken up. This has an immaterial impact on the Surplus for the Year in both years, however it increased EBITDA by the entire amount compared to the reported result in FY17/18.

SGCH Sustainability Limited is a subsidiary of the SGCH Group established as an asset and debt holding special purpose vehicle in 2015. During the year, a \$210 million fully-drawn facility was put in place with NHFIC, to refinance loans to SGCH Sustainability. The lower interest rate attached to the NHFIC loan provides the Group with around \$40 million to be invested in growing our portfolio of social and affordable homes.

The cost of undertaking this refinancing included the (non-cash) write off of \$2.7million in unamortised borrowing costs from the CEFC facility and incurred a \$1.5 million break fee.

Also, in this financial year, the parent entity refinanced a \$10.2 million term loan from Commonwealth Bank with a \$15 million loan from NHFIC.

Revaluations

The relatively higher write down in SGCH Sustainability is mainly due to Cabramatta Avenue, Miller and Elizabeth Drive, Liverpool valuations changing from 'on-completion' estimates performed in early 2019 that do not fully reflect FY18/19 value reductions to 'gross realisation' in FY19/20. Units in South West Sydney have also suffered relatively greater market value reductions during COVID-19. See Figure 2.

By ensuring our strong financial performance, we are supporting the achievement of all aspects of our Strategic Plan. This year, we analysed active tenancies to assess the equivalent financial benefit provided to our customers through the sustainable, safe and affordable housing provided to almost 6,600 households.

Across the group, more than a 50 per cent discount to market rent is delivering a benefit of over \$14,800

per household in housing subsidy compared to market rents. Across all customers in our portfolio, this annualised equivalent financial benefit totals just over \$97 million. See Figure 3.

Figure 2

Entity	Balance before revaluation	Revaluation movement	Closing balance after revaluation	% Change
SGCH	\$54,140,000	(\$1,840,000)	\$52,300,000	-3.4%
Portfolio	\$538,563,937	(\$8,008,937)	\$530,555,000	-1.5%
Sustainability	\$146,211,342	(\$10,976,342)	\$135,235,000	-7.5%
Total	\$738,915,279	(\$20,825,279)	\$718,090,000	-2.8%

Figure 3

Based on June 2020	
Annualised average housing subsidy per household	Total
Number of properties	6,568
Weekly market rent	\$505
Weekly rent paid by tenants	\$160
Weekly Commonwealth Rent Assistance paid by tenants	\$60
Average total rent paid by tenants per week	\$220
Weekly subsidy provided	\$285
Subsidy %	56%
Average annualised subsidy per household	14,809
Annualised total subsidy \$'000	\$97,265

Partnering for impact

Over our 35-year history we have built strong Environmental, Social and Governance (ESG) credentials. With an increasing focus and embedding of ESG across all aspects of our business we build effective partnerships with organisations that are invested in and aligned with our purpose and principles to improve outcomes for our customers and communities. We choose to partner with organisations that understand and support our vision of 'great places for everyone'.



FY19/20 highlights:

Delivered 194 new sustainable and affordable homes with our finance partners

Repaid \$170 million debt facility with CEFC following refinance

Secured new NHFIC \$210 million facility

Sponsored international research and developed our capital strategy to support delivery of more homes

Clean Energy Finance Corporation

This year, we formally closed a \$170 million debt facility with the CEFC following the opportunity to refinance at a lower rate with the NHFIC.

Working with the CEFC has been transformational for SGCH. In 2015, we established the SGCH Sustainability subsidiary to work with the CEFC under a \$40 million pilot program. Together, we accelerated construction of 200 new energy efficient homes, providing affordable housing for key low-to-middle income city workers. This initiative was ground-breaking in demonstrating the potential for sustainable community housing.

With no sustainability requirements for social and affordable housing beyond satisfying the relevant minimum building code requirements, SGCH worked with the CEFC to embark on sustainability features to deliver energy-efficient designed buildings with a reduced carbon footprint. We embedded sustainability features over and above requirements to meet sustainability targets and reduce energy costs for our tenants.

SGCH Sustainability built new dwellings to the industry best practice of a minimum 4-star Green Star rating for units under the Green Building Council of Australia's scheme, and/or a 7-star average rating for townhouses and duplexes under the Nationwide House Energy Rating Scheme (NatHERS). Together we also invested in upgrading existing properties across the portfolio with energy efficient appliances and other energy saving measures.

Building on the success of early SGCH projects – such as the 39 unit, four-storey apartment block in Lawrence Street, Peakhurst in 2017 – the CEFC was involved in SGCH's bid to participate in the NSW Government SAHF, Phase 1. In this successful bid, SGCH committed to deliver an additional 300 new homes with an increased debt facility from the CEFC of up to \$170 million.



Lawrence Street, Peakhurst.

In five years of working together, SGCH has used the CEFC investment to:

- develop a portfolio of new homes to an average minimum of 7 stars under the Nationwide House Energy Rating System (NatHERS)
- increase home comfort through energy efficient heating and cooling, and
- improve sustainability in existing properties through retrofitting.

In terms of benefits to customers, the investment offers:

- increased thermal comfort
- increased energy efficiency and renewable energy technologies, and
- reduced electricity and gas bills.

For SGCH as the asset owner and manager, the benefits include:

- reduced energy demands in common areas
- improved reputation and acknowledgment of sustainable community housing, and
- reduced ongoing maintenance costs.

“Our investment in SGCH has demonstrated that the inclusion of clean energy technologies produces homes that are more comfortable and energy efficient, with lower power bills and fewer carbon emissions,”

Ian Learmonth, CEFC CEO

CEFC CEO, Ian Learmonth, said it had been a pleasure to work alongside SGCH to deliver more sustainable housing.

“Our investment in SGCH has demonstrated that the inclusion of clean energy technologies produces homes that are more comfortable and energy efficient, with lower power bills and fewer carbon emissions,” Mr Learmonth said.

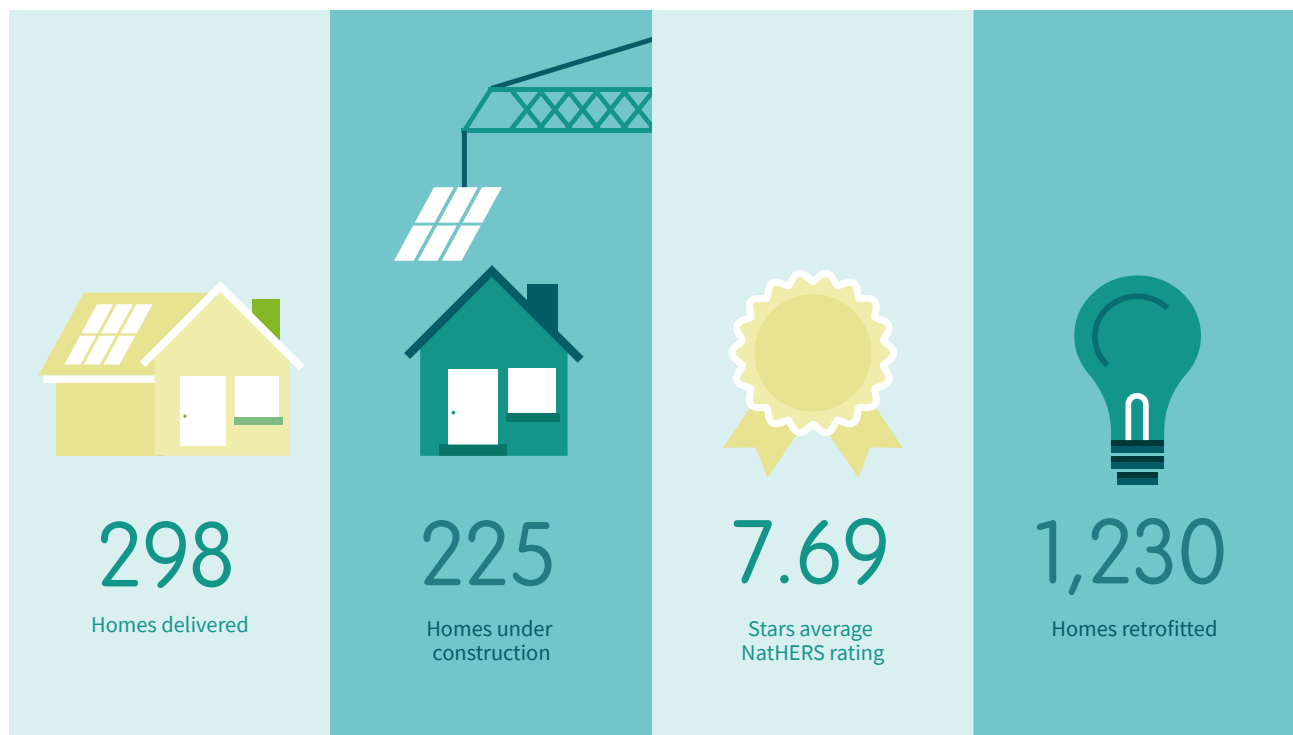
“By investing a portion of the CEFC capital in energy efficiency and renewable energy initiatives, SGCH has helped build high-performance homes that save tenants approximately \$500 a year on bills at current energy prices.

“We are delighted that SGCH intends to draw on this successful experience with the CEFC to continue building

homes to a higher sustainability standard, an exciting demonstration that sustainable housing benefits both community housing owners and their tenants.”

SGCH Group CEO Scott Langford said “Our relationship with the CEFC has been foundational in innovating the approach to financing, delivering and operating safe, sustainable homes. Our commitment to better outcomes through the enhanced environmental performance of our buildings is now part of our approach across all of our work. Since 2015, together we have put keys in the hands of 298 households and upgraded 1,230 homes through retrofitting energy efficient features. We are grateful for everything we have achieved together for the individuals and communities we serve.”

Summary of achievements through SGCH’s existing financial relationship with the CEFC to June 2020:



“The SGCH deal was significant not only in terms of scale but sophistication. This was the first time NHFIC has been lending against the cash flows of the project rather than the underlying security.”

Nathan Dal Bon, NHFIC CEO

National Housing Finance and Investment Corporation

On 24 June 2020, NHFIC issued the largest social bond by an Australian issuer of \$562 million. SGCH secured the largest loan to benefit from the bond, with a \$210 million debt facility. This builds on an existing \$15 million secured in August 2019.

NHFIC operates the Affordable Housing Bond Aggregator (AHBA) to provide loans to registered community housing providers, financed by the issue of bonds on the Australian wholesale capital market.

This loan to SGCH is the largest NHFIC has made to a community housing provider to date and brings the combined facilities of SGCH Group to \$450 million (\$225 million with NHFIC, \$225 million with CBA). The existing SGCH Sustainability portfolio and two projects under construction at 11 Gibbons Street, Redfern and Ironbark Avenue, Casula are now financed through this facility.

The NHFIC debt facility is highly efficient and expected to save SGCH Group \$40 million over the term of the facility, an amount we will invest into hundreds of new homes by leveraging our operating and development capabilities and through further capital partnerships.

NHFIC CEO Nathan Dal Bon said, “The SGCH deal was significant not only in terms of scale but sophistication. This was the first time NHFIC has been lending against the cash flows of the project rather than the underlying security.”

The bond provided a fixed rate of 2.06 per cent for 12-year interest only loans. The \$210 million facility with NHFIC refinanced the subsidiary SGCH Sustainability from CEFC and through the efficiencies gained and deal structure, we can realise our corporate group strategy to attract greater volumes of private investment to fund social and affordable housing infrastructure.



NHFIC CEO Nathan Dal Bon and SGCH Group CEO Scott Langford at Gibbons Street, Redfern.

Commonwealth Bank of Australia

SGCH subsidiary SGCH Portfolio has a \$225 million debt facility with Commonwealth Bank of Australia (CBA) which is delivering 545 homes. Originally with Westpac in 2014, SGCH Portfolio was established as a special purpose vehicle to fund the development of our leveraging commitment to build 285 new social and affordable homes following the National Building Economic Stimulus Program. This was refinanced with a new agreement with CBA in 2018 with \$110 million in debt finance, and further expanded with an additional \$115 million in 2019 to back our successful bid in SAHF Phase 2 to deliver an additional 260 new homes.

In the past financial year, the CBA financing has seen the completion of 74 new homes across 2 sites to a combined project cost of \$30 million. The Foyer Central, Chippendale and Flowerdale Road, Liverpool projects are under construction.

Capital strategy

Investors are looking for partners they trust to generate sustainable returns while also managing risk. With a focus on ESG principles, we have a demonstrated ability to work with a range of partners to deliver strong economic, environmental and social outcomes for communities through affordable housing.

Over the past year we have invested in research through the International Housing Partnership, sponsoring the

‘Creation of a Global Asset Class for Affordable Housing’ scoping paper and market soundings conducted with Paxon Group. We continue to engage with expertise to inform the development of our capital strategy and a range of structures that are suitable to different investors with a common purpose and values.

We understand that solving the challenges of our housing system requires both public and private participation, and requires the innovation and ideas of different industries.

We see our role as being a crucial partner with the capability, expertise and vision to draw in a range of complementary organisations to achieve change and improve outcomes for individuals and communities. Increasingly, social and affordable housing is recognised as an investment class offering the benefits of low-volatility, long-term demand and the assurance of being highly regulated. With the shock of COVID-19 causing market volatility, investors have come to appreciate the stable economic return and incredibly high social return available from this emerging global asset class.

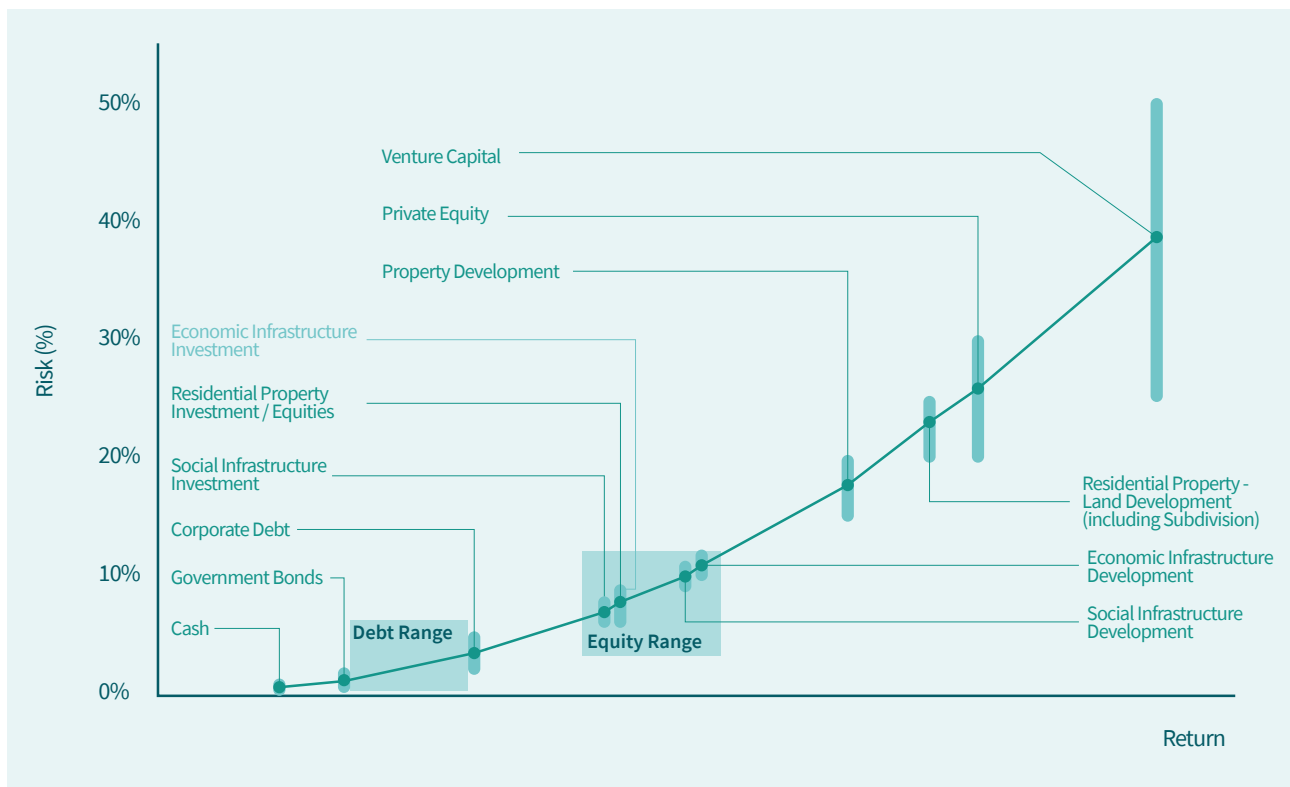
Social and affordable housing has characteristics similar to several adjacent asset classes – principally residential property, social infrastructure and economic infrastructure. The sector generally has a lower vacancy and risk profile compared to residential property, resulting in the risk and return

characteristics being more closely aligned to social and economic infrastructure classes.

SGCH seeks to work with values-aligned partners to leverage our capability and expertise to deliver more sustainable, safe and affordable housing for people in need like Trevor and Veronica (see page 76). Our aim is to:

- unlock land owned by governments or aligned partners for affordable housing in the right locations. To access this land, we use available planning and tax concessions to maximise value through the delivery of affordable housing as stand-alone assets or as part of larger developments
- manage development risk and create construction and whole-of-life operational efficiencies. To do this we use our expert in-house development team to drive long-term value for money through design and construction and the adoption of innovative procurement practices
- deliver efficiencies in operations and maintenance through our growing scale and concentration in Sydney, using our proven capability to optimise operating phase efficiencies, and
- create innovative financing structures that utilise efficient access to capital, priced to reflect the steady returns and low volatility of social and economic infrastructure.

Affordable housing asset class spectrum



Trevor's story



Trevor enjoys his sunny, private balcony.

Brother and sister, Trevor and Veronica, had been living in a private rental in Liverpool. It was their second home in as many years and when Trevor's health declined, they decided that they needed somewhere more stable and secure to live.

As their previous ground-floor flat had been broken into twice, safety and security was their primary concern in looking for a new home.

"As soon as I saw the security intercom, the safe doors and the lift up to the first floor, I was in. I honestly didn't care about the unit after that," said Veronica.

After moving into SGCH's new development at Willan Drive in Cartwright, Veronica believes that Trevor's health has improved. They have also had modifications made to the bathroom so that the community nursing service can help out in caring for Trevor.

"It's a lovely sunny place. When you're home all day that's important. It's easy for Trev to get out onto the balcony for some sun and fresh air," Veronica said.

Reputation



Group CEO Scott Langford interviewed by 10 News First about SAHF milestone.

Our Corporate Affairs and Communication team is responsible for managing reputation and supporting the organisation with partnerships that position, promote and protect SGCH.

Through advocacy and engagement with key stakeholders including the media, government and community, SGCH showcases its experience and expertise to achieve outcomes for the people we serve.



FY19/20 highlights:

Successful media coverage of key project announcements with Lendlease, Clean Energy Finance Corporation, City of Sydney, Uniting, Social Ventures Australia, National Housing Finance Investment Corporation, Department of Communities and Justice, NSW Land and Housing Corporation.

Communications campaign responding to Homelessness and COVID-19 launched with Northern Region partners Bridge Housing and Link Housing.

Advocacy on rental support and no evictions during COVID-19.

CEO opinion pieces published about social infrastructure, institutional investment, COVID-19 eviction moratorium, response to HomeBuilder.

Submissions to NSW Department of Planning, Industry and Environment's Housing Strategy for NSW, contributions to Local Government and housing peak body Affordable Housing strategies, and Australian Prudential Regulation Authority.



Stakeholder research findings

In 2018, SGCH engaged independent research firm, Inside Story, to conduct our first corporate reputation research with key stakeholders. Centred around views about our profile, corporate capability and responsibility, persona and outcomes; the results indicate that SGCH performs at the top of the corporate reputation index.

Key findings using the Inside Reputation Index's scale of -5 to +5 included:

- 3.7 - Overall reputation
- 4.3 - Reputation amongst partners
- 3.1 - Strong and effective branding
- 4.3 - A leader in its field
- 4.3 - Concerned about health and wellbeing of tenants and communities
- 4.2 - An authentic genuine organisation.

We used insights from this research to inform the 2019 strategic planning process, incorporating feedback to identify areas for improvement. As a key measure, we had planned to commission corporate reputation research bi-annually to track our progress and areas for improvement. Slated to commence in the second quarter of 2020, the pandemic shifted resources and priorities, delaying plans for research for now.

Audit and risk management

Our approach recognises the nature and level of risk we are willing to accept to achieve our strategic outcomes and drivers of success. It focuses on strategic alignment to guide informed and consistent decisions, appropriate resources, clear and transparent understanding of risks – creating a positive risk culture with awareness and accountability.



FY19 /20 highlights:

Continued alignment to ISO 31000:2018

Risk Management Framework approved

Risk Appetite reviewed within context of COVID-19

During the year SGCH reviewed our risk management framework to ensure it continues to align to ISO 31000:2018 and builds on the strong risk management culture across the Group.

The Board-approved Risk Management Framework comprises the Group Risk Policy, Risk Procedures, Risk Appetite statements, reporting requirements, and sets out the role of the Internal Audit and Risk Team in providing assurance, facilitating training and providing advice to business units.

In addition to reviewing the Risk Management Framework, the Board revised the Risk Appetite statements, taking a more granular approach to define risk and resourcing appetites across a number of domains in the uncertain operating environment caused by the impacts of COVID-19.

Working with the Audit and Risk Committee, (which considers key risk areas of financial reporting, compliance with laws and regulations) and with the Work Health Safety and Environment Committee, our risk management approach in the past year had a two-pronged approach to address how we are tracking against longer-term plans and how we are managing COVID-19.

Achievements in this area included:



15 risk management training sessions to over 200 staff



12 risk reports



4 updates to the SGCH risk register

Business transformation

SGCH is committed to continuously improving our effectiveness and efficiency in order to better serve our customers. Asking 'is there a better way?' underpins our approach to innovation and transforming how we deliver our services.



FY19/20 highlights:

Several internal projects enhancing systems and performance

Aligned our technology strategy to the Strategic Plan 2019-2024

Strengthened our cyber security posture

In the past year we have delivered a number of projects that have strengthened our systems, ensuring they are fit for future. These included:

- upgrading our enterprise resource planning, OneHousing, to the cloud to improve security and performance, and be ready to be scaled up
- improving finance and payroll systems for better integration
- upgrading our asset management systems

- completing a research project to inform a customer-centric approach to organisational design, and
- establishing a new approach to data governance.

As a key measure of success, 75 per cent of projects were completed on time, on budget, and to the planned specification and benefits.

Project Next

After managing significant periods of growth over the past decade, in FY19/20 SGCH scaled up to meet the needs of 11,500 customers. Following the transfer of an additional 1,400 tenancies in the Northern Region in April 2019, and with a new Strategic Plan in place, it was time to review our current practices and anticipate future requirements. Project Next was a multi-disciplinary project to assess and inform our approach culture, role design, organisational structure, technology, communications and processes.

The research was completed in March 2020, during the early stages of adapting to COVID-19. As Directors considered the outputs of Project Next while simultaneously focusing on our response to COVID-19 and reviewing our strategic priorities, there was agreement to focus resources on core, fundamental systems to improve efficiency and

customer outcomes. In particular, we will explore how technology will support these organisational priorities.

Technology

Information technology plays a key role in supporting SGCH as a leading business with the power to transform how we deliver and support our customers and teams through systems and processes that are fit for today and scalable tomorrow.

This year we refined our strategic approach to support the organisation through:

- a cost-efficient operating model
- tailoring solutions to meet needs
- actively managing the organisations assets, and
- providing business insights.

In response to COVID-19, we further embraced technology to open up new and better ways to collaborate and engage. The rapid shift to new ways of working in the midst of uncertainty also created some challenges. Functions that had never had the experience of working from home were supported by our leadership team in the shift to a new normal. We necessarily increased our focus on cyber security as we relied on connecting through video tools such as Zoom and online collaboration platforms.

Cyber security

SGCH dedicates significant resourcing to protect our systems and information to keep our customers, team and organisation safe and secure. With the shift to working from home amongst many businesses in response to COVID-19, there was a global increase in malicious cyber activity.

Our cyber security strategy sets the direction for managing responses to cyber security challenges to protect SGCH from threats to its information and information services. It also provides direction to our technology and business units. Our approach takes a broad perspective in recognition that cyber security

requires a mix of controls across governance processes, management processes and operational procedures.

The SGCH Way

Across SGCH we run an operating rhythm called 'The SGCH Way'. We keep track of weekly tasks using a visual management board (VMB), and hold regular huddles and stand up team meetings to track progress. All teams run their VMB and huddle in a way tailored to their requirements.

After they began working from home in March because of COVID-19, SGCH's Development and Construction team adapted using technology.

Head of Development and Construction, Gareth Williams, said "Though unexpected, the way we've had to adapt to keep things running in a different way has been great. Using Zoom to host the huddle and Microsoft Teams for our VMB has brought benefits to how we run things and the changes allow us to check in from anywhere. Previously if we had someone travelling to a meeting or out onsite, they would miss the huddle. Now people are able to connect in from anywhere. We can all jump into the digital VMB and make updates on project progress anytime from anywhere, including live updates during the huddle. No matter what happens as we navigate COVID-19, we'll keep the benefits of this way of doing things."

Pre-Covid-19

The team would physically gather in front of the Visual Management Board (a physical whiteboard) which was updated before the huddle and displayed on a wall.



Since Covid-19

The same team members connected via Zoom from any location. A digital tracker was created and shared on screen with the ability to add live updates.



4

High performing culture



SGCH's strategic outcome to develop and grow a high performing culture is articulated in our culture statement – deliver together with passion and purpose. This sentiment is underpinned by our organisational values and behaviours.



Success Drivers

A focus on safety and wellbeing

Consistently aligned behaviours

Commercial acumen

Building capability through learning and development

Providing clear accountabilities

Managing talent to attract and retain great people

Driving and embracing change together



Key Measures

Safety

Employee Engagement



2019/2020 Highlights

Achieved gender balance target (40:40:20) at board level

86% of team members are satisfied with SGCH as a place to work

96% staff agree they have good communication with co-workers

95% staff agree keeping high levels of health and safety is a priority of this organisation

107 staff courses with 2,923 enrolments

814 recognitions for team members



Culture

Deliver together with passion and purpose



Values

Innovation

Support

Accountability

Respect

Integrity



Vital Behaviours

I do what I say I will

I speak up

I ask is there a better way

I make mindful requests

Our culture



“We were honoured to be recognised as an Employer of Choice this year. SGCH possesses the characteristics of a well-managed, high-performing, industry leading organisation that provides a stimulating and supportive workplace. This is an absolute testament of our high performing culture.”

Suellen McCaffrey, General Manager,
People and Group Services

Employer of Choice 2020

SGCH has been selected as an Employer of Choice in The Australian Business Awards 2020. The award recognises achievements across the key areas of Organisational Culture and Leadership; Employee Education, Training and Development; Employee Health, Safety and Satisfaction; Performance Management; Recognition and Remuneration.

“We were honoured to be recognised as an Employer of Choice this year. SGCH possesses the characteristics of a well-managed, high-performing, industry leading organisation that provides a stimulating and supportive workplace. This is an absolute testament of our high performing culture.” General Manager, People and Group Services, Suellen McCaffrey.

Our leadership journey

SGCH has invested in the ongoing development of leadership capability which is essential to driving a high-performance culture within the organisation.

The 2020 program has focused on the following areas:

- building change leadership capability as we lead our people through business transformation
- developing self-awareness and leadership behaviours to create the space and conditions for teams to thrive
- developing solutions-based coaching skills so that we can support our people to do their best work, and
- embedding the conversational practices required to coordinate action and a customer centric culture.

Through the previous ‘Growing our Culture’ program in 2019, our broader leadership team of over 50 people collectively agreed on practices and standards required to coordinate work streams across the organisation and deliver a consistent, quality customer experience. We identified four vital behaviours that would make the biggest difference to how we work together better. They are:

I do what I say I will

I speak up

I ask is there a better way

I make mindful requests



Organisational values

Our vision includes a great place to work for our team and recognises that our people and culture are our greatest strength. Providing a solid foundation and common understanding of expectations and behaviours, our core values are:

Innovation

being flexible and receptive to exploring new and better ways of doing things to best serve our customers.

Support

a business environment that is caring and provides support and encouragement to everyone involved in managing, delivering and using our services.

Accountability

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 the unique contribution of our staff and partners, and for customers, whatever their circumstances, as well as willingness to listen to and gain understanding of others.

Integrity

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

Our People and Culture Strategy supports all aspects of employee engagement and is designed to:

- support the delivery of our Strategic Plan
- create a high-performance culture to attract, engage, reward and retain a diverse and high-performing team who are aligned with our purpose and able to work collaboratively
- ensure our values are embedded in everything we do and are understood as critical for our ongoing success
- develop and grow leadership and technical capability to deliver continued growth and change, and
- ensure best practice, fairness and transparency in policies, processes and practices.

At SGCH, we aim to create an experience for our team members based on the following themes:

- the opportunity to make an impact
- alignment to reach our potential, and
- support to balance and achieve.

Learning and development

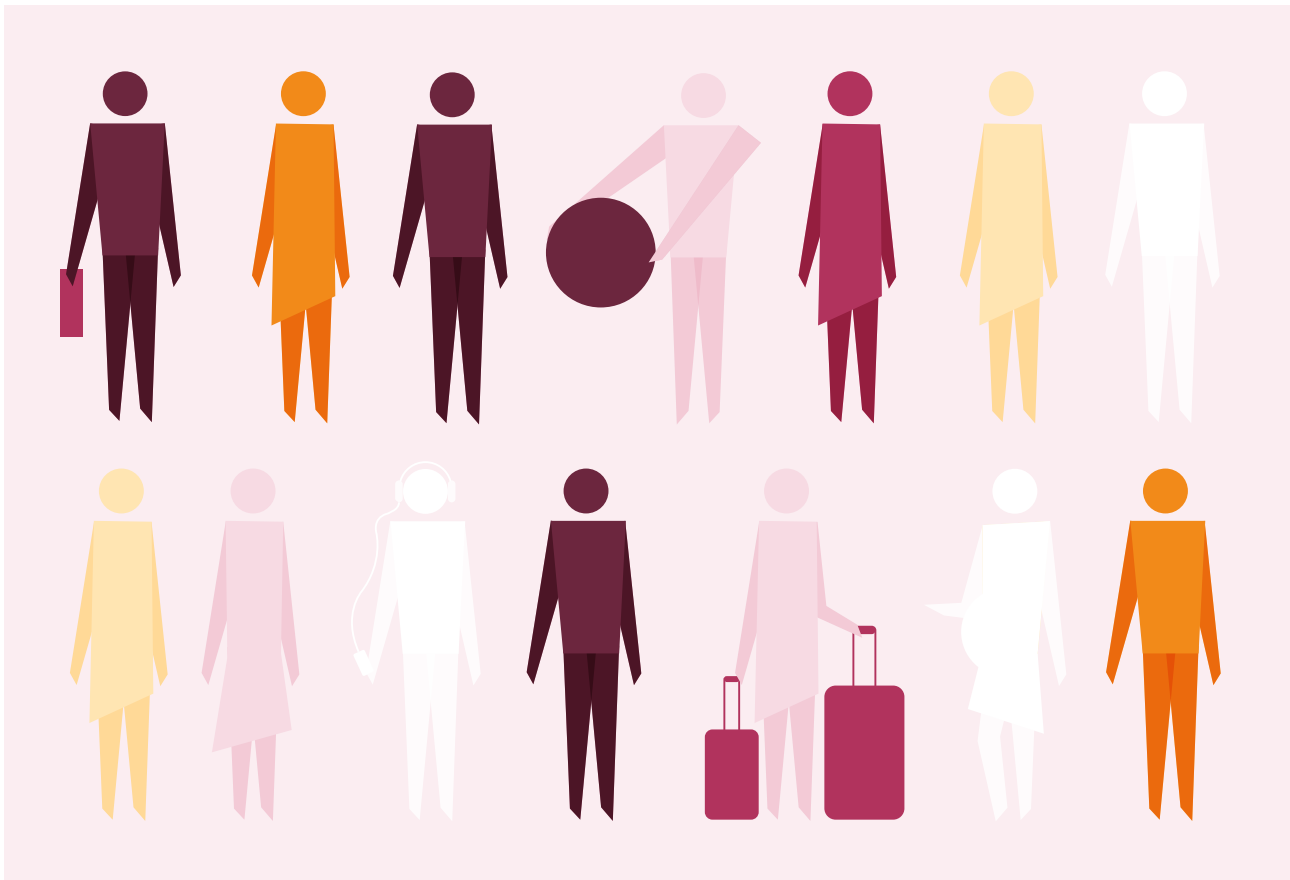
SGCH's focus on learning and development extends across a range of opportunities for our team. Although COVID-19 disrupted some planned face-to-face delivery, our online learning management system, Apollo, enabled team members to manage their own learning journey through flexible eLearning options. The on-demand nature of the training allows SGCH to equip team members with the relevant knowledge and skill mix when it is needed, whether it is for induction, promotion or changes in roles. We continue to focus on developing new and customised content and eLearning modules using in-house capability and expertise.

Apollo snapshot

In the past year SGCH has offered 107 staff training sessions with 2,923 enrolments. The variety of courses offered range from Work Health and Safety, Byala (Aboriginal Cultural Competency) and Cyber Security as well as Health and Well-being courses including yoga.

Team members can also reward and recognise their colleagues through Apollo. In the past year, 814 team recognitions have been given including:

- 548 thank yous
- 63 shout outs
- 203 manager appreciations



Strengths based development

Using the Gallup CliftonStrengths tool, SGCH adopts a leading approach to foster the individual and team potential of our staff. Based on positive psychology, the tool helps identify natural talent areas and explains the unique ways a person accomplishes goals by building relationships, thinking strategically, executing plans and influencing others.

Our leaders are also encouraged to have meaningful conversations with their team about how they can use their CliftonStrengths to succeed.

Gallup research suggests that people who know and use their CliftonStrengths are more engaged, productive, happier and healthier at work. Consistent with this research, feedback about the CliftonStrengths approach has been very positive with team members indicating they feel empowered to perform better by focusing on what they naturally do best.



SGCH is required to provide a report to the Workplace Gender Equality Agency (WGEA). For the 1 April 2019 to 31 March 2020 reporting period we:

Employed 150 female and 64 male staff (including Directors)

Promoted 5 females and 1 male

Appointed 43 females and 9 males

Achieved gender balance at Board level

Safety

SGCH's commitment to safety recognises the role and responsibilities we have as an organisation to our customers, team, contractors and partners. Having a safety culture embedded across the organisation helped us to prepare and activate responses to the COVID-19 pandemic.



FY19/20 highlights:

Comprehensive and ongoing response to the pandemic

Safety audit – compliant with WSE Act and regulations

Risk register established for the sector to mitigate and manage aggressive behaviour

COVID-19 response

SGCH's early response to COVID-19 included preparing a work, health and safety (WHS) approach that was based on our Risk Management Framework and linked to our Disaster Management Plan. Initial planning focused on how to respond if a SGCH customer or team member presented as positive after returning from an overseas hotspot. In March, the COVID-19 risk escalated across NSW and we activated our Disaster

Management Plan with our Executive Management Team (EMT) forming the Response Team. The EMT met daily to plan, coordinate and execute our response to the crisis and government restrictions with a focus on ensuring the safety and wellbeing of our customers, team and contractors. Taking physical safety and mental wellbeing into consideration, WHS response included the following:

For customers we:

- provided regular communication and public health information;
- identified vulnerable tenants to be called for a check-in and provided support as needed
- adapted to conduct sign-ups and property viewings with minimal contact
- increased cleaning frequency in many of our high-rise buildings, and
- established new processes to respond to self-isolating households.

For our team we:

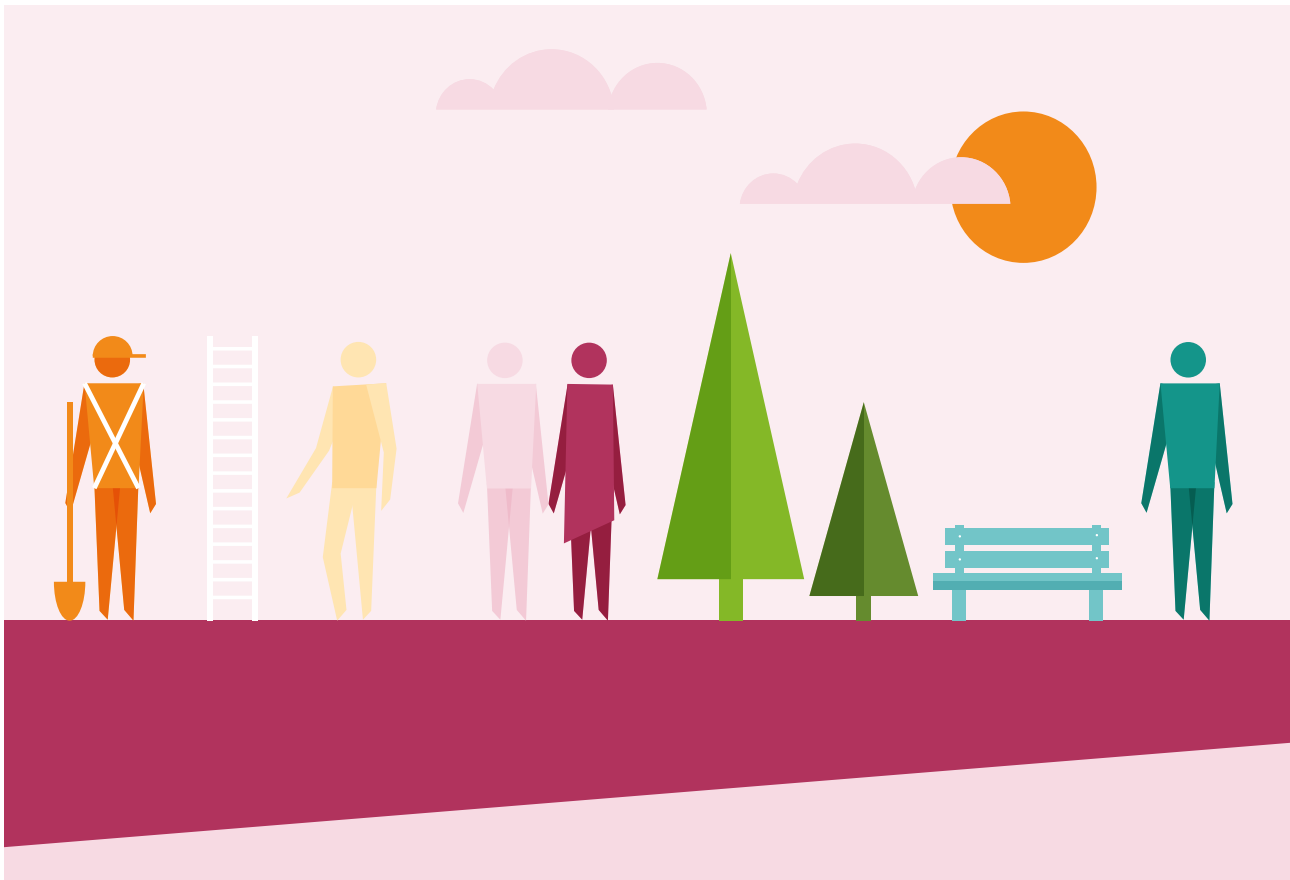
- provided regular communication, public health information and an Employee Assistance Program for support
- developed a Safe Work Method Statement (SWMS) for visiting properties with a focus on risk assessment, social distancing and use of Personal Protective Equipment (PPE)

- adapted our offices to reduce the risk of transmission and comply with the NSW Government's COVID Safe guidelines
- shifted to A/B teams alternating working from the office one week and home the next to ensure continuity of customer service, and
- offered an additional 10 days of special leave to staff.

For our contractors we:

- worked in consultation to ensure adequate response plans were in place, with agreed social distancing protocols and PPE
- shared our response plan and updated practices for visiting properties
- reviewed their Safe Work Method Statements and maintained regular communication to understand changing requirements
- developed a process and alert memo system to advise of positive cases or self-isolating household members, and
- maintained communication with all stakeholders about our proactive, responsive and considered approach to service delivery.

We continue to manage our ongoing organisational response to COVID-19 through the SGCH Resilience Coordination Committee.



Safety audit

In December 2019, Safety Australia Group was engaged to conduct an audit of SGCH Group's compliance with Work Health and Safety Act and Regulations.

As part of the 2019 internal audit plan, the review of our Safety Management System specifically addressed:

- officer due diligence
- contractor management, and
- the use of proactive strategies to manage client interactions.

Safety Australia found that SGCH was compliant with WHS laws and regulations. All findings by the auditor were considered low risk.

Industry collaboration to support staff safety

As social housing has become more residualised and allocated to those in greatest need, SGCH's portfolio is increasingly catering to customers with complex needs. We are mindful of the anxiety and uncertainty caused by COVID-19 to our most vulnerable customers. We are focused on sustaining tenancies and providing coordinated support to improve outcomes for individuals and strengthen the communities we serve.

Catering to complex needs comes with the recognition that our team members can encounter aggressive behaviour from some of customers. However, despite our growing portfolio, the number of reported incidents involving aggressive behaviour has remained steady at around 20 occurrences per year.

Staff safety in dealing with aggressive behaviour has been recognised as a sector-wide issue at the PowerHousing Communities of Practice – a forum for sharing experiences and strategies amongst community housing organisations. Within the Risk and Compliance Community of Practice, SGCH has taken a lead role in developing a risk register for the sector. The register includes a list of all the controls and strategies various organisations are implementing to mitigate and manage the risk of aggressive behaviour towards employees.

In adopting a holistic approach to supporting our customers and team members, we have implemented a range of initiatives to help our team members report incidents, effectively manage behaviours, and promote a culture of resilience and wellbeing.

Employee engagement

Our team culture has the most impact upon our ability to achieve our Strategic Plan. We measure employee engagement through the Gallup Q12® Employee Engagement Survey which identifies 12 core elements linked to key business outcomes and performance.

We aim to increase our Gallup Engagement score each year and since first implementing this key measure in 2017, our score has steadily increased. This year, we recorded an increase with a result of 4.14.

In the latest results for 2020, our Q12® Grand Mean score was 4.14 out of 5. This is a slight increase from 4.11 (2019) and moves our percentile rank in Gallup's 2020 Q12® Global Workgroup Database from the 54th percentile to the 56th percentile.

In the context of the challenges presented by COVID-19, the positive increase measured in the Gallup Q12® reinforces our strong culture and focus on engagement.

87 per cent of respondents agree the mission and purpose of our organisation makes them feel their job is important, demonstrating the strong connection between our team and our vision. 87 per cent of our team also agree they are cared for in the work environment. On the foundational elements of employee engagement we have made strong gains with the following results:

- I know what is expected of me at work 4.50 (4.38 in 2019), and
- I have the materials and equipment I need to do my work right 4.35 (4.12 in 2019).

Engagement is not just about measuring numbers - it is about the insight offered and what the numbers raise in terms of driving meaningful conversation within SGCH. Next steps in the cycle include detailed team sessions and workshops to share results and agree improvement actions. See Figure 4.

Figure 4
Team data including the Gallup Q12® Employee Engagement Survey data (2017-2020)

	2017	2018	2019	2020
Staff retention	–	87.01%	91.76%	91.42%
Employees	163	178	202	205
Female	70%	67%	67%	69%
Male	30%	32%	32%	30%
Other	–	1%	1%	1%
Gallup Q12 Grand Mean score	3.72	3.92	4.11	4.14
Team members satisfied with SGCH as a place to work	67%	72%	84%	86%

“This required a shift to how we managed diaries to ensure a seamless process for our customers, we made sure there was good documentation so anyone in Team A or Team B could assist. Everyone was kept up to date, they knew where the paperwork was, knew who was coming in, we set it up so everyone could jump in to help a customer. Being on the ground and helping getting customers into their new homes was really great.”

Rachel Nobile, Head of Western Region

Supporting our team through COVID-19

COVID-19 has highlighted how the foundation of a strong culture has enabled our team to adapt and be resilient during a crisis. This has been the result of years of work that have gone into developing our values, leadership and core behaviours.

With a different approach required by individual teams to support our customers, flexibility and collaboration were vital. As face-to-face interactions changed and incidental conversations in the office evaporated, the way we communicated changed. The need for empathy and understanding towards individual and team perspectives was front of mind for our leadership team.

Throughout the pandemic, the Customers and Communities team had to safely conduct visits to units, sign people up on leases and hand over keys. Head of Western Region, Rachel Nobile, said “This required

a shift to how we managed diaries to ensure a seamless process for our customers, we made sure there was good documentation so anyone in Team A or Team B could assist. Everyone was kept up to date, they knew where the paperwork was, knew who was coming in, we set it up so everyone could jump in to help a customer. Being on the ground and helping getting customers into their new homes was really great.”

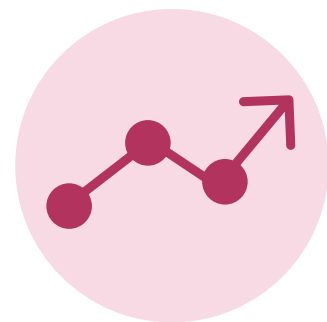
In May 2020 we conducted a survey with leading engagement survey provider, the Voice Project, to measure:

- **Wellbeing measures** – the emotional wellbeing, stress levels and sense of safety amongst staff. On this measure, we achieved a 76 per cent favourable response.
- **Progress measures** – gauging staff perceptions of the organisation’s performance and continuity. On this measure, we scored a 91 per cent favourable response.

The Voice Project staff engagement survey results:



Wellbeing 76%



Progress 91%

Supporting new ways of working for our teams



SGCH team members meet through video conference.

Frontline staff in our Customer and Communities team split into A and B teams during COVID-19 – working alternate weeks between home and the office – to minimise the risk of infection and ensure business continuity.

SGCH Regional Heads of departments have focused on acknowledging the way their teams are responding to change in order to support them and their customers.

Reflecting on how the team are adjusting to the changes, Rachel Nobile, Head of SGCH's Western Region (Bonnyrigg) office said, "With everyone split into team A or B it's

the personal interaction of seeing all your team in the office, having lunch together, having meetings together that we miss. You feel the difference when everyone isn't there together.

"We are using the team huddles to make sure communications to staff are understood and everyone is up-to-date. We're taking time to elaborate more on the reasons why we have made a change or there is a new requirement, especially in the Bonnyrigg office where there were COVID-19 hotspots nearby. We've used the huddle as an opportunity to talk through any changes because a lot can happen in the week you are working at home. With the split teams it's also about thinking ahead with planning. For example, when a senior team member took annual leave we planned ahead so that our General

Manager worked out of the Bonnyrigg office to support the team. It was just extra reassurance and support," Rachel said.

Daniel Conway, Head of Northern Region (St Leonards) office, also highlighted some surprises saying, "I think it's been unique in that we get to have the best of both worlds alternating being in the office and then working from home. There was a notion that there would be less control when people weren't in the office, but the new arrangement has actually fostered more co-leadership and brought more of an amalgamated approach.

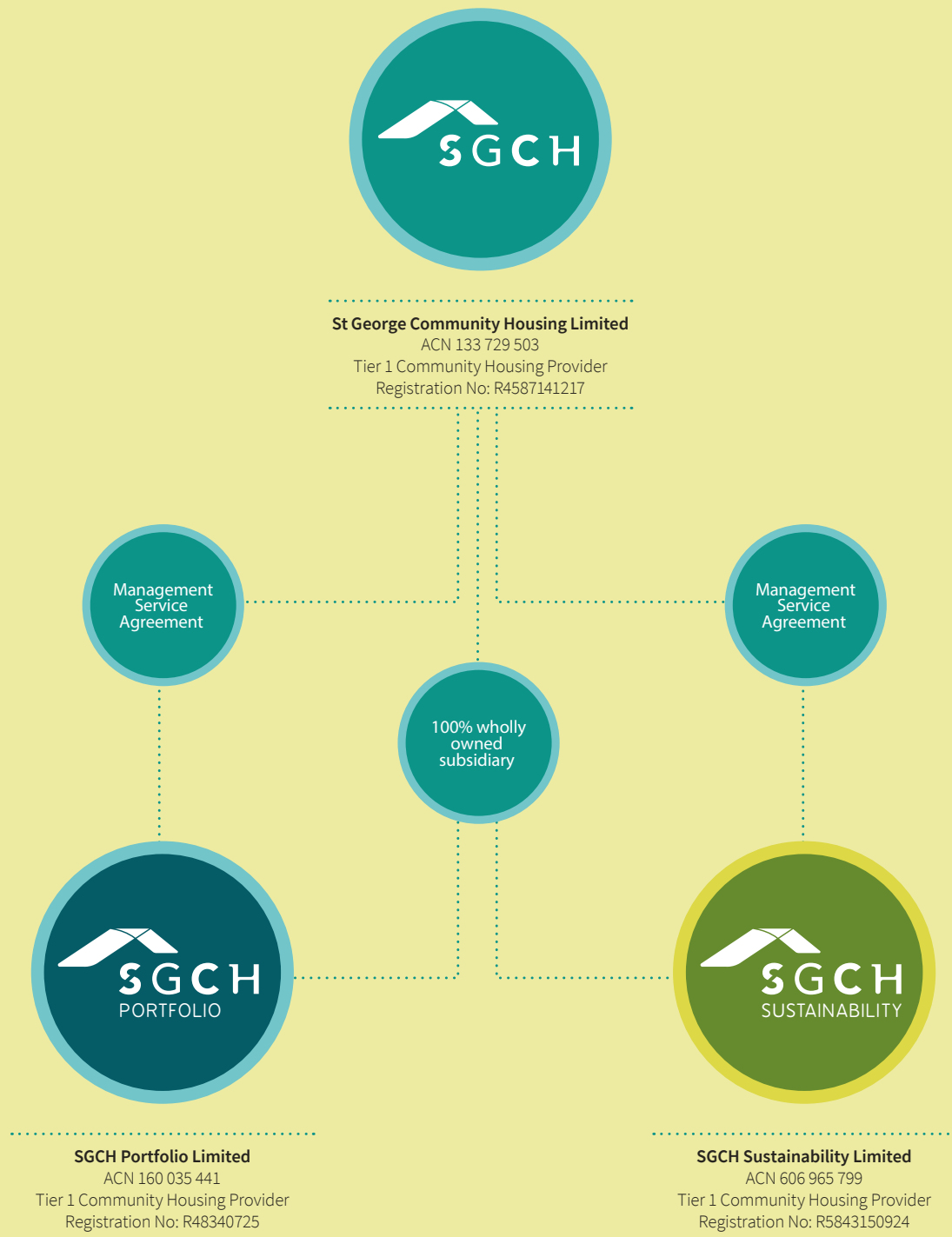
"I have been continually reiterating the need for support and trying my best to keep communications at the forefront. It is a conversation we are having and people feel safe to bring it up," Daniel said.

5

Governance



Group structure



Acknowledgement of outgoing Chair, David Thrift

With immense gratitude we farewell outgoing SGCH Group Chair, David Thrift. After 11 years' service to SGCH as a Director, including three years as Chair, David handed over as Group Chair to Annette Gallard at the June 2020 Board meeting prior to his retirement at the 2020 Annual General Meeting in November.

With highly honed financial management skills and a wealth of business acumen, David was a welcome addition to the SGCH Board and his legacy will be enduring. At the time he joined the Board, SGCH had just tendered for the Nation Building Economic Stimulus Plan's Social Housing Initiative, which subsequently saw our business effectively double in a year.

David's financial expertise, risk and credit management skills helped the SGCH Board explore opportunities to leverage off the assets vested to us by NSW Government in 2009. David was also instrumental in the organisation's ability to secure debt financing facilities, including \$225 million from CBA, to create more than 700 new homes in our portfolio.

A competent and confident non-Executive Director, David is proud of his role in developing a high-performing Board and executive team, creating excellent relationships with the CEO and the broader leadership team.

"Being a part of building a highly skilled Board has been a great privilege. SGCH is a fantastic organisation with an industry-leading



David Thrift, second from left with (L-R) Sherryn Moltzen, Sydney North Health Network, The Hon. Gareth Ward, MP, Minister for Families, Communities and Disability Services, Felicity Wilson, MP and SGCH Group CEO Scott Langford.

team – we are well positioned to continue deliver,” David said in his farewell speech.

Over the past 18 months, David worked with his colleagues on the Board and the SGCH executive to formulate the Strategic Plan 2019-2024 and strengthen governance practices. The process included an extensive review process with a range of SGCH stakeholders that has helped craft our vision for the future.

“I’ve had the privilege of working with a strong and cohesive Board that has overseen a clear strategy and helped to develop a sector-leading executive team, led by an energetic and visionary CEO. My fellow Directors have also been deeply committed to the highest standards of governance and maintained a culture of continuous improvement focused on being good stewards of the resources

entrusted to us now and into the future,” David said.

Sharing his confidence in the SGCH Board’s future ability to drive the organisation’s purpose and responsible stewardship of our resources, David added, “I’m delighted that Annette has stepped into the role of Group Chair. With decades of experience working in the community and housing sectors at a senior government executive level, Annette has a deep passion for customer outcomes, and a great understanding of the drivers for a successful community housing business. Annette is also an experienced non-Executive Director and she is ideally positioned to help steer the Board so that SGCH continues to embrace the challenges and opportunities that will help to deliver more opportunities for more people.”

Acknowledgement of retiring Director, Graham Millett

Long serving Director Graham Millett will retire at the 2020 Annual General Meeting.

Graham was first involved with SGCH in 2008 when he was lecturing at Macquarie Graduate School of Management. Graham joined the Board of SGCH as the organisation was receiving ownership of a significant tranche of properties under the Nation Building Economic Stimulus Program and contributed his extensive skills and knowledge in property and risk management.

We thank Graham for his dedication and commitment to SGCH over the past 12 years. We have valued his strong leadership and his thorough contribution to the Board sub-committees he has served on, including the Management Development and Compensation Committee, the Development and Construction Committee and the Audit and Risk Committee.

Graham has been the Chair of the Development and Construction Committee since its inception in 2014, bringing a wealth of skills and

experience to the role. Immediate past Chair of SGCH, David Thrift, worked on the SGCH Board with Graham for over a decade and says, "Graham is to be commended for his leadership and collaboration. As Chair, I appreciated his diligence and very thorough management of the Development and Construction Committee during a period where SGCH became responsible for more than 1,700 owned assets."

Defining a better sustainability profile for our new builds is something Graham has driven during his time on the Board. SGCH General Manager, Development and Property Services, Andrew Brooks says, "Graham helped us review and update our approach to Health Safety and Environment compliance, putting safety at the top of the agenda. We now require all our construction contractors to be registered with the Office of Federal Safety Commissioner which again highlights our focus on safe works and practices on our construction sites. We are also delivering more energy efficient and sustainable buildings to a consistent level."

Having someone of Graham's calibre and experience has helped challenge our thinking and grow the organisation with a focus on strategy. "He has been a wonderful Board member," says SGCH Chair Annette Gallard. "His meticulous and forensic attention to detail as Chair of the Development and Construction Committee has ensured a focus on quality and safety. I thank him for his contribution and wish him every success."

Reflecting on his time with SGCH, Graham says, "It has been a true privilege to serve on the Board of SGCH and contribute to the development of what I sincerely believe is Australia's leading community housing provider. Under the leadership of the Board and Management teams I am certain that SGCH will continue to grow and thrive, providing high quality services to those members of the community it represents. I am grateful for the opportunity to have been a part of such a wonderful organisation."

Corporate governance

To ensure the long-term success of SGCH Group, we are committed to corporate governance that guarantees accountability to stakeholders including members, customers, employees and the communities in which we work.

During the year the Board completed a detailed triannual external governance review in conjunction with specialist board and CEO leadership consultancy, Sterling Black. The review considered the effectiveness of SGCH governance culture, practices and performance and identified the following specific actions to maintain high standards of governance.

Updating succession planning and director on-boarding processes, which resulted in:

- the appointment of Anna Buduls AM and Simon Shakesheff to the Board in November 2019 following the retirement of Dennis Café, Graham Rowson and Salah Kahil
- the nomination of Karen Orvad at the Annual General Meeting in November 2020, to follow the retirement of David Thrift and Graham Millett

- the introduction of a formal Director Development program that includes additional in-house training delivered by experts and advisors, and additional support for attendance at relevant external training and development events, and
- the revision of Committee Structures with four standing committees to assist, advise, review and make recommendations to the Board on matters falling within their terms of reference.

Opportunities were also identified to enhance the effectiveness and efficiency of the Board process and the responsibilities reserved for the Board and its committees. This resulted in a range of updates to the Corporate Governance Policy and Director Code of Conduct with the latest updates approved in August 2020. The Corporate Governance Policy and full Terms of Reference for each Board Committee are published on the SGCH website.

Board skills and experience

The SGCH Board seeks to maintain an appropriate mix and balance of skills, expertise, experience, diversity and independence to effectively govern and direct the organisation for the benefit of the customers and communities we serve. The skills and experience of directors is reviewed regularly to ensure alignment to the Group's growth and strategic direction.

The Board considers a number of factors when considering director succession and possible candidates including technical skills and expertise, experience across relevant industries and diversity of background.

SGCH is committed to gender equality and recognises the benefits of diversity on the Board. SGCH has adopted a target of a 40:40:20 gender mix on each Board. This means that at any one time the ratio of directors should include at least 40 per cent female and 40 per cent male. The remaining 20 per cent can be filled by either a male or female director.

The skills, experience and qualification of SGCH Directors are outlined in Chapter 6, page 104.

Committees



Audit and Risk

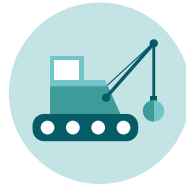
Chair – Philip Manidis

The Audit and Risk Committee manages key risks for the Group, specifically financial reporting and compliance with laws, regulations and other requirements. The Committee also assists the Board with its oversight responsibilities in relation to the:

- integrity of SGCH Group's external and internal financial reporting. This includes its compliance with applicable laws, regulations and other requirements in relation to external financial reporting such as those contained in financing agreements
- systems and processes to ensure provision of high quality financial and non-financial information to make informed judgements
- appropriate and effective systems of internal controls, risk management and compliance
- effectiveness and integrity of any internal and external audit functions as a forum for communication between the Board and the external auditors, and
- safeguard the independence of the external auditor.

In addition to the Audit and Risk Committee's regular work, the Committee also oversaw the following during the year:

- the adoption of new accounting standards
- a comprehensive review of the SGCH Risk Management Framework
- a review of SGCH's approach to the risks identified in the National Regulatory System for Community Housing Registrars Environmental Scan Report. This is the first time the Registrar's have released an industry risk report of this nature and the Committee tested management's approach to each risk identified in the Report
- stress testing and scenario planning to inform updated risk appetite statements, and
- a review of the SGCH COVID-19 response.



Development and Construction

Chair – Graham Millett

The Development and Construction Committee reviews the delivery of development and construction projects including assessing business cases, risk mitigation and probity. The Committee also reviews progress reports to ensure agreed objectives and outcomes are on target.

The Development and Construction Committee is convened to provide oversight and strategic guidance to the Board in relation to the management of development and construction activities within the Group including:

- consideration of market conditions, commercial arrangements, risk parameters and project management approaches
- monitoring the overall development and construction pipeline to assess trends and appropriateness of management responses to variances from approved plans, and
- review of specific development and construction-related project or capital proposals.

In addition to the Development and Construction Committee's regular work during the year, the Committee also oversaw:

- the award of a contract to Lendlease Building through a direct procurement approach for the construction of SGCH's largest project to date – 162 units at Gibbons Street in Redfern
- enhanced project reporting including a review of management assurance processes in relation to multi-trade contractor and principal contractor engagements
- the procurement approach for the multi-trade contractors that provide maintenance services to SGCH customers, and
- progress on the committed SGCH development pipeline including the delivery of 194 units during the year.



Work Health Safety and Environment (WHSE)

Chair – David Thrift

Our WHSE Committee oversees safety, health and environmental matters and guides our safety culture. The Committee is specifically responsible for reviewing and guiding policies, systems, risk and the performance of SGCH's suppliers, consultants, contractors and other third parties.

The Board Review identified the opportunity for the Board to reflect the significant focus on safety and the impact of SGCH's activities on the environment through the formation of a standing committee. The Board's Workplace Health, Safety and Environment Committee assists the Board by monitoring:

- key risks to the business in the areas of safety, occupational health and environmental issues
- SGCH's compliance with relevant laws, regulations and SGCH operational policies and standards
- the culture that management is promoting to foster compliance with and responsibility for WHS;
- the establishment, tracking, recognition and celebration of measurable WHSE objectives and targets;
- the impact of changes in WHSE legislation, community expectations, research findings and technology
- the potential for SGCH liability arising from any WHSE issues
- SGCH's relationship with, and activities in, the local communities we operate in, and
- SGCH's strategic and operational approach to the environment and sustainability measures.

In addition to their regular work during the year the Work Health Safety and Environment Committee oversaw the:

- establishment of the Committee including the annual calendar of reporting
- review of the findings of Safety Group Australia who conducted an external review of SGCH's work health and safety systems across three main focus areas: officer due diligence, contractor management and the management of client interactions, and
- initial development of a Sustainability Commitment and standards that will be finalised in 2020/21.



People and Culture

Chair – Annette Gallard*

Assisting the Board to fulfil its corporate governance and oversight responsibilities, this Committee oversees matters in relation to SGCH's people, remuneration and culture. The People and Culture Committee replaced the former Governance Committee and Remuneration and Nominating Committee. It is convened to provide oversight, strategic advice and guidance to the Board regarding:

- the development and implementation of people and culture strategies to ensure appropriate resources, policies and procedures are in place
- appropriate remuneration, performance, development and succession planning that attracts, motivates and retains high quality people with the capability to deliver on our Strategy
- compliance with legislative requirements related to people
- promoting and supporting a diverse workplace and culture
- monitoring culture and engagement initiatives;
- the appointment, induction and continuing professional development of Directors, and
- good governance practices

In addition to the regular work of the Committee, during the year the People and Culture Committee also oversaw the:

- implementation of recommendations from the Sterling Black Board review
- review of wage compliance assurance mechanisms, and
- review of organisational resourcing and structure by the CEO.

**David Thrift was Chair of this Committee until May 2020*

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Summary Financial Statement FY19 / 20



Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as 'the Group') consisting of St George Community Housing Limited (referred to hereafter as 'the Company' or 'SGCH') and its wholly-owned subsidiaries, SGCH Portfolio Limited and SGCH Sustainability Limited, for the year ended 30 June 2020.

Directors

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

Annette Gallard PSM

Victoria Weekes

David Thrift

Philip Manidis (appointed 1 September 2019)

Graham Millett

Anna Buduls AO (appointed 28 November 2019)

Simon Shakesheff (appointed 28 November 2019)

Karen Orvad (appointed 5 October 2020)

Dennis Cafe (resigned 28 November 2019)

Graham Rowson (resigned 28 November 2019)

Salaheddine Kahil (Salah) (resigned 28 November 2019)

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

Company Secretaries

Rebecca Pierro (resigned 28 July 2020)

Scott Langford

Principal activities

The principal activity of the Group 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 this activity occurred during the year.

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

Operating results

The deficit of the Group for the year ended 30 June 2020 amounted to \$18,620,791. The deficit was primarily driven by fair value decline in investment properties of \$18,911,945 (surplus 2019: \$47,924,433 primarily driven by fair value increment in investment properties of \$38,378,568 and government grants associated with the Youth Foyer Project of \$8,300,000). The Group is exempt from income tax.

Director Profiles



Annette Gallard PSM

Board role

Chair 26/06/2020

Appointment dates

SGCH – 27/08/2013

SGCH Portfolio – 23/04/2013

SGCH Sustainability – 08/07/2015

Qualifications

BSoc Stud (USyd), MComm (UNSW),
GAICD

Skills and experience

Annette's professional career was in the NSW Public Sector where she worked for 28 years. Annette held a number of positions in the then Department of Housing including Regional Director Northern NSW, Regional Director Central Sydney and Deputy Director General Public Housing. In 2002 she joined the then NSW Department of Community Services and was Deputy Director General Operations and then Chief Executive. Since her retirement in 2011 she has held non-executive director roles in non-government housing and disability services organisations. In 2012 she was awarded the Public Service Medal for services to disadvantaged communities including Aboriginal communities.

Other current appointments

- Chair of Aspect (Autism Spectrum Australia)

Board committee memberships

- Chair of People and Culture Committee
- Member Audit and Risk Committee



Victoria Weekes

Board role

Vice Chair

Appointment dates

SGCH – 27/03/2018

SGCH Portfolio – 23/04/2013

SGCH Sustainability – 28/07/2015

Qualifications

B Comm LLB, FAICD, SFFinsia.

Skills and experience

A professional Director with over 30 years' experience as a senior executive in the financial services sector, Victoria is currently serving on several boards and has been Vice Chair of SGCH since 2018. Victoria was formerly a director of ASX-listed URB Investments Limited and Chair of the Audit and Risk Committee of Urban Growth Development Corporation. 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.

Other current appointments

- Chair of the Audit and Risk Committees of NSW Treasury
- Chair of the Australian Gender Equality Council
- Deputy Chair of the Sydney Local Health District
- Independent Chair of OnePath Custodians and Oasis Funds Management
- President of FINSIA
- Member NSW State Library Council

Board committee memberships

- Member of Development and Construction Committee, People and Culture Committee, and Work, Health, Safety and Environment Committee



David Thrift

Board role

Group Chair from 29/08/2017 to 30/06/2020.

Non-Executive Director

Appointment dates

SGCH – 28/10/2009

SGCH Portfolio – 23/08/2012

SGCH Sustainability – 08/07/2015

Qualifications

–

Skills and experience

David is a retired company Director and senior executive with extensive experience in credit/risk management and project finance across a range of industries. With a strong background in the integration of acquisitions and senior management experience in organisational culture, operations and IT; David spent 17 years with GE Capital before retiring as Senior Executive Director, Risk and Ombudsperson.

Other current appointments

–

Board committee memberships

- Chair, Work, Health, Safety and Environment Committee
- Member of the Audit and Risk Committee, and People and Culture Committee



Philip Manidis

Board role

Non-Executive Director

Appointment dates

SGCH – 01/09/2019

SGCH Portfolio – 23/04/2013

SGCH Sustainability – 08/07/2015

Qualifications

B Bus Sc (University of Cape Town),
MCRP (University of Cape Town)

Skills and experience

Philip founded leading environmental planning and communications consulting firm, Manidis Roberts, which provides urban planning, environment and communication services to infrastructure providers.

Originally, the Managing Director and Finance Director of Manidis Roberts, Philip went on to become a non-executive director and Chairman in 2007. In this role, he led the transition of the board from an executive board to a professional, educated and independent board with a balance of non-executive and executive directors.

In his executive career, Philip was a major participant and shaper on alliance programs and projects for major infrastructure projects in the transport, water and energy sectors.

He was a member and Chairman of several alliance leadership teams that provided sophisticated governance to major infrastructure projects, enabling strong cost, safety, environmental, community and engineering outcomes.

Philip has experience in developing high performing teams, ensuring effective governance and providing a strong platform of growth, profitability and risk management

Other current appointments

Independent non-executive director, Niche Environment and Heritage

Board committee memberships

- Chair, Audit and Risk Committee
- Member Development and Construction Committee



Graham Millett

Board role

Non-Executive Director

Appointment dates

SGCH – 28/10/2009

SGCH Portfolio – 23/08/2012

SGCH Sustainability – 08/07/2015

Qualifications

BA Dip Ed (Macq), MBA (Macq), AIQS (Affil). (Aust Institute of Quantity Surveyors), AIPM (Aust Institute of Project Management), AICD (Aust Institute of Company Directors)

Skills and experience

Graham was the founding CEO of WSA Co. – a \$5.3 billion aviation and infrastructure project that will deliver Western Sydney's international airport. He has been a post-graduate lecturer in the built environment, project management, strategic management, global strategy, competition in Asia Pacific, and new enterprise management. Graham has worked both within Australia and overseas previously holding senior executive positions at Coopers and Lybrand, Qantas and the National Broadband Network.

Other current appointments

–

Board committee memberships

- Chair, Development and Construction Committee, and
- Member of Audit and Risk Committee, Work, Health, Safety and Environment Committee



Anna Buduls AO

Board role

Non-Executive Director

Appointment dates

SGCH – 28/11/2019

SGCH Portfolio – 28/11/2019

SGCH Sustainability – 28/11/2019

Qualifications

BA, M.Com

Skills and experience

Anna Buduls is an experienced non-executive director with a wide range of business, not-for-profit and government policy experience. She has worked in investment banking and provided consulting services to both private and government entities. Over the past two decades, Anna has been on a variety of both government and public company boards across a broad range of industries and sectors, including the not-for-profit sector. She also has deep knowledge of and expertise in homelessness and disadvantaged communities, garnered through her work in government policy and philanthropy.

In 2003 she received a Centenary Medal for her contribution to the community. In 2018, she was made an Officer of the Order of Australia in recognition of her distinguished service to the business and finance sectors through her advisory and advocacy for policy development to reduce homelessness, and for her contributions to the welfare and charity sectors.

Other current appointments

- Owner/Chair Tramada Systems Pty Ltd

Board committee memberships

- Member People and Culture Committee and Work, Health, Safety and Environment Committee.



Simon Shakesheff

Board role

Non-Executive Director

Appointment dates

SGCH – 28/11/2019

SGCH Portfolio – 28/11/2019

Sustainability – 28/11/2019

Qualifications

M Comm

Skills and experience

Simon Shakesheff has over 30 years of analysis, advisory and operational experience in finance and real estate. After 19 years as the head of listed real estate analysis at Macquarie Bank and JPMorgan, he became a corporate advisor to listed real estate groups at UBS and Bank of America Merrill Lynch. This role included undertaking significant debt and equity raisings, and the provision of strategic advice to a number of Australia's leading real estate entities. Simon also has operational experience at Stockland Trust Group, where he was a member of the Executive Committee responsible for strategy, research and stakeholder relations. This role included interaction with all levels of government, stakeholder issues management, investor relations, media, and corporate reporting.

He is now a professional director serving on the boards of listed, private and NSW Government entities, with a focus on the real estate sector. Simon has had a longstanding interest in housing and is a member of the National Housing Finance and Investment Corporation's research reference group.

Other current appointments

- Non-Executive Director of Cbus Property
- Non-Executive Director of Kiwi Property Group
- Non-Executive Director of Assembly Funds Management
- Advisor to the Management Investment Committee, NSW TCorp

Board committee memberships

- Member of the Development and Construction Committee

Karen Orvad

Board role

Non-executive Director
(SGCH 05/10/2020)

Qualifications

GAICD, CAANZ, MBA(Exec), BComm
(Accounting)

Skills and experience

Karen is a former KPMG Partner with a speciality in Governance, Risk Management and Internal Audit. She brings over 25 years experience working with some of the worlds' most recognised brands in governance, risk, internal audit, board advisory and strategic human resources. Karen has worked with corporate, government and NFP clients across sectors including Health

and Human Services, Energy and Natural Resources, Transport, Retail and Financial Services.

Karen has held senior executive internal audit and risk roles in both the financial services and aviation sectors.

Other current appointments

Deputy Chair of Aspect (Autism Spectrum Australia)

Dennis Cafe

Board role

Non-executive Director
(resigned 28 November 2019)

Qualifications

BSc (Tech) Civil Eng (UNSW) Local Govt Engineer.

Skills and experience

Dennis is an engineer and town planner. He is the former General Manager of Woollahra Council and has experience as a management consultant in private and public sectors. Between 2004 and 2007, Dennis was employed by SGCH in asset and change management. He has lectured in risk and asset management. Dennis is currently Special Projects Engineer at Bayside Council and served as Chair of SGCH between 2009 and 2017.

Dennis resigned from the Board of SGCH on 28 November 2019.

Special responsibilities

Member of the Remuneration and Nomination Committee until 28 November 2019.

Graham Rowlson

Board role

Non-executive Director
(resigned 28 November 2019)

Qualifications

–

Skills and experience

Graham is an SGCH resident and was a foundational Director of SGCH in the mid-1980s. He was responsible for the early growth of SGCH (then a small locally managed co-operative) working with other community housing providers to develop strategies for partnerships and growth. Graham is NSW Service Manager for Control Systems Technology Pty Ltd.

Graham resigned from the Board of SGCH on 28 November 2019.

Special responsibilities

Member of the Remuneration and Nomination Committee.

Salah Kahil

Board role

Non-executive Director
(resigned 28 November 2019)

Qualifications

BSc, Dip App Sc Masters Biomedical Engineering (Uni of NSW).

Skills and experience

Salah is a Technical Officer with Douglass Hanly Moir Pathology. He has also worked as a Community Liaison Officer for the Community Relations Commission for a Multicultural NSW. Salah is an SGCH resident and has represented SGCH tenants at internal tenant advisory groups and within the broader community housing sector.

From 2002 – 2005, Salah was a committee member of St George Accommodation for Youth who provide case management and accommodation for young people aged 16 to 25.

Salah resigned from the Board of SGCH on 28 November 2019.

Meetings of the directors

During the financial year and up to the date of this report, 15 meetings of Directors were held. Attendance by each Director was as follows:

	Full Board	Audit and Risk Committee	Development and Construction Committee	People and Culture Committee	Work, Health, Safety and Environment Committee
Annette Gallard PSM	15/15	4/4	—	3/3	—
Victoria Weekes	15/15	—	5/4	5/5	4/4
David Thrift	15/15	4/4	—	5/5	4/4
Philip Manidis	13/13	4/4	5/5	—	—
Graham Millett	15/13	4/4	5/4	—	4/4
Anna Buduls AO	10/10	—	—	2/1	4/3
Simon Shakesheff	10/10	—	2/2	—	—
Karen Orvad	1/1	—	—	—	—
Dennis Cafe	5/5	—	—	2/0	—
Graham Rowison	5/4	—	—	2/2	—
Salaheddine Kahil (Salah)	5/3	—	—	—	—

/ = indicates meetings eligible to attend/
meetings attended

— = Not a member of the stated
Committee



Remuneration of the Directors

During the financial year the remuneration of the Directors amounted to \$166,988 (2019: \$120,450)

Company Secretaries

Rebecca Pierro
BCom, LLB, FCSA
(resigned 28 July 2020)

Scott Langford
MBA, P.GradDip Prop. Dev., FIML,
FAICD, MRICS

Strategy for achieving the corporate objectives

During the year we invested over \$100 million in delivering almost 200 new social and affordable homes for the people of Sydney. In the coming year we will deliver in excess of 350 new homes, the peak year of our ongoing development pipeline that extends from 2016 to 2023 and will result in 1,170 new safe and sustainable homes.

Releasing over \$40 million of investable capital from refinancing our subsidiary SGCH Sustainability Ltd through NHFIC provides an opportunity to leverage these

funds with external investor capital and drive continued growth in our committed development pipeline.

Management have refined the Group's Strategic Plan, identifying 4 'Tier One' priorities for the coming year that will maximise achievement of the Strategic Plan set by the Board. These priorities are grouped as More Homes, Better Core Services, Execution Governance and Technology. All projects are being assessed against these criteria and ranked for social and financial return on investment in determining resource allocation and priority for implementation.

Future developments – Short and long term objectives of the company

There are several initiatives continuing or now underway to deliver on the Objectives set by the Board.

A proactive search for suitable investment opportunities and engagement with values-aligned partners who can help realise our ambitions for growth is expected to add committed projects to our development pipeline over the coming year.

Continuing to support customers and staff through the COVID-19 pandemic is crucial to achieving the long-term objectives of the Group.

Significant funds have been set aside to support the ongoing enhancement of our business systems, processes and technology platforms. We will improve customer satisfaction by simplifying how our customers engage with us, by focussing staff time on their most valuable activities and leaving routine tasks to the easiest to use and most cost-effective channels available. We will continue to invest in a strong cyber security posture to ensure our confidential information, and our customers privacy is well protected.

Significant events after the reporting date

The following matters arose after the reporting date:

- I. The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not had a material impact for the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or

negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by both Federal and State Governments and other countries, such as maintaining social distancing requirements, quarantine and any economic stimulus that may be provided.

Other than the foregoing, no matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group'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 Group during the financial year.

Environmental issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory. The Group is governed by environmental regulations managed by local government as applied to residential properties. During the year the Directors are not aware of any particular or significant environmental issues which have been raised in relation to the Group's operations.

Indemnifying Directors, Officers or Auditors

Deeds of Indemnity have been entered into between the Group 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 Group.

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 Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

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

Contributions on winding up

In the event of the Group being wound up, ordinary members are required to contribute a maximum of \$2 each. The total amount that members of the Group are liable to contribute if the Group is wound up is \$390, based on 195 current ordinary members.



Annette Gallard PSM
Chair

Sydney, 19 October 2020

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 2020. The financial statements and disclosures in the Summary Financial Statements have been derived from the 2020 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 Group's functional and presentational currency.

Statement of profit of loss and other comprehensive income

Total revenue increased by \$9,097,243 (10%) to \$95,881,700 (2019: \$86,784,457) mainly due to the full year impact of rental income from properties under SHMT. Total expenditure also increased by \$22,571,052 (38%) to \$82,645,996 (2019: \$60,074,944) primarily driven by increased in property related expenses also from properties under SHMT.

The deficit of \$18,620,791 was primarily driven by fair value decline in investment properties of \$18,911,945 (surplus 2019: \$47,924,433 primarily driven by fair value increment in investment properties of \$38,378,568 and government grants associated with the Youth Foyer Project of \$8,300,000).

Statement of financial position

Total assets increased by \$184,616,423 to \$1,070,654,120 (2019: \$886,037,697) representing an increase of 21%. The movement is mainly due to capital works added and completed during the year of \$59,627,006 and increase in bank balance as a result of NHFIC refinancing of \$99,245,907

Total liabilities increased by \$203,237,216 to \$427,341,435 (2019: \$224,104,219) representing an increase of 100%. The increase is predominantly in relation to a refinancing arrangement and draw down under the Group's new loan facility with NHFIC of \$210,000,000.

Statement of cash flows

Cash flow movements during the financial year were a result of increased rental income, grants received and additional inflows from refinancing arrangement.

Statement of changes in equity

During the year ended 30 June 2020, \$18,911,944 was transferred from the Investment Property Reserve, which reflects the fair value loss on investment property for the year.

Summary consolidated statement of profit or loss and other comprehensive income

	Note	2020 (\$)	2019 (\$)
Revenue	02	95,881,700	86,784,457
Other income	03	949,697	101,931
Expenses			
Property expenses		(36,195,844)	(25,315,050)
Employee benefits expense		(22,747,134)	(19,197,412)
Depreciation and amortisation		(1,291,205)	(1,263,186)
Finance costs		(14,605,394)	(10,109,516)
Professional fees		(686,194)	(356,018)
Other expenses		(7,120,225)	(3,833,762)
Fair value gain on investment property – owned	04	(18,911,945)	38,378,568
Fair value loss on investment property – right of use assets	04	(12,117,313)	(12,083,561)
Fair value loss on derivative financial instrument		(1,776,934)	(5,182,018)
(Deficit)/surplus for the year attributable to members of St George Community Housing Limited		(18,620,791)	47,924,433
Income tax expense		—	—
(Deficit)/surplus for the year after income tax expense attributable to members of St George Community Housing Limited		(18,620,791)	47,924,433
Other comprehensive income for the year		—	—
Total comprehensive (loss)/income for the year attributable to members of St George Community Housing Limited		(18,620,791)	47,924,433

Summary consolidated statement of financial position

	Note	2020 (\$)	2019 (\$)
Current assets			
Cash and cash equivalents		143,520,171	44,274,264
Short-term investments		10,005,000	—
Trade and other receivables		5,731,731	4,642,305
Non-current assets classified as held for sale		1,402,500	6,237,500
Other current assets		1,849,292	4,750,528
Total current assets		162,508,694	59,904,597
Non-current assets			
Other non-current assets		1,282,146	1,251,626
Property, plant and equipment		4,901,560	4,828,377
Contract asset		1,179,716	1,242,634
Investment property	04	900,782,004	818,810,463
Total non-current assets		908,145,426	826,133,100
Total assets		1,070,654,120	886,037,697
Current liabilities			
Trade and other payables		15,647,557	14,160,054
Employee benefits		2,779,935	2,107,417
Lease liabilities		14,339,501	14,221,926
Unexpended grants		702,673	1,501,748
Total current liabilities		33,469,666	31,991,145
Non-current liabilities			
Employee benefits		262,758	292,579
Borrowings		309,844,346	111,151,092
Derivative financial liability		7,895,779	6,118,845
Lease liabilities		75,355,369	74,550,558
Unexpended grants		513,517	—
Total non-current liabilities		393,871,769	192,113,074
Total liabilities		427,341,435	224,104,219
Net assets		643,312,685	661,933,478
Equity			
Accumulated surplus		102,322,954	102,031,802
Investment property reserve		540,989,731	559,901,676
Total equity		643,312,685	661,933,478

Summary consolidated statement of changes in equity

	Accumulated surplus (\$)	Investment property reserve (\$)	Total equity (\$)
Balance at 30 June 2018	92,485,937	521,523,108	614,009,045
Surplus for the year	47,924,433	—	47,924,433
Other comprehensive income for the year	—	—	—
Total comprehensive income for the year	47,924,433	—	47,924,433
Transfer from reserves	(38,378,568)	38,378,568	—
Balance at 30 June 2019	102,031,802	559,901,676	661,933,478
(Deficit) for the year	(18,620,792)	—	(18,620,792)
Other comprehensive income for the year	—	—	—
Total comprehensive income for the year	(18,620,791)	—	(18,620,791)
Transfer from reserves	18,911,944	(18,911,944)	—
Balance at 30 June 2020	102,322,954	540,989,731	643,312,686

Summary consolidated statement of cash flows

	Note	2020(\$)	2019 (\$)
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		92,353,120	73,607,579
Receipts of government grants (inclusive of GST)		11,346,335	11,583,855
Payments to suppliers and employees (inclusive of GST)		(73,555,588)	(47,518,820)
Interest received		312,436	546,770
Finance costs paid		(9,134,325)	(7,407,652)
Net cash provided by operating activities		21,321,978	30,811,732
Cash flow from investing activities			
Increase in short-term investment		(10,005,000)	—
Proceeds from sale of investment properties		11,570,500	10,919,500
Payment for investment properties		(102,546,025)	(45,887,937)
Payment for property, plant and equipment		(794,382)	(911,735)
Payment for contract asset		—	(1,258,363)
Net cash used in investing activities		(101,774,907)	(37,138,535)
Cash flow from financing activities			
Proceeds from borrowings		296,604,126	31,735,268
Lease payments		(18,230,070)	(17,104,619)
Repayment of borrowings		(98,675,220)	—
Net cash provided by financing activities		179,698,836	14,630,649
Net increase / (decrease) in cash held		99,245,907	8,303,846
Cash at the beginning of the financial year		44,274,264	35,970,418
Cash at the end of the financial year		143,520,171	44,274,264

Notes to the summary financial statements



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 2020. The audited financial statements for the year ended 30 June 2020 are available on request from St George Community Housing Limited.

The financial statements are presented in Australian Dollars which is the Group'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

	2020 (\$)	2019 (\$)
Revenue		
Revenue from tenants		
Rent income	73,313,309	60,253,567
Reimbursements	3,201,779	1,661,158
Insurance recoveries	586,624	212,308
Total revenue from tenants	77,101,712	62,127,033
Revenue from government		
CHLP – Tenancy management and maintenance funding	10,521,001	10,116,608
SHMTP – Tenancy management and property management	451,783	371,406
SAHF – Tenancy management and accommodation services	3,558,035	1,652,993
Release of deferred grants	—	—
Contribution from FACS for Youth Foyer Project	—	8,300,000
National Rental Affordability Scheme Incentives	1,895,246	2,378,758
Home Energy Action Program	707,473	19,430
Other	1,048,246	1,062,171
Total government and other grants	18,181,784	23,901,366
Other revenue		
Interest received from corporations	312,436	546,770
Management fees – private tenancy services	285,768	209,288
Total	598,204	756,058
Total revenue	95,881,700	86,784,457

The CHLP provides funding for tenancy management activities, the maintenance of property and a component that is intended to compensate the Group for the excess of the market rent payable to private landlords over the rent earned from tenants who occupy the leased property. In accordance with AASB

15, the funding is wholly allocated as consideration for the housing services to be delivered in accordance with the contract and is recognised as the services are delivered.

In July 2018, the NSW Government announced that FACS would provide a 10-year funding guarantee related

to aspects of the Group's CHLP social housing funding. The Group has not recognised this guarantee in the statement of financial position and entitlement to this funding is reassessed annually.

Note 3

	2020 (\$)	2019 (\$)
Other income		
Gain on disposal of investment properties	885,500	—
Other income	64,197	101,931
Total	949,697	101,931

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

Note 4

	2020 (\$)	2019 (\$)
Investment property		
Investment property – owned		
Balance at the beginning of year	733,028,520	650,152,538
Capitalised subsequent expenditure	102,748,281	43,121,275
Disposal of investment property	(5,060,000)	(807,000)
Assets transferred to property plant and equipment	—	(336,834)
Assets transferred from other assets	3,325,028	8,757,473
Assets transferred to non-current assets held for sale	(1,402,500)	(6,237,500)
Change in fair value of investment property	(18,911,945)	38,378,568
	813,727,384	733,028,520
Investment property – right of use leased assets		
Balance at the beginning of year	85,781,943	—
Balance at the beginning of year – changes in accounting policies	—	74,708,181
Additions of new properties to right of use assets	20,738,697	29,380,130
De-recognition of terminated properties from right of use assets	(7,348,707)	(6,222,807)
Change in fair value of investment property	(12,117,313)	(12,083,561)
Balance at the end of the year	87,054,620	85,781,943
Total	900,782,004	818,810,463

Included within Investment property is a balance of \$10,645,440 (2019: \$113,927,020) 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 10 years rolling contracts.

The borrowings of the Group are secured by a registered mortgage over the Group's investment properties.

Valuation basis

The fair value of owned investment properties has been determined with reference to independent valuations performed by a registered property valuation company that holds recognised and relevant professional qualifications and has recent experience in the location and category of the investment property. The valuations are prepared in accordance with established valuation methodologies, international valuation standards and Australian Accounting Standard AASB 13 Fair value measurements using the market approach. Fair value is measured using the assumptions that market participants would use when pricing the asset, assuming they act in their economic best interests. The fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the

circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value of leased property has been determined with reference to the present market rental earning capability under the leasehold interest (including for the non-cancellable period plus any further option to renew which is likely to be exercised), net of the present value of expected lessee obligations. The discount rate used is the Group's estimated incremental borrowing rate of 5.50%. For private residential property leases negotiated on market terms, the carrying amount of the right of use asset reasonably approximates the carrying amount of the lease liability at the reporting date.

The COVID-19 pandemic has created unprecedented uncertainty of the economic environment, in particular the lack of market transactions which are ordinarily a strong source of evidence for valuations of freehold going concern properties. In the absence of more fulsome market data at 30 June 2020, management have considered the impact that COVID-19 may have on estimated yields. Management believe sales transaction data may show greater changes in valuations which can impact future earnings

Actual economic events and conditions in future may be materially different from those estimated by the Group at the reporting date. In the event of COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may have further adverse impacts to the fair value of the Group's investment properties

Independent auditors report



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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 2020

Opinion

The summary financial statements, which comprise the summary consolidated statement of financial position as at 30 June 2020, the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related notes, are derived from the audited financial report of St George Community Housing Limited (the responsible entity) and its subsidiaries (the Group) for the year ended 30 June 2020.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial report, in accordance with the basis of preparation described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon. The summary financial statements and the audited financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial report.

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial report in our report dated 19 October 2020.

Responsibilities of responsible entities for the Summary Financial Statements

The directors of the responsible entity are responsible for the preparation of the summary financial statements in accordance with the basis of preparation described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

BDO East Coast Partnership

BDO

Ian Hooper
Partner

Sydney, 19 October 2020

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Directors' declaration

The Directors of the Group declare that the summary financial statements of St George Community Housing Limited and the entities it controlled for the financial year ended 30 June 2020, as set out on pages 113 to 122:

- (a) are an extract from the full financial statements for the year ended 30 June 2020 and have been derived from and are consistent with the full consolidated financial statements of St George Community Housing Limited and the entities it controlled.

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



Annette Gallard PSM
Chair

Sydney, 19 October 2020



Annual Report 2020



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