

Annual Report 2021





GREAT



PLACES



FOR



EVERYONE



Contents

Introduction

About us	6
Where we operate	7
SGCH presence	8
Chair's Message	9
CEO's Message	11
Progress against Key Measures	13
Financial Year 2020/2021 Highlights	15
Customer Profile - Affordable Housing	16
Customer Profile - Social Housing	17

1. Improve outcomes for people, communities and places

More than just homes	21
Purposeful partnerships	22
Customer participation	27
Creating community	28
Capturing customer voice	30
Newleaf Community in Bonnyrigg	32
Housing Plus	33
Strive Scholarships	34
Catalyst	35

2. Grow a quality, sustainable housing portfolio

Our assets	40
Repairs and maintenance	41
Development portfolio	43
Spotlight: Gibbons Street	47
Spotlight: Foyer Central and City Road Chippendale	54

3. A leading business

Financial performance	62
Risk management	64
Business transformation	64
Engaging with Aboriginal communities	66
Reputation	67
Stakeholder feedback	70
Fit for the future	71

4. High performing culture

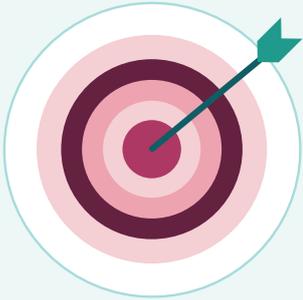
An award winning culture	77
Our Executive	79
Employee engagement	81
Fostering growth and development	82
Change management – Customer Care Hub	84
Cadetship program	85
Safety	86

5. Governance

Group structure	89
Acknowledgement of retiring Director, Philip Manidis	91
Committees	92
Corporate governance principles	93

6. Financials

Directors' Report	97
Discussion and analysis of the summary financial statements	104
Summary consolidated statement of profit or loss and other comprehensive income	105
Summary consolidated statement of financial position	106
Summary consolidated statement of changes in equity	107
Summary consolidated statement of cash flows	108
Notes to the summary financial statements	109
Independent Auditor's Report	115
Directors' declaration	117



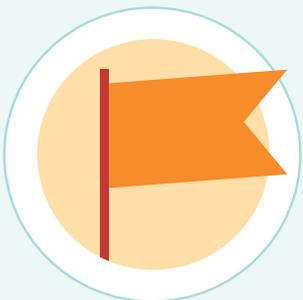
Purpose

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
- Customer service
- Finance
- Innovation and capability
- Technology
- Partnerships and stakeholders
- Governance
- Sustainable growth
- Operational excellence

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.

Founded in 1985, SGCH provides a place to call home for almost 11,500 people in 7,000 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 people to shape great places for everyone.

Our growth over time

	2017	2018	2019	2020	2021
Homes	4,703	4,756	6,402	6,557	6,927
Customers	8,900	9,185	11,048	11,292	11,371
Staff	163	178	202	205	225
Annual maintenance spend	\$9,061,664	\$12,862,658	\$12,194,909	\$20,053,169	\$23,482,284
Total revenue	\$67,610,408	\$70,754,091	\$86,784,457	\$95,881,700	\$109,014,050
Total expenditure	\$62,560,242	\$67,999,072	\$60,074,944	\$82,645,996	\$72,290,736
Surplus	\$33,642,070	\$14,871,658	\$47,924,433	(\$18,620,791)	\$23,700,281
Total assets	\$685,282,582	\$713,884,410	\$886,037,697	\$1,070,654,120	\$1,257,887,515

FY 20/21 snapshot



6,927

Homes



11,371

Household members



1.25B

Total assets on balance sheet



7★

Average NatHERS star rating on new builds



225

SGCH team members

Where we operate

Providing sustainable, safe and affordable housing for almost 11,500 customers, SGCH currently owns, manages and operates 7,000 properties across 22 local government areas (LGAs) in the Sydney metropolitan area.



SGCH presence by LGA



Chair's message

In March this year I re-opened a community room in Lane Cove. This marked two years since SGCH began operations in our Northern Region, following the transfer of tenancy management services from the Department of Communities and Justice through the Social Housing Management Transfer Program. Central to SGCH's approach is to listen to customers about their needs and be led by local communities. The Bushlands Local Tenant Group wanted a better space for community connection, they had a great facility but it had been run down and needed improvements.

A truly combined team effort saw SGCH transform this place, completely renovating the room. The delight from our customers was evident. People let me know not only were they happy with the result, but it made them feel valued and that we cared.

Building community connections and improving lives of our customers is the essence of SGCH. Through periods of rapid change and operating in uncertain times, this focus on customers remains steady. As Australia grapples with the health crisis caused by COVID-19, the social and economic impacts are likely to be significant. Whilst SGCH is in a strong position to navigate these challenges, there are significant unknown factors that continue to impact our customers, partners, team and operating environment.

SGCH has been fortunate that as an essential service we have continued to operate, albeit in changed circumstances, and able to support customers. I would like to thank and recognise our staff for how they have worked together to look after our customers through another disrupted year. Though the pandemic affects us all differently depending on our own unique circumstances, it is universally difficult.

I also acknowledge the contribution of the Directors. I particularly thank and acknowledge the contribution of Philip Manidis whose planned retirement from the Board took effect at the close of the financial year. With a broad diversity of skills and experience, the Directors guide the strategic direction of SGCH with a focus on governance, risk and culture. We intentionally focus on a skills matrix to ensure we have the right balance on the Board, and this has led to an intentional and planned refresh of its

membership over the past couple of years. In this financial year, we have welcomed Karen Orvad and Barry Mann to the Board.

Since the 2020/21 financial reporting period, we have welcomed Rajiv Viswanathan and Philip Fagan-Schmidt. I am excited about the depth of skills and expertise of our Directors as evidence of our robustness and strength.

I wrote in the last Annual Report about our process to reassess the Strategic Plan 2019-2024 in light of the pandemic. We assessed this remained fit for purpose and adjusted plans with a strategic focus on:

- **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,
- **More Homes** - unlocking our capital strategy to pursue opportunities to deliver new social and affordable housing with public and private partners.

Over the past year, the organisation has aligned itself to these priorities and I again commend the Executive team and the staff for their passion to deliver strong outcomes for our customers. SGCH took the opportunity to bolster the services that our customers have told us are important to them, and to prepare for opportunities that will create impact for the communities we serve.

I believe that our industry has immense scope to partner with institutional investors, with government and with private companies to create shared value. SGCH has a history of anticipating and readying itself for growth and the Board has continued to maintain a strong focus on governance while looking towards the horizon.

While we adhere to the Australian Institute of Company Directors Not For Profit Principles, in the past year we have undertaken a review of our standing against the ASX Corporate Governance Principles and Recommendations. These eight principles are a step further in requirements and approach, moving beyond a Not For Profit framework. We've applied these principles with a view to understand 'If not, why not?' which generates a richer discussion amongst Directors. It is a lens which



we will increasingly apply as we integrate Environmental, Social and Governance (ESG) thinking into our strategy, business planning and reporting in coming years.

The Board reviewed and refreshed all the committee charters this financial year. With a focus on continuous improvement this review has again raised our standards and increases our effectiveness across Audit and Risk, Property Portfolio and Investment, Safety and Sustainability and People and Culture. Under the leadership of our Group Chief Executive Officer and our Executive team there is strong progress against our strategy. The Board has reviewed and endorsed a number of Roadmaps that outline implementation plans under areas of the Strategic Plan 2019-2024, these include the domains of Customers, Technology, and Partnerships and Stakeholders.

With all the challenges faced, it is even more of a source of pride that SGCH has steadily delivered its services and grown its portfolio with fantastic progress on the development pipeline. I was fortunate to be able to celebrate some milestone achievements with customers, staff and partners this year, including the official opening of Foyer Central in February and Gibbons Street, Redfern in June. I acknowledge all our partners in these projects, including the City of Sydney who contributed funding to Foyer Central and were an instrumental partner at Redfern, providing discounted land to transform a former depot into home for hundreds of people.

Foyer Central represents a unique partnership with Uniting and Social Ventures Australia and is a stunning purpose-built facility. This is the first time SGCH has partnered on a project with a social bond involved. This is a growing area of interest for government and investors and our involvement has developed our organisational capability and knowledge in this emerging space.

With Gibbons Street Redfern, I want to acknowledge the important partnership stories involved, firstly it marks the completion of SGCH's commitment to the NSW Government's Social and Affordable Housing Fund Phase 1, fulfilling our delivery of 300 new homes since 2018. It also marks the fulfilment of the leveraging program under the Nation Building Economic Stimulus Plan – Social Housing Initiative. This is an important organisational milestone as the program saw the Federal Government work with the NSW Government in 2011 to transfer 1,180 homes to SGCH on the condition that these were leveraged to borrow funds and deliver an additional 410 new homes into the system. Completing the leveraging targets against these vested assets, on time, is testament to the strength of the team and the partnerships created. This growth in our portfolio and in our ability to bring together capital and capability comes at a time of burgeoning interest in affordable housing as an asset class.

The leveraging program signalled a step change for SGCH. It led to the organisations loan of \$61 million with Westpac in 2014, this has seeded growth to our current position of \$475 million in facilities with the National Housing and Finance Investment Corporation (NHFIC). This means more homes. As a for-purpose organisation, every dollar is invested into communities. As we have been able to grow and secure more financing, we are able to grow the pipeline of new social and affordable housing. I foresee a strong future for SGCH as a partner with the expertise to bring value through innovative capital solutions and attract private investment to address demand for social and affordable housing that will create social and economic opportunity for more Australians.



Annette Gallard

“With all the challenges faced, it is even more of a source of pride that SGCH has steadily delivered its services and grown its portfolio with fantastic progress on the development pipeline. I was fortunate to be able to celebrate some milestone achievements with customers, staff and partners this year, including the official opening of Foyer Central in February and Gibbons Street, Redfern in June.”

Annette Gallard,
SGCH Group Chair



Annette speaking with customers at the re-opening of Bushlands Community Room

CEO's Message

If I were to encapsulate this past year, it would be stepping into change as we focus on growing our impact. Our vision is great places for everyone and this year, while facing more uncertainty and challenges from the external environment, SGCH has intentionally disrupted our thinking and challenged ourselves to reimagine a better way.

Last year our systems, process and people were tested by the pandemic. We adopted a 'prepare and respond' posture to navigate a volatile operating environment where the potential impacts on SGCH were hard to quantify. Towards the end of the calendar year 2020, there was a growing body of evidence that while uncertainty remained in the broader operating environment, SGCH was in a robust position. Though we recognise and accept a constant need to monitor and adapt in turbulent times, we have established the skills and systems which are firmly focused on the health and safety of our customers, team and contractors.

Transformation has been the overarching theme for SGCH this financial year. As we worked to implement our Strategic Plan 2019-2024, we naturally paused elements of this process to focus on the immediate threats caused by the pandemic. In 2021, from this position of stability, it was appropriate to revisit our strategic alignment assessment and the strategic priorities of Core Services and More Homes set by the Board.

We started with listening to our people and a thorough process of consultation affirmed the passion and commitment of our team to improve outcomes for our customers through strengthening our Core Services; essentially the fundamentals. This aligned to previous customer research that we were already responding to. We also recognised there is more for us to do, particularly as we recover from the social and economic impacts of the pandemic recognising that more people will need safe, sustainable and secure housing. We need to create and pursue opportunities to leverage our capability and provide More Homes.

This review process necessitated changes to ensure we have the right resources in the right places to deliver on these priorities. We are changing the way we work together and organise our teams. At a high level, we established a new Chief Operating Officer (COO) role appointing Alison Cunningham in July. The COO is supported by teams that are focused on harnessing our organisational capability. Through a planned transition, our General Manager Customers and Communities Barb McKenna has been working with her successor Renee Wirth to integrate resources and shape a more cohesive approach that improves customer experience. Recognising we work in an increasingly complex environment, a new portfolio was added to the Executive in Legal, Governance and Risk, led by Claudia Certoma. There have been broad changes to how we align and focus our teams across all Executive portfolios, including Finance and Homes. We are implementing these iterations in a phased approach and we are committed to continuous review.

I would like to acknowledge the support and guidance of the Board through this process, the leadership of the Executive team and the commitment of our team. As we simultaneously undertook this months-long process, we continued to achieve strong outcomes for our customers.

In the past financial year we have achieved an operating surplus of \$9.5 million, and the total value of SGCH Group assets on balance sheet grew to \$1.25 billion. In June 2021, we participated in NHFICs bond issue with a loan of \$250 million. This transaction included a floating note rate and refinanced our SGCH Portfolio commitments, previously with the Commonwealth Bank. This transaction and the innovation of the floating note rate allows us to match the financing and service arrangements to access long term, efficient finance. With the ongoing backing of NHFIC and institutional investors, we have now mobilised \$475 million. In further developing our capital strategy and intent to leverage investable cash to increase the supply of housing, the Group has registered two new entities in SGCH DevCo and SGCH Keys.



SGCH has supported advocacy and research opportunities that assist decision makers to understand the community housing industry, the challenges faced and the benefits created. Through peak bodies and networking with peers, we collaborate to increase our impact. Thinking laterally and working with other sectors, we can harness collective thinking recognising that affordable housing is a wicked problem that requires the input of many. This year we published a number of thought leadership pieces and convened a forum with leaders from health to discuss the common challenges as we overlay health and housing. The backdrop to this forum was our flagship development at Gibbons Street, Redfern – a project which highlights what is possible with the right partners involved.

This development is part of the 355 new homes delivered this year, which includes sites at Ironbark Avenue, Casula, Foyer Central and City Road at Chippendale, and Flowerdale Road in Liverpool. We also commenced management of a new development in Bondi Junction through a development partnership.

The impact of these new developments is hundreds of people are safely housed, in brand new, energy efficient homes. Through our partnerships we are providing the place where people are sheltering during a pandemic, raising their children, gathering with family or finding a friend in their neighbour. I never fail to be inspired when I meet our customers and hear about the change our team have made, like Asma* who had been afraid to leave her previous home. Upon moving into one of our developments she told me;

"I love this place, there are so many people to talk to but it is quiet too. We feel very settled and so happy to have a nice and safe place to raise our children."

While there are hundreds of recently developed properties across our portfolio, we understand there is range in the age of properties and the maintenance condition. Our properties are a mix of owned, managed and private leasehold. We are implementing our Safe and Sustainable Homes standard to bring a more structured approach to asset management that includes an SGCH place standard.

As we look forwards, we are focused on embedding our ESG approach across all aspects of our operations and building our reporting capability in this space. This year our corporate reporting increases as we meet the threshold to provide our first Modern Slavery statement, and we commence a dedicated report about our ESG framework. Increasing the transparency of our performance across a range of areas and incorporating better use of data sustains our desire for continuous improvement.

We continue to speak with a variety of partners who recognise they can make a difference, that social and affordable housing is an investment class offers a stable economic return and incredibly high social return. There is a growing weight of capital with strong ESG drivers looking to invest. We work to educate and advocate an understanding that with the right policy settings and certainty, we can continue to deliver more social and affordable housing and grow our impact.

“Through our partnerships we are providing the place where people are sheltering during a pandemic, raising their children, gathering with family or finding a friend in their neighbour

Scott Langford,
SGCH Group CEO



Scott Langford



The smoking ceremony at Gibbons Street, Redfern.
L-R Brendan Kerin, Minister Pavey, Lord Mayor Clover Moore, Scott Langford, resident Tevita, Isaiah Dawe, Minister Henskens

Progress against Key Measures

The Strategic Plan 2019-2024 identifies eight key measures with metrics that track our progress.

We present the 2021 results against our 2020 results to track progress. Not all data is collected annually, and being the second year we have reported these Key Measures, some methodology has evolved.

Key Measure	Metric	2021	2020
People and place 	People and place outcomes (PAPO)		
	We ask how satisfied customers are 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	62%	71%
	Overall satisfaction score	75%	86%
	Overall satisfaction with property	71%	84%
	Overall satisfaction with repairs and maintenance service	67%	84%
Homes 	Properties under management	6,927	6,557
	Properties meeting standards	Safe and sustainable homes (SASH) being implemented	Safe and sustainable homes (SASH) standard developed
Financial performance 	Operating cash flow	\$22.4 million	\$16.6 million
	EBITDA margin	34.3%	30.7%

Key Measure	Metric	2021	2020
Governance and risk 	Projects complete to budget, time, specification and benefits realised	94% within approved budget 76% on time 96% within scope	75%*
	Risk Management Framework controls implemented	Continually tested through assurance processes, review of the risk register, and the internal audit program	Continually tested through assurance processes, review of the risk register, and the internal audit program
Reputation 	Corporate reputation score	-	+3.7
	Brand sentiment	In development	N/A
Safety 	100% identified hazards addressed	100%	100%
	Lost time injury incident rate	1.8	2.4
Employee engagement 	Engagement (Gallup Q12)	Not conducted in reporting period (pulse survey details on page 81)	4.14
	Staff retention rate	90.05%	91.42%

^ 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.

*In 2020, tracking four projects using four metrics, the average score was ¾ metrics met. Differs from how metric has been tracked and reported in 2021.

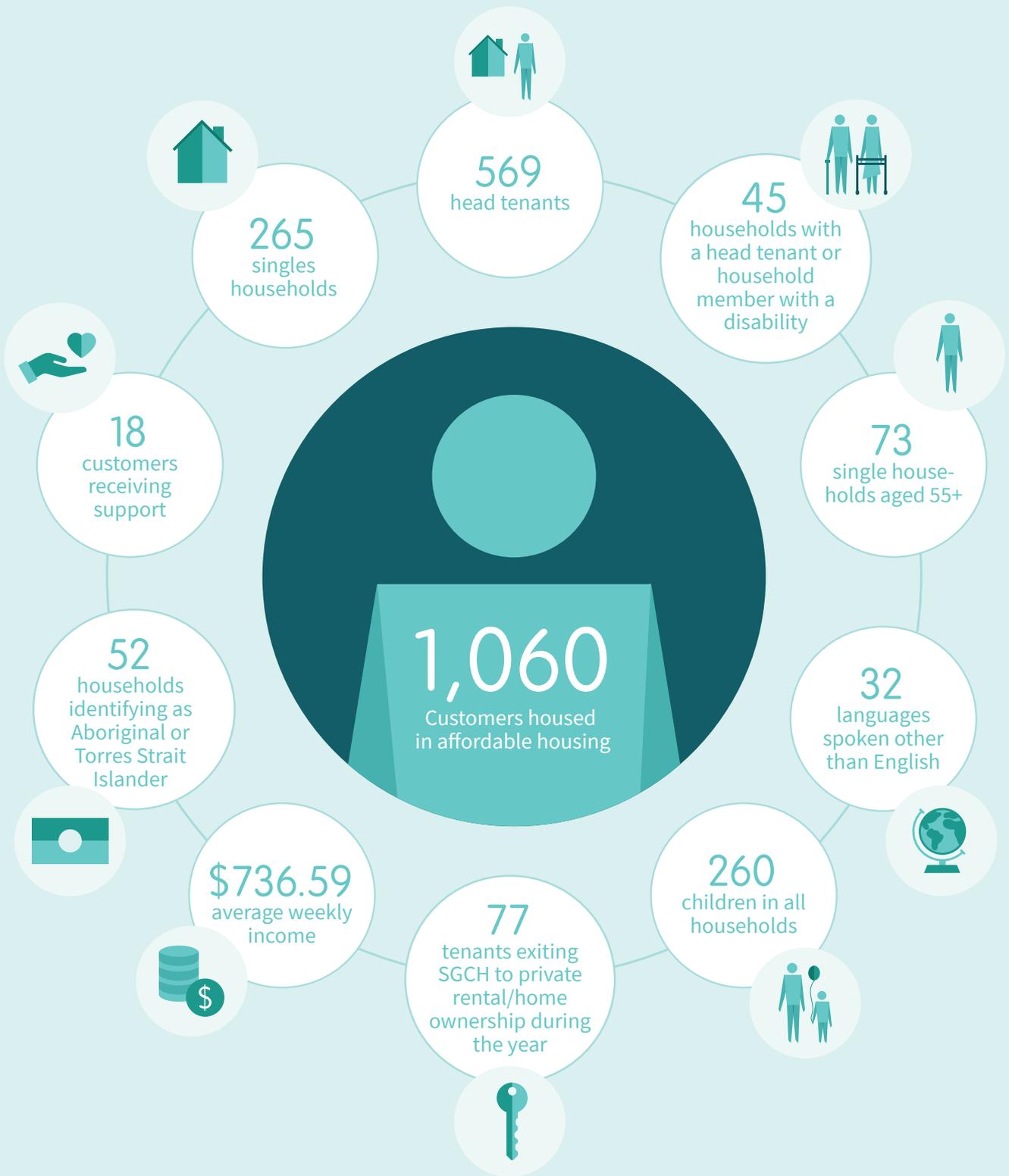
In 2021, the Tenant Satisfaction Survey was wholly conducted by CHIA NSW using different collection methodology to past years. This is the first year and variance is to be expected.

- Metrics indicated were not conducted within this reporting period

Financial Year 2020 / 2021 Highlights

Strategic Outcomes	Highlights
<p>Improve outcomes for people, communities and places</p> 	<ul style="list-style-type: none"> • 75% overall satisfaction Customer Satisfaction Survey • +11 overall Net Promoter Score, Customer Satisfaction Survey • 201 households left community housing to private market or home ownership • 256 students awarded scholarships • 39% of engaged Catalyst participants placed in training or employment • \$120,000 in grants secured for community events and placemaking initiatives • \$50,000 grant from Youth 4 Unity to build youth participation network • 5 new community gardens • 396 individual plans completed for SAHF household members • 2,500 calls to vulnerable customers during lockdown • 377 new referrals for Support Coordination • 40 people supported through Together Home
<p>Grow a quality, sustainable housing portfolio</p> 	<ul style="list-style-type: none"> • 355 new units delivered across 5 sites • 8 star NatHERS rating achieved for Gibbons Street, our highest rated building • 410 new homes completed under our Leveraging target • 300 homes in total delivered fulfilling Social and Affordable Housing Fund Phase 1 agreement • \$5.2 million in stimulus upgrades across 4 sites • \$17.3 million invested in repairs and maintenance • Winner Development Excellence Award Affordable Housing 2020
<p>A leading business</p> 	<ul style="list-style-type: none"> • \$9.5 million operating surplus • \$89.5 million annualised savings for customers • \$250 million loan with NHFIC, including \$100 million floating note rate • Continued alignment to ISO 31000:2018 • Transforming service delivery, launch of Customer Care Hub • Partnering to engage with Aboriginal communities • Media coverage of key project announcements • 75 media mentions with a potential news reach of 20.8 million <ul style="list-style-type: none"> • Budget call for social housing, Interview with Chair Annette Gallard in The Australian, published Oct 2 2020 with 4.05 million reach • NHFIC's latest \$462m social bond raise takes three-year tally to \$2b, Interview with Group CEO Scott Langford in The Australian Financial Review published June 9 2021 with 4.29 million reach • Awarded Silver in Australasian Reporting Awards • Organisational review to ensure fit for future • 7 Conversation Circles with over 200 staff to determine our new structure, 81 submissions on proposed changes received
<p>High performing culture</p> 	<ul style="list-style-type: none"> • Top 10 AFR BOSS Best Places to Work • Winner, Employer of Choice in The Australian Business Awards 2020 • 225 staff, 67% female 33% male • 90.05% retention rate • Maintained gender balance target (40:40:20) at Board level • 89% courses completed with 7,841 enrolments in Apollo, our Learning Management System • 2/3 staff members completed Byala cultural competency training • Recharge, our health and wellbeing program, has offered staff 21 activities

Customer Profile – Affordable Housing



Top 5 languages



Customer Profile – Social Housing



Top 5 languages





01

Improve outcomes for people, communities and place

Financial Year 2020 /2021 Highlights



75% overall satisfaction Customer Satisfaction Survey



+11 overall Net Promoter Score Customer Satisfaction Survey



201 households left community housing to private market or home ownership



256 students awarded scholarships



39% of engaged Catalyst participants placed in training or employment



\$120,000 in grants secured for community events and placemaking initiatives



\$50,000 grant from Youth 4 Unity to build youth participation network



5 new community gardens



396 individual plans completed for SAHF household members



2,500 calls to vulnerable customers during lockdown



377 new referrals for Support Coordination



40 people supported through Together Home

Strategic outcomes

Our strategic focus 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.

Refer to the full strategic outcomes on page 4 in the Introduction.



More than just homes

At SGCH, we know creating great places is more than just providing a building. We are committed to delivering flexible, customer-centric services that are relevant and meaningful for our customers and responsive to their needs.

Our Support Coordination Team drive a person first approach, breaking down barriers to access services and support for our customers. The team identify and build relationships with customers facing a range of challenges and complexities. Using a capacity

building and strengths-based approach, they can identify and connect customers with support services to improve health and wellbeing outcomes.

During periods of lockdown through the year, the team made 2,500 welfare calls to customers who were isolated. The team maintained calls for those requesting a regular check in. As restrictions eased the team provided face to face welfare home visits to customers who had requested support.

This year, the Support Coordination team developed the Support Coordination Practice Framework. The framework was developed to identify values and strengths that resonated with the team and set out a direction that can be sustained into the future. The framework will also be used to create a shared understanding with our customers and stakeholders about the work of the team. This framework outlines the cornerstones of our practice: hopefulness; inclusion; genuineness; and advocacy.

Types of customer support

Customer Satisfaction Survey 2021 shows the types of support customers engaged with Support Coordination team about.

Source: Customer Satisfaction Survey 2021 – SAHF, and AHO customers only.

Type of support	Percentage (%)
Disability	49
Family	33
Financial	26
Mental health	24
Aged	21
Aboriginal and or Torres Straight Islander	6
CALD (Culturally and linguistically diverse)	5
Domestic and family violence	5
NDIS (National Disability Insurance Scheme)	5
Youth	4
AOD (substance abuse)	1
LGBTIQ	1

Purposeful partnerships

In this financial year our team managed 377 new referrals. SGCH partners with community organisations to open pathways to support for our customers.

With a number of external factors increasing pressure on families and individuals during the year, referrals to external support partners remained steady.



Partners in action

Referral snapshot

190

External support services engaged

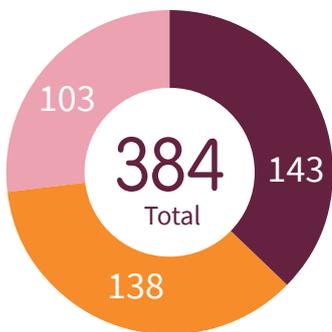
76

Supported to self refer to services

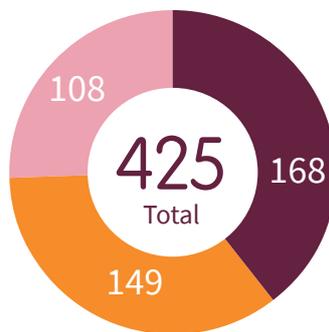
56

Support requests resolved

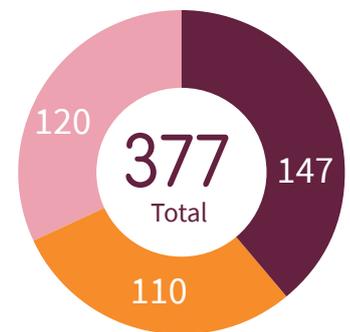
Customer referral snapshot by region



Completed Referrals



Referrals carried over from previous financial year with ongoing customer engagement



New Referrals

Regions West Metro North

Our partners

In 2020 / 2021 SGCH worked with 70 partners to support our customers.

3Bridges Community

Adahps

Allevia

Anglicare

Aruma

Barnardos (Aboriginal Early Years)

Beyond Blue

Bobby Goldsmith Foundation

Brighter Futures

Budyari Medical Centre

Catholic Care

CCNB

Civic Disability

Community Options Australia

Community Restorative Centre (CRC)

Core Community Services Cabramatta

Day Star Foundation

Department of Communities and Justice

Detour House

Disability Trust

Equality Disability and Health Care Services

Fairfield MH Community Centre

Flourish Australia

Gandangara Local Aboriginal Land Council

Gateway Macarthur Campbelltown

Guthrie House

Independent Community Living Australia

Jewish House

Kari

Karitane Family Support Services

Lifeline

Liverpool MH Community Centre

Marrickville Women's Refuge

Men's Shed

Mensline Australia

Metro Assist Bankstown

Mission Australia

Muslim Women's Association Lakemba

My Aged Care Service

Neami National

New Horizons

Newtown Neighbourhood Centre

Northcott

NSW Health

One Door

Orana NSW Inc

Oz Harvest

Parks Community Network Incorporated

Parks Family Service

Parramatta Mission

Project Kindness

Quality Health Care

Rainbow Lodge

Riverwood Community Centre

Royal North Shore Community Mental Health

Ryde Community Mental Health

Salvation Army

Settlement Services International

Southwestern Sydney Public Health Network

St Laurence House Youth Service

St Vincent De Paul Society

Stride

Sylvanvale

Tharawal Aboriginal Medical Services

The Junction Neighbourhood Centre

The Northern Centre

Uniting

Women and Girls Emergency Centre

Weave Youth and Community Services

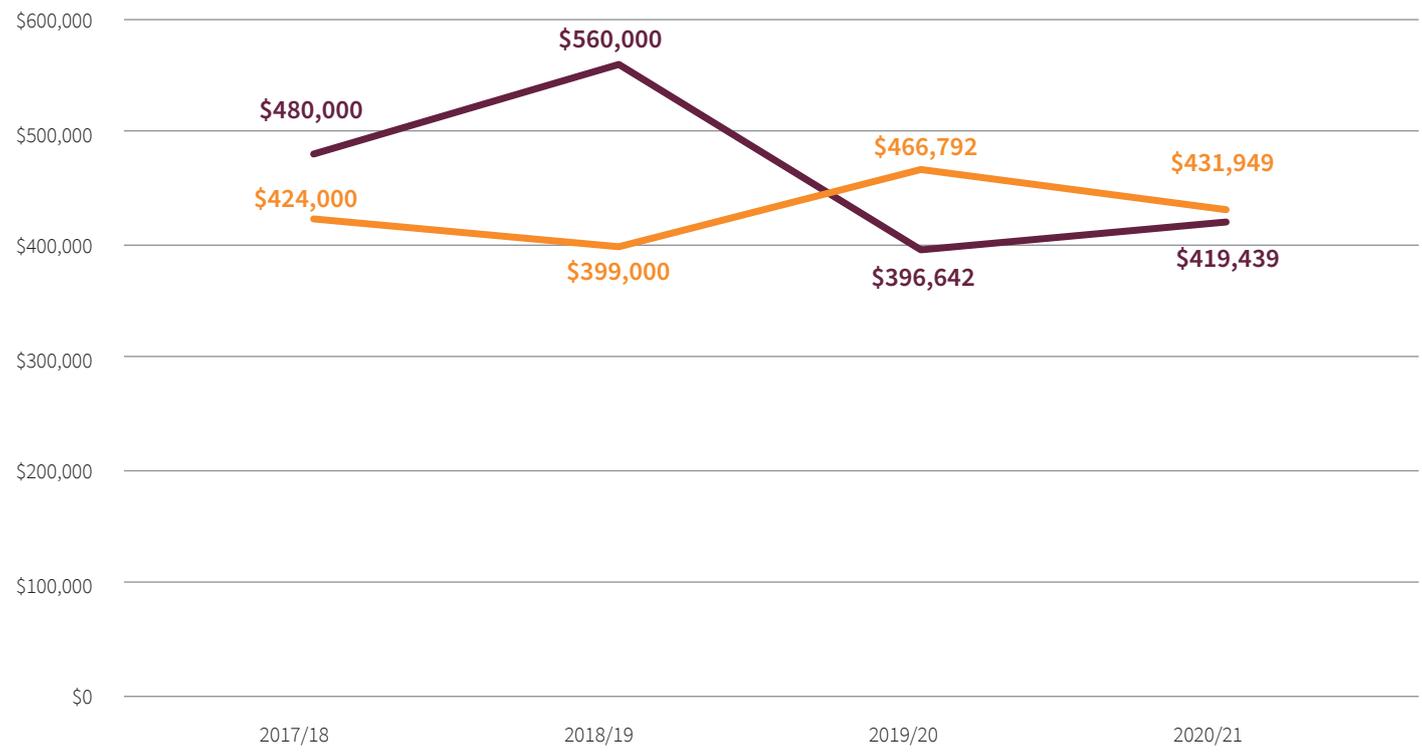
YWCA

Arrears and Debt

In the financial year, our Support Coordination team had 145 referrals for rent arrears and debt, often a primary indicator of risk. The team worked collaboratively with our Tenancy, Property, and Income Management teams to support these vulnerable customers to maintain their tenancies using an early intervention strategy.

Arrears and debts as a percentage of rent were at historically low levels in 2020/21, having steadily decreased in recent years through this approach.

Rental arrears and debt from 2017 to 2021



— General Arrears — General Debt

Together Home

In June 2020, the NSW Government announced Together Home, a program supporting 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. SGCH is working closely with the Department of Communities and Justice (DCJ) and support partners Newtown Neighbourhood Centre, St Vincent de Paul and the Salvation Army to provide wrap around support for participants in the program.

With initial funding to provide 10 leasehold properties for two years to people experiencing homelessness, in May SGCH received increased funding to support an additional 30 people through the second tranche of Together Home.

My Home

Building accessible and adaptable homes in our new developments gives SGCH the opportunity to create unique housing solutions for customers whose needs are often not easily met in social housing. At Gibbons Street, Redfern, we have partnered with Civic Disability to provide assistance to people who are participants in the National Disability Insurance Scheme (NDIS) to access suitable social housing.

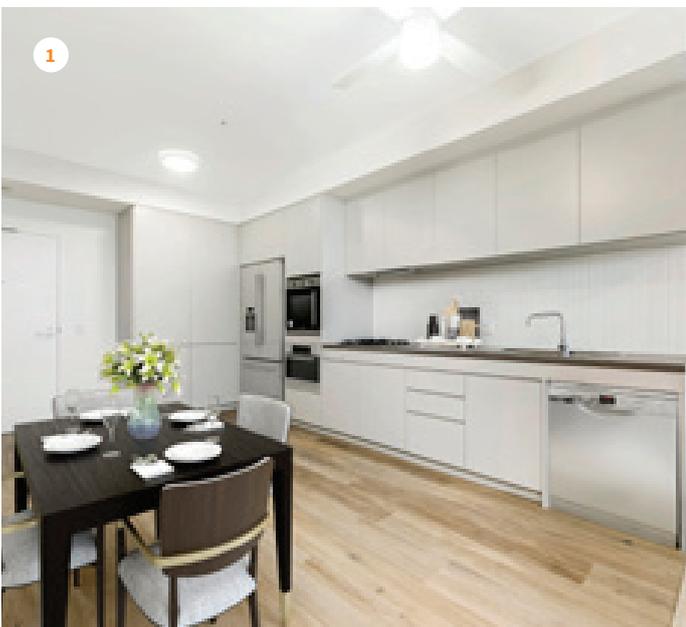
Five NDIS participants have been allocated apartments at Gibbons Street in a program called My Home – Redfern. The program is based on the hugely successful pilot undertaken in 2020 at Miller where five NDIS participants were allocated accessible homes in our Cartwright Avenue project and supported by Civic Disability with drop-in support. With the original five Civic customers enjoying improved wellbeing and maintaining tenancies for over one year, SGCH and Civic decided to partner again in Redfern.

To be eligible for My Home – Redfern, customers need to be NDIS participants living in unsuitable or unstable housing, and be eligible for social housing. Additionally, they are required to have greater housing independence as one of their NDIS goals and enough drop-in support funding to ensure a stable and positive housing experience.

Enjoying the security and stability of great quality, appropriate housing is essential to the long-term support of these customers. Under the partnership arrangement, Civic Disability coordinate and provide the drop-in support to help customers meet their housing and wellbeing goals.

“This project is a success because of our strong partnership. Civic are providing disability support as required, flexibly and in the community, making sure our tenants are thriving in the building they are living in.”

Bruce Woodhouse,
SGCH Partnerships Manager



1. Kitchen and dining space at Gibbons Street
2. Master bedroom with built-in wardrobe at Gibbons Street

Eddie's story



Born in Derry, Ireland, Eddie Doherty's desire to help others has always been a driving force in his life. As Team Leader of Support Coordination at SGCH, Eddie often works with customers managing complex issues and extremely difficult circumstances.

"I have always seen myself as a helper. My Mum instilled this in all of us with her own actions," shares Eddie.

He explains further, "we had a guy at the end of our street when we were kids. He was an alcoholic. He could be abusive at times. My Mum would always sit with him. Talk to him. She'd have him around for meals. I remember her telling us kids that he's not angry with other people, he's angry at himself."

This approach of looking through the presenting issue and looking for the person is one Eddie uses today to de-escalate situations. In everything Eddie does, his approach is strengths-based and person-centred. He is dedicated to helping customers recognise their strengths and support them to improve their health, wellbeing and connections to family, friends and the community.

"I listen and acknowledge them. It was an automatic thing I learnt from my mother. To see the person first. I like to advocate for people that might not have voice." says Eddie.

Though humble and one to avoid the spotlight, Eddie has been instrumental in building the Support Coordination team into its current form and driving key initiatives that continue to impact the sector.

"In building the team, our people and establishing processes, I could bring a lot of past experience. The team had lots of housing experience but I enhanced this with my experience working in areas of mental health, drugs and alcohol as well as homelessness" says Eddie.

Eddie collaborates to share knowledge and expertise, working with the Learning and Development team to develop and implement a range of compassion and wellbeing focused training courses for staff, including: Trauma-Informed Approach Training; Hoarding and Squalor Training, Mental Health First Aid and the Social Work Supervision program.

Eddie also played a key role in the development of the Vulnerability Assessment Tool (VAT), a method to determine the level and complexity of tenant risk and/or vulnerability. This is the basis for the Community Housing Industry Association NSW Sustaining Tenancies Toolkit and has won multiple awards and is recognised industry-wide as cutting edge.

"The only people that are able to access social housing are people with complex needs or people who are older, so many require support..."

Our team have been sector leaders and intentionally shared knowledge with colleagues across the industry. I'm proud to see how all housing providers work together to support customers and communities. Together we have an impact."

Eddie Doherty,
Support Coordination
Team Leader

Customer participation

Our Local Tenant Groups are an important advocacy and participation forum for all customers.

Supported by the Community, Place and Partnerships team, they work to develop our Local Tenant Groups through governance, membership and initiatives which all feed into the strategic function of the Tenant Coordination Panel.

The Tenant Coordination Panel are the overarching representative group with members from across Sydney. In 2021, as part of ongoing renewal we undertook a recruitment drive for the Tenant Coordination Panel that brought five new members, including a new Chair, Mike (read more about Mike below) to the group with a refreshed focus.

The Tenant Coordination Panel has met using video conferencing or in person when possible throughout the year, welcoming guests such as the SGCH Chair, Deputy Chair and the Group CEO.

Local Tenant Group snapshot

33

Groups

1,650

Members

56

Meetings

Mike's story

Mike has a long history of advocating for his community and hopes to continue this in his role as chair of the Tenant Coordination Panel.

Mike moved into the Land Cove Bushland community more than 10 years ago and immediately got involved in a group effort to reopen the community room.

"The community room was closed due to damage from previous tenants. After constant and consistent effort to have it reopened, we were finally successful," explains Mike.

"Once it was opened, I got to know most of the tenants rather quickly and put on some humble events. I started a library of movies, got a big screen TV and stereo. I realised, there was much more we could do to build our community."

Mike is looking forward to creating this sense of community through the Tenant Coordination Panel and representing each community and getting to know them better.

"This is an important joint effort. I have already made friends from different communities and I know each one has different priorities. We have a good team and we can really try and bring about improvements," he shares.

He is passionate about increasing tenant participation in meetings and events and ways of working together.

"The staff at SGCH have been responsive since we transitioned under their management and the new focus on building our community has been fantastic. Getting more tenants involved is important to me and so is how we work together with SGCH to build trust. I also want to tap into the broader community resources."

When asked about his thoughts on the panel and priorities for the year ahead, his answer is simple.

"I have a range of ideas that I want to explore. My main idea is to see more neighbours helping neighbours and I'd like to be the guinea pig of that".



"This is an important joint effort. I have already made friends from different communities and I know each one has different priorities. We have a good team and we can really try and bring about improvements."

Mike,
Chair, Tenant Coordination Panel

Creating community

In the past year, more than 366 activities were offered, with 3,566 attendees getting involved. Of these activities, 160 were held online via the CPP studio, with 654 customers in virtual attendance.

Following a shift to online activities during 2020, in March 2021, some community activities restarted in community rooms with a welcome reception from customers.

The Communities, Place and Partnerships team ran language groups and community garden workshops during the year, enabling residents to keep in contact and build social connections despite COVID.

The team continued to adapt its approach with new ways to connect our customers and offer engaging activities. This included the 'virtual' environment through the CPP Studio which offers activities including Zumba, gardening, exercise and the Local Tenant Group meetings online.

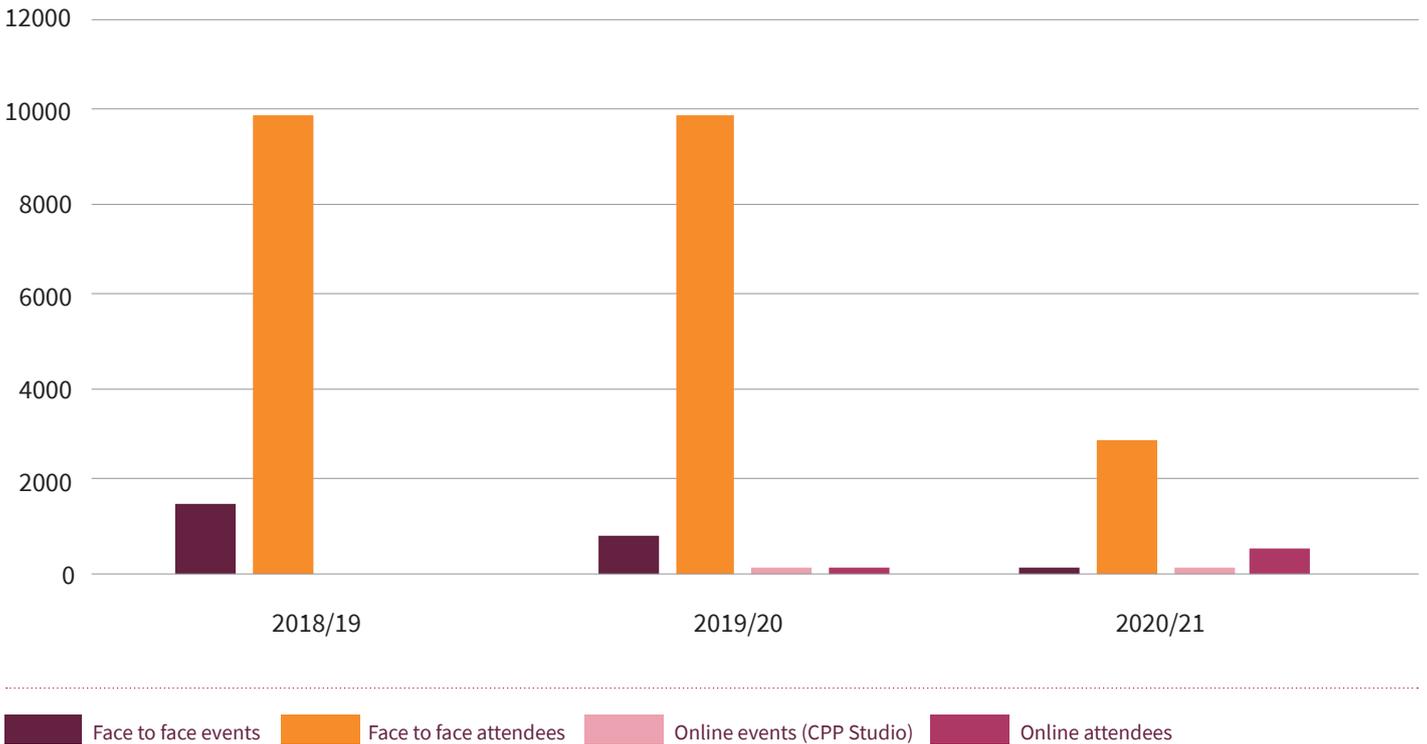
The team continued to design their programs focusing on three areas:

- Training and Education
- Health and Wellbeing
- Social connection.



1. Customers, staff and stakeholders meet at City Road, Chippendale
2. Bonnyrigg residents and Mayor of Fairfield Frank Carbone at the Sensory Garden

Community event participation from 2018 to 2021



Phanh’s story

Bonnyrigg has so much to offer, with development and improvements occurring each year. For local resident Phanh, the biggest draw card is the friends to be made and the sense of community.

The 73 year old grew up in Laos but has called Bonnyrigg home since 1981, along with his wife and adult son.

“I like Bonnyrigg because I am close to the shops, it’s very quiet, and has lots of parks. I have lots of friends and there is a Lao community.” shares Phanh.

Though he appears reserved, Phanh keeps busy with the various activities on offer in the community, always ready to learn or to share a moment with friends.

“I attend English, aqua aerobics, Lao group and the garden workshops,” says Phanh.

“English class has improved my confidence and English skills to speak to my neighbours better,” explains Phanh.

“I like attending them because I make new friends, and meet with old friends. I have a laugh with everyone.”

Phanh,
Bonnyrigg Resident



Capturing customer voice

At SGCH, we use customer feedback and complaints to inform our service delivery and planning.

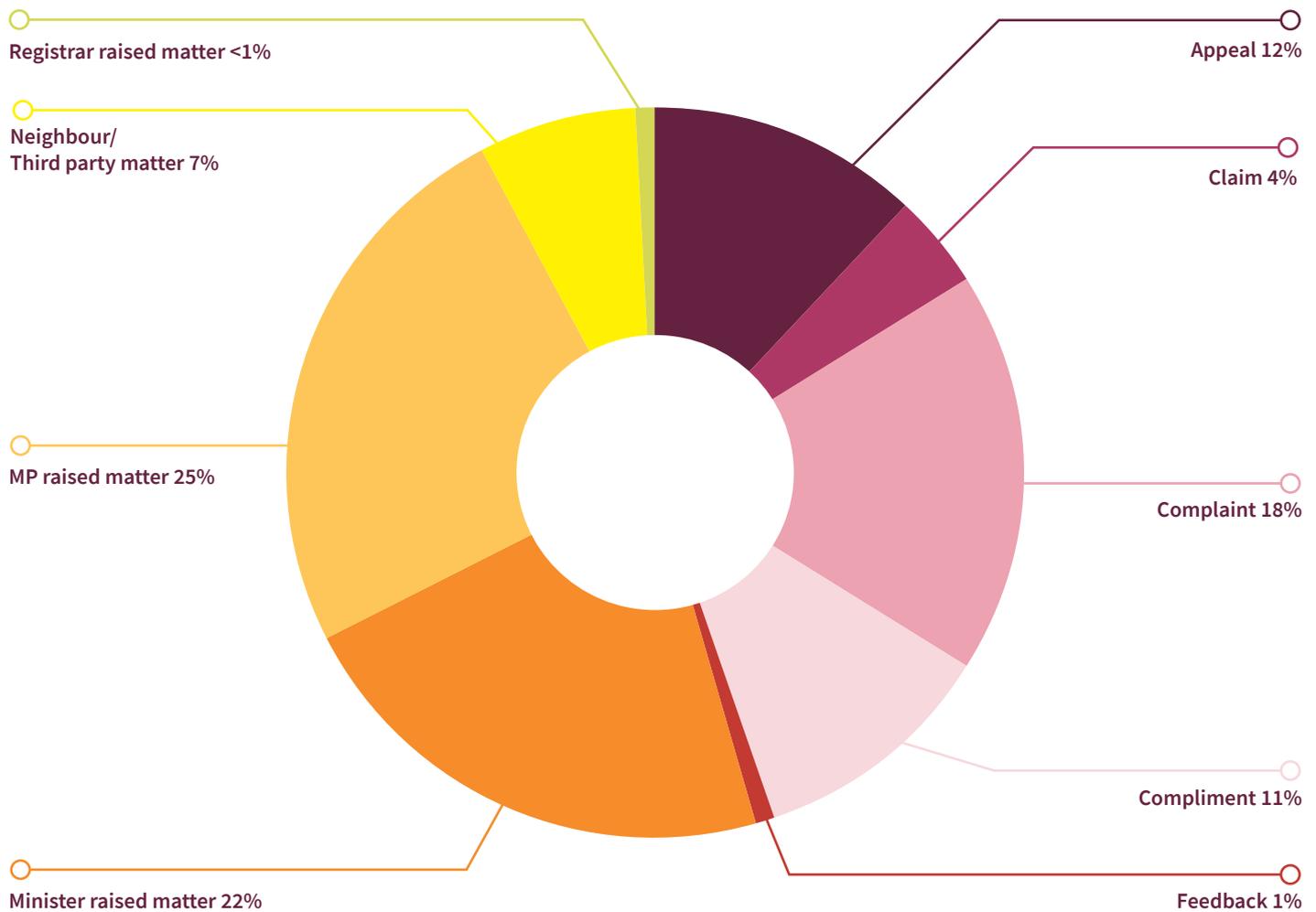
The information we collect about feedback and complaints provides important business insights and enables us to respond not only to the immediate issue, but to look for repetition or patterns that suggest improvements to systems or processes are required.

In 2020-2021 there were 316 feedback matters across SGCH, compared to 336 in 2019-2020. This represents a decrease of 5.9%. SGCH policy and our benchmark for responding to appeals and complaints is within 28 days. The average completion timeframe for appeals was 14 days and for complaints was 7 days.

There were 37 appeals being a decrease of 33% from the previous year. The average completion timeframe was 14 days.

There were 58 formal complaints being a decrease of 17% from the previous year. The average completion timeframe was 7 days.

Feedback by type



Appeals snapshot



37
appeals

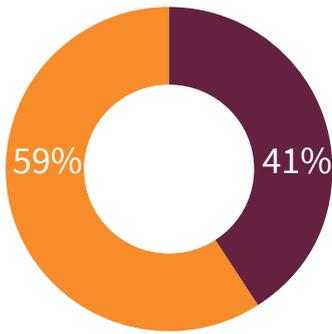


33%
decrease from
FY19/20

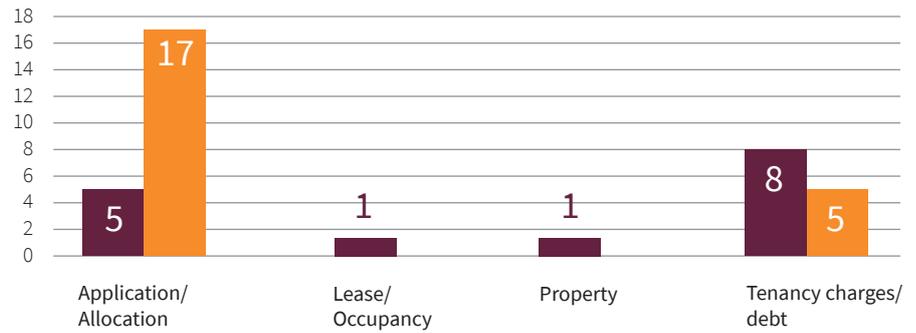


14
day average completion
timeframe

Outcome of appeals



Outcome of appeals by category



Upheld Not upheld

Complaints snapshot



58
formal complaints

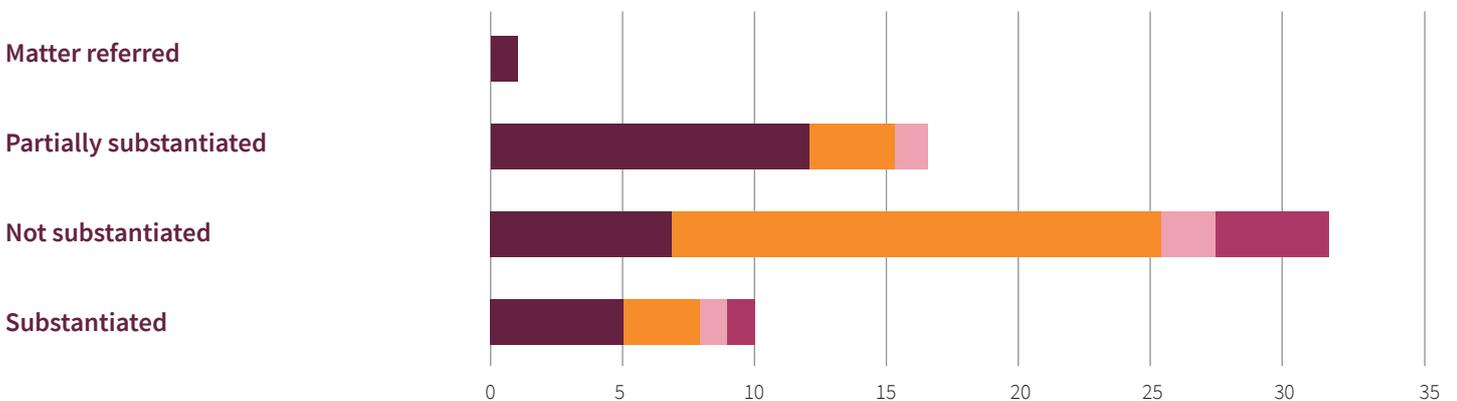


17%
decrease from
FY19/20



7
day average completion
timeframe

Complaints outcome by category in 2021



Property Customer Service Tenancy charges/debt Application/allocation/transfer

Newleaf Community in Bonnyrigg

SGCH delivers integrated management of the Newleaf estate in Bonnyrigg. We are the only community housing provider in Australia delivering integrated services in a whole of location setting, acting as a backbone organisation for community and partners.

The Bonnyrigg Living Communities project was the first social housing Public Private Partnership (PPP) in Australia and was designed to create new social and private housing by redesigning, renewing and reinvigorating a public housing estate within the south western Sydney suburb of Bonnyrigg.

In late 2020, the NSW Department of Planning, Industry and Environment (DPIE) approved modifications to the Bonnyrigg concept plan. The plan will allow the NSW Government to deliver 20 per cent more homes, which is

part of their COVID-19 Recovery Plan. At an announcement about the plan in December, the Minister for Water, Property and Housing, Melinda Pavey, said the modified concept plan also allows maximum building heights of up to six stories to deliver contemporary, new homes located near transport, parks, services, and community facilities.

In total, the development will provide 3,000 new homes in Bonnyrigg including 900 for social housing. With the modifications to the plan, there will be more trees, covering 25 per cent of the development site, and an increase in open space which includes more than four kilometres of new walking and cycling paths. To date, the NSW Land and Housing Corporation (LAHC) has completed the first five stages of the development.



Concept of new development in Bonnyrigg

Sanaa's story

When Sanaa moved to Bonnyrigg more than 18 years ago, it immediately felt like home. Sanaa grew up living the city lifestyle in Lebanon and has watched eagerly as Bonnyrigg transforms into a major community hub.

“When I first came to this country I lived in Bonnyrigg. My family are here. I know the shopping. I know the transport. I am never going to leave here.” said Sanaa.

A familiar and friendly face to many, Sanaa is heavily involved in her community and sits on the Bonnyrigg Local Tenant Group, the Tenant Coordination Panel, as well as the Arabic Language groups. She likes to get to know her neighbours, “I like to involve staff in what’s going on in the community. I can explain what they need, and I can get others help.”

As well as helping out her neighbours, Sanaa is also a self-confessed lover of sports and keeping active.

“I am not a professional or anything, but I like to be involved in anything active. I love my aqua aerobics and I hope that we can start up our walking group again soon.”

Sanaa lives with her husband and one of her two daughters in an older property and will move to a newer one as part of the planned stages of redevelopment.

“The whole of Bonnyrigg is becoming more attractive. There are more parks, more shopping and better transport. I really like it as it is becoming another main city,” shares Sanaa.

“I actually can’t wait to move. The new houses are so fresh.”



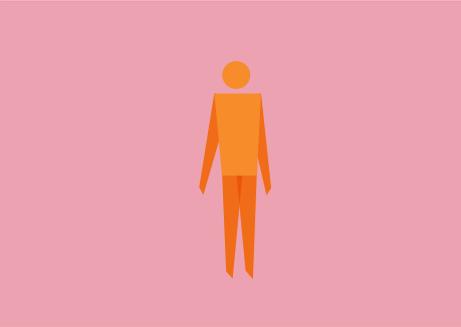
“When I first came to this country I lived in Bonnyrigg. My family are here. I know the shopping. I know the transport. I am never going to leave here.”

Sanaa,
Bonnyrigg Resident

Housing Plus



In a year of great change and many challenges, the connection between stable housing, wellbeing and education has been more important than ever. The call to 'stay-at-home' shone a light on essential access to digital tools and internet for education and social connection.



Throughout COVID-19, our Housing Plus programs proved to be helpful for households struggling with the extra costs of digital access. We assisted through Strive Scholarships, the DigiConnect program and No Interest Loan referrals to help to cover a range of needs.



DigiConnect supported 65 households to buy laptops, tablets, fitbits and smart phones that are paid back over a year with no interest.

We also supported 36 customers apply for Good Shepherd No Interest Loans to cover costs including dental repairs, pet care/ vet bills, a motorised scooter, car expenses, whitegoods and electrical goods. This program assists when something more specific than our DigiConnect offering is needed.

Meaghan's story

Staying connected online became a vital lifeline through the pandemic. For Meaghan, an SGCH customer for more than 15 years, being able to purchase a laptop at zero interest was a game changer in staying connected and supporting education.

When Meaghan needed a laptop to use at home our Housing Plus Coordinator, Tanya Dimic was able to offer Meaghan a great quality laptop, without the stress of needing the funds upfront through our DigiConnect program.

"I actually met Tanya many years ago when I was pregnant with my son and needed to move to a more suitable property. When I contacted her about the laptop, we both remembered each other even though it had been quite a few years. She helped me out again."

Through DigiConnect customers can buy digital devices at a discount from regular retail price with no interest, with the cost paid back through fortnightly repayments over one year.

"Not having to pay the whole thing outright really does help. I use the laptop all the time and it helps with getting things done. I used it complete an online course. It makes reading my emails easier. Photos and printing, you know, things like that."

When Meaghan's 11-year-old son Christian needed a laptop for school at the beginning of the year, she once again accessed DigiConnect to make things more manageable.

"Christian uses his for school and it means he doesn't need to use mine, we can both work at the same time.

"He also plays his games on the laptop, and he connects with friends and they play their games together."

Through restrictions and lockdowns, this affordable digital access has been an important connection to friends and school.



"Not having to pay the whole thing outright really does help. I use the laptop all the time and it helps with getting things done. I used it complete an online course."

Meaghan,
DigiConnect Customer

Strive Scholarships

Since their inception in 2006, our scholarship program has awarded over \$2.3 million to students to assist with the cost of education and activities.

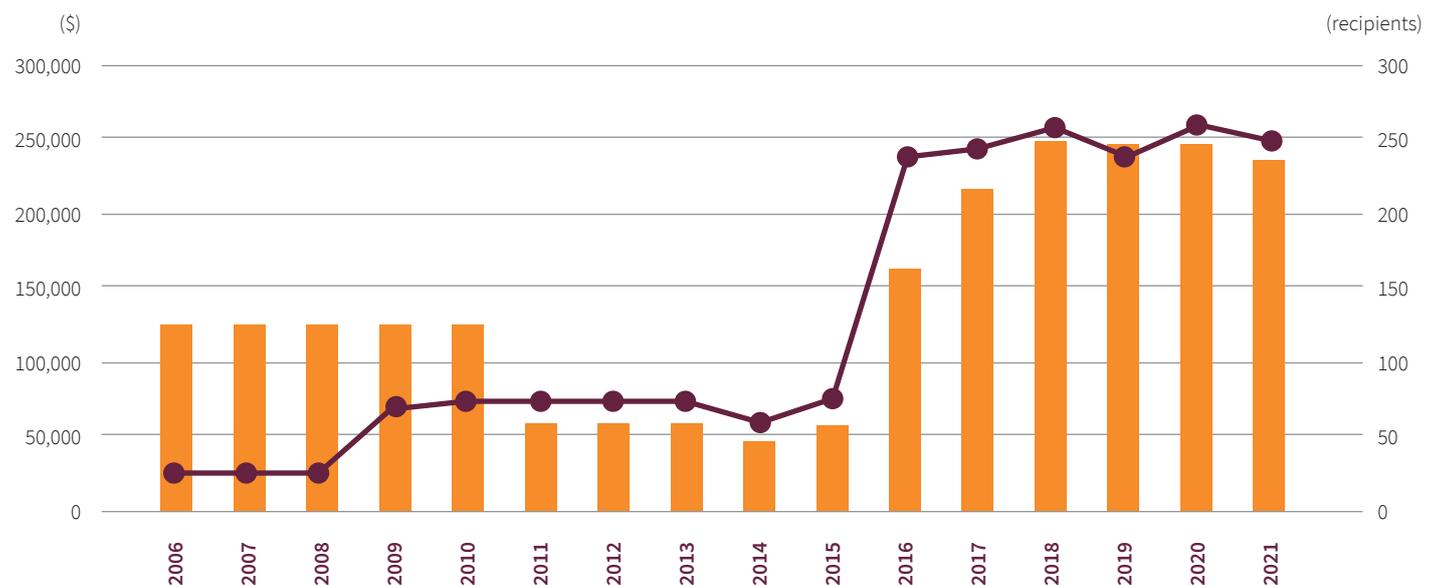
The scholarships offer practical assistance to complete education, increasing access to tertiary study, and creating career and employment opportunities, but many recipients also report back how encouraging it is that SGCH supports their educational goals.

This year, we awarded 256 recipients \$251,000 in total, supported by Commonwealth Bank Australia, Adolph Basser Trust, SR Construction, Assett Group Services, Rapid Construction and private donors Anna Buduls, Philip Manidis and Scott Langford.

Scholarships by cohort, 2021



Progress over time 2006 - 2021



█ Funds distributed
 —●— Number of recipients

Catalyst

Since 2018, our Catalyst program has offered customers support and coaching to find and maintain suitable training and/or employment.

There are three parts to the program: Catalyst Coaching, Catalyst Training and Catalyst Funding. Customers can access all three or only one, depending on their needs.

Customer demographics

	Number of customers
Culturally and linguistically diverse	49
Aboriginal and or Torres Strait Islander	13
People with a background of family and domestic violence	8
People receiving disability support pension	16
People long term unemployed (>12 months)	37
Youth (16 - 24)	13
Mature aged (60+)	37
Single parents	26

47

Placed

118

Engaged

177

Referred



Catalyst 2018 - 2021



Sundy's story

Growing up, Sundy knew he wanted to be the first in his family to go on to further studies. With his family not in a position to help financially with the costs involved, Sundy had to look at how he else he could achieve this.

Two years ago, Sundy successfully applied to move into SGCH Affordable Housing. The independence and money saved were a big step forward for Sundy toward pursuing his career goals.

"I was only 20, but my girlfriend and I both wanted to move out because neither of us had much family support," Sundy explained.

"I couldn't have done it without the rent subsidy."

Originally Sundy considered studying Information Technology, but soon realised he got the most joy from helping others. He considered Nursing but decided Policing was best suited to his skills.

In addition to the costs of studying an Associate Degree in Policing Practice however, there are out-of-pocket expenses involved in the application process. To help with these expenses, Sundy successfully applied for Strive Scholarships in 2020 and again in 2021.

"The funds from both years benefitted me greatly," Sundy said.

"There were normal study costs like textbooks and travel, but because of COVID and studying online I found there was a higher cost of living in general as well as the need for things like a webcam for Zoom sessions."

The scholarships helped as Sundy had already invested in other requirements for his policing pursuit, including medical clearance examinations, vaccinations, swimming lessons for the Aquatic Rescue Sequence Certificate and First Aid certification.

Following his passion has made the costs, complexities and challenges posed by COVID-19 worthwhile, with his studies going well.

"I start at the Academy next week! I'll be in a COVID-safe bubble there, learning face to face. I'm really looking forward to that, doing new things every day at the Academy and taking the next step toward my prospective career."

"I'm very grateful for the opportunities SGCH has provided that supported my work to get there."

Sundy,
Strive Scholarship Recipient

Kim's story

After years of studying harmonisation in Australia and abroad, Kim wants nothing more than to share her knowledge of Feng Shui and Chinese herbal medicine with others.

Working alongside our Employment and Opportunities Manager, Carrie Yang, Kim realised she wanted to improve her administrative skills further, to open up more employment opportunities and help her pursue some big business plans.

Kim had studied extensively and is a qualified Feng Shui master providing consultations to clients in Sydney. When speaking about the benefits, it is hard to contain her enthusiasm.

"I love it. It is a phenomenon. It interlinks with astrology and planetary and is interrelated to our human body. Everything is connected," she says.

Through the Catalyst program, Kim accessed a subscription to LinkedIn Learning for self-paced interactive online learning which strengthened her administration skills.

Kim was previously a conveyancer but took a career break when she had her three children. During this time, Kim built up her Feng Shui business but has found herself a little behind in admin and computer skills.

"Computers have changed significantly since I last worked in an office. Carrie helped me enrol me in a course online, so I could do it at my own pace. She was very helpful."

Kim has also applied to the University of Western Sydney for a Bachelor of Traditional Chinese Medicine with a support letter from SGCH.

"My passion is to heal with the tradition of Chinese medicine. I have been studying from books since I was 18. After I finish my studies, I have big plans. I am looking to build on my business through further studies and offer acupuncture, Chinese herbal medicine and herb dispensation," says Kim



"Computers have changed significantly since I last worked in an office. Carrie helped me enrol me in a course online, so I could do it at my own pace. She was very helpful."

Kim,
Customer who received
support through Catalyst



02

Grow a quality, sustainable housing portfolio

Financial Year 2020 /2021 Highlights



355 new units delivered across 5 sites



8 star NatHERS rating achieved for Gibbons Street, our highest rated building



410 new homes completed under our Leveraging target



\$5.2 million in stimulus upgrades across 4 sites



300 homes in total delivered fulfilling Social and Affordable Housing Fund Phase 1 agreement



\$17.3 million invested in repairs and maintenance



Winner Development Excellence Award Affordable Housing 2020

Strategic outcomes

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

Refer to the full strategic outcomes on page 4 in the Introduction.



Our assets

SGCH manages a portfolio of property assets with a value of approximately \$3.46 billion, including \$1.25 billion total 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.

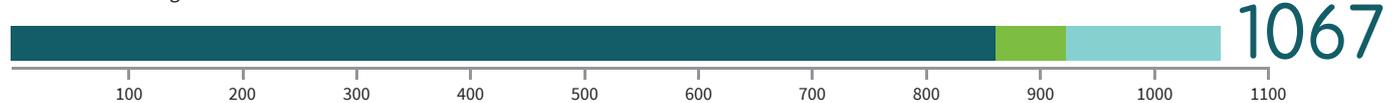
SGCH Property assets (2017 – 2021)

	2017	2018	2019	2020	2021
Owned	1,530	1,542	1,659	1,828	2,164
Leased	617	619	665	657	700
Managed	2,556	2,595	4,078	4,072	4,063
Total dwellings	4,703	4,756	6,402	6,557	6,927
Affordable housing	341	324	391	482	587
Social Housing	4,362	4,432	6,011	6,075	6,340

Development pipeline progress to 2021



Number of dwellings



Repairs and maintenance

This year SGCH invested \$17.3 million in repairs, maintenance and planned works to maintain or improve the quality of the homes we manage (see table adjacent).

We work with multi-trade contractors to provide services to our customers, from urgent repairs through to regular common area maintenance such as lawn mowing and servicing bin rooms.

Our in-house Handyperson team completes requests for non-urgent repairs. Customers consistently score their satisfaction with this service as over 90% in post-work surveys.

For the financial year 2020/21, Land and Housing Corporation's (LAHC) contractor provided services for customers in our Northern region. Customer satisfaction survey found satisfaction with repairs and maintenance was 72% for all customers except those in the Northern region. This group of customers reported 49% satisfaction with repairs and maintenance. We will work closely with customers and monitor this as we anticipate changes stemming from contract arrangements changing to SGCH appointed contractors from 1 July 2021.

Repairs and maintenance services 2021		
Type of work order	Completed by SGCH	SHMT (Completed by LAHC contractor, Northern region only)
Emergency work (4-hour response)	1,820	n/a
Urgent repairs (24-hour response)	3,860	3,561
Non-urgent repairs (14-day response)	12,474	454
Warranty and defects works	673	0
Common area maintenance	701	1,520
Insurance works	3	-
Planned maintenance	2,316	1,927
Disability modifications	131	128
Total	21,978	7,590

Stimulus funding fast tracks improvement works

In March 2021, SGCH was one of the 31 recipients of \$40 million in stimulus funding to improve social housing. Announced by Minister for Water, Property and Housing, Melinda Pavey, SGCH received \$5.2 million in upgrades to improve customers homes across four sites.

This funding through the LAHC enabled us to fast-track our planned works and ensure a broader range of improvements were made, a more efficient approach that also minimised disruption for our customers.

The works were focused on improving the look and feel of common areas as well as addressing safety concerns.

We took a measured approach during the period of March-June 2021 to concentrate on external works of safety and security whilst managing community concern around COVID-19.

Works included:

- Replaced 14 pitched roofs
- Significant roof and common area upgrades to a large 70 year old unit block of 75 units
- CCTV installation and upgrade to LED units for all common area lighting at a 150+ unit block
- Extensive removal of tree canopies to prevent ongoing damage to roofs and guttering
- New durable flooring in common area corridors and stairs
- Fresh paint in common areas and external facades
- Fixing concrete/trip hazards
- Fixing fences
- Replacing damaged drains/gutters.

All works were completed by mid-June enabling the full payment of the LAHC grant to be received by 30 June 2021.

“The process with SGCH worked really well. We were able to visit the sites during the submission stage so we could plan ahead which helped given the time pressure. Our team did interact with customers but we tried to minimise the disruption as much as we could.

Our Project Manager was on site to manage requests and questions which helped build trust. He was able to communicate with many of the customers in Arabic which I think helped them feel comfortable.

We are very grateful for the opportunity to work on this project and the employment opportunities we were able to offer our sub-contractors. These works provided employment for more than 550 sub-contractors.”

Keiri Tamsyn,
Contract Manager, SR Construction

Project Align

SGCH uses multi-trade contractors to carry out the repairs and maintenance at customers homes. This approach brings a broad workforce with a range of trades and skills as these contractors also employ sub-contractors with specialist skills, like plumbers, electricians and locksmiths.

Over the past financial year SGCH worked with our contractors and LAHC to consolidate and standardise our repairs and maintenance offering to all customers in our portfolio.

In July 2020 we retendered our maintenance contracts and these were awarded in late 2020 with a staged start of the new contracts. Long-standing partners Assett Group Services and SR Constructions were awarded the contracts. Reviewing our contract services was part of our planned transition to incorporate the Northern region; since transferring management to SGCH in April 2019, maintenance services for this region had remained contracted to a third party under LAHC.

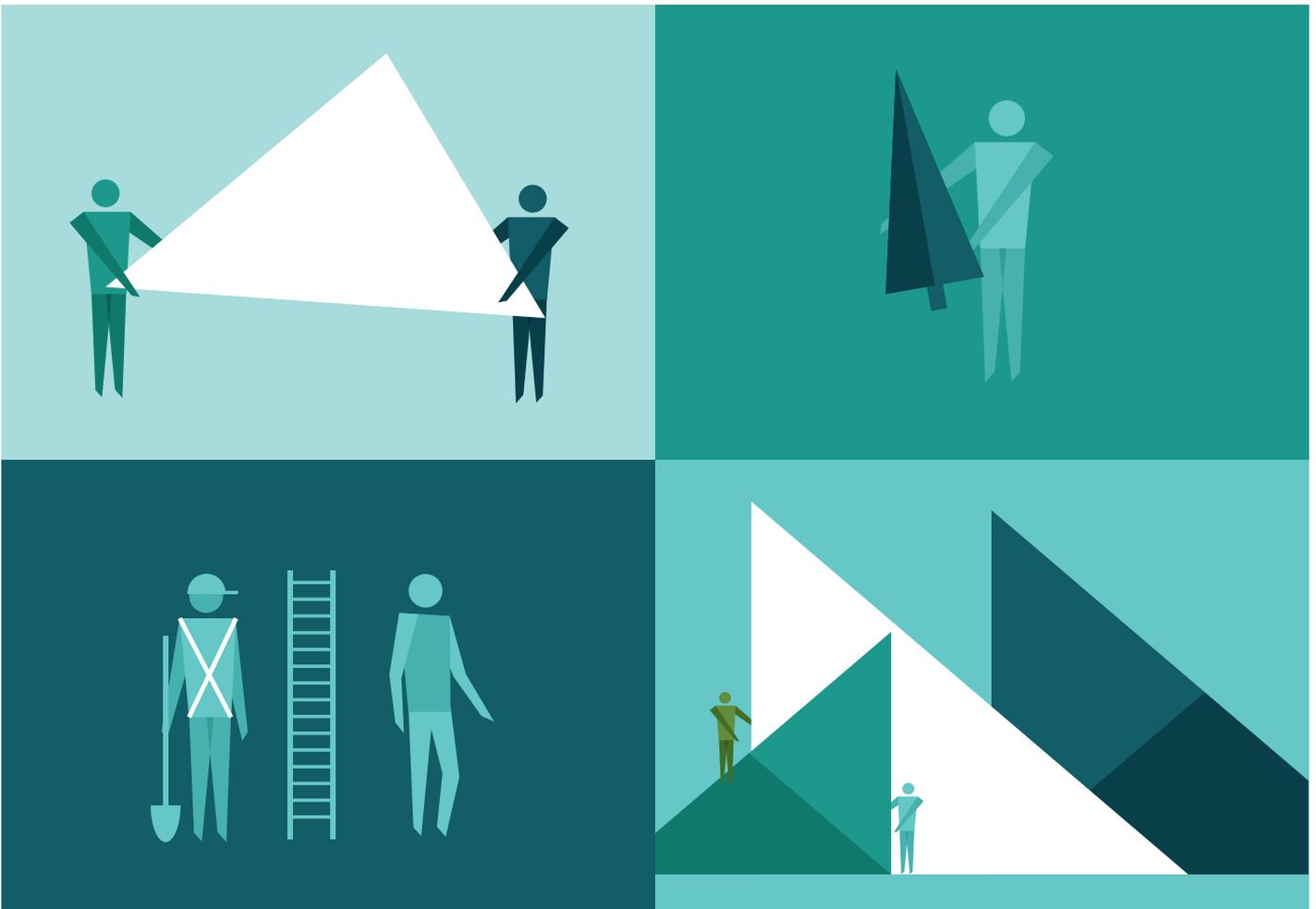
On 1 July 2021, SGCH took over responsibility for repairs and maintenance for our Northern customers. This meant that how customers reported their repairs and maintenance changed as well as the contractors completing the work.

We worked with our customers to help them understand this change with targeted communication including through face-to-face meetings at the larger blocks, posters, letters and text messages using community languages to ensure the upcoming change in how they requested services was known.

This activity coincided with a new freecall 1800 number introduced for all customers, with fridge magnets posted to 7,000 households through June as a handy reminder of the new way to contact us. Introducing a simpler system with one number to call (rather than a local office) was a key part of incorporating customer feedback and creating an internal team known as the Customer Care Hub, the first stop resolution service for all our customer needs.

“ I already have tenants saying how much quicker the service is from the Customer Care Hub, how they’re not sent all around the world and they are put through to the right department so much quicker than in the past.”

Andrew Aguilar,
Customer Care Hub team member



Development portfolio

SGCH has steadily been delivering its development portfolio of over 1,000 new social and affordable homes since 2014, to date we have delivered 889 new homes across Sydney.

For the second year running, SGCH was awarded the Urban Taskforce Development Excellence Award for Affordable Housing. Announced in November 2020, our development portfolio The Brickmakers Precinct took out the prize.

Brickmakers Precinct spans the south west Sydney suburbs of Miller, Cartwright, Liverpool and Moorebank. Together, these sites have delivered 194 new social and affordable homes in this high demand area.

The sites included in the Brickmakers Precinct are:

- Willan Drive, Cartwright
- Nuwarra Road, Moorebank
- Elizabeth Drive, Liverpool
- Cabramatta Avenue, Miller

Built to a minimum 7-star NatHERS, these homes provide secure and sustainable housing for people on the social and affordable housing waiting lists. This cohort are very susceptible to energy poverty and design across the Brickmakers Precinct makes sure the homes we deliver are comfortable and efficient – the savings estimated from energy savings are around \$500 each year for a two-bedroom unit.

“This award from Urban Taskforce recognises the quality and sustainability of our developments. It demonstrates that high quality affordable housing is an asset class that contributes to successful places alongside other developments across the country.”

Scott Langford,
SGCH Group CEO



1. Elizabeth Drive exterior
2. Cabramatta Drive exterior

Ironbark Avenue, Casula

Delivered under the NSW Government's Social and Affordable Housing Fund (SAHF) program, Ironbark Avenue, Casula was completed in January 2021.

The site was formerly five single dwellings acquired in 2018, and transformed into a five-storey development with car parking, 15 one and 48 two-bedroom units, and a communal rooftop barbecue area.

Commensurate with all SGCH new developments, Ironbark Avenue achieves a minimum 7 star NatHERS rating and Silver Livable Standard, bringing a high level of amenity and access to our customers.

Ironbark Avenue was fully leased within four weeks of completion demonstrating the high demand for quality social and affordable housing in Sydney's south west.

Manuel and Felisa (pictured right) were Bonnyrigg residents for more than 30 years before moving to Ironbark as part of the redevelopment. Downsizing from their 3-bedroom family home to their new apartment in Ironbark was naturally an emotional time, but the couple have settled happily into their new home.



"We're very happy here. It is smaller, but everything is new and we feel very safe and settled here."

The garden on top is beautiful –we look forward to using the outdoor area again with our family and new friends here when lockdown is over."

Manuel,
Ironbark Resident

Flowerdale Road, Liverpool

Completed in June 2021, Flowerdale Road is a multi-storey modern building delivering 39 new sustainable and affordable homes under SAHF to the Liverpool community. Offering a mix of 11 one-bedroom and 28 2-bedroom units, the development is located close to local schools, grocery and retail outlets, sporting facilities and transport links.

The development is built to a 7-star NatHERS rating.

Energy efficient features include double glazed windows, high performance insulation in the floors, walls and ceilings, and ceiling fans. The building benefits from roof mounted solar panels which generates electricity to power the common area lights and the lift.



1. Flowerdale Road common area rooftop
2. Flowerdale Road spacious living and balcony areas

Council and Paul Streets, Bondi Junction

SGCH has a long-term relationship with a private developer. We partner together on small-medium developments which SGCH manages as social and affordable housing for a 25-year period. In early 2021, we began tenating a newly completed development in Bondi Junction as part of our SAHF commitments. This discrete development features an existing Heritage Listed building with a modern rear extension and a new 3-storey residential apartment building to the rear of the site. These are two separate buildings with individual frontages, connected by a wonderfully bright common area courtyard.

There are total of 18 units across both buildings, with a mix of studio, one and two-bedroom apartments. Both buildings use a range of energy efficient measures which helps customers reduce household running expenses.



1. Bondi Junction heritage facade
2. Bondi Junction new build rear balconies and garden

Sites in planning

SGCH has two sites in planning and early stages of development that will be delivered to a minimum 7 star NatHERS rating and to a Silver Livable Standard.

Riverwood

Located on Pennsylvania Road, close to shopping, school and transport options, in June 2021 we received Development Consent for this 51 apartment complex.

With 19 one bedroom homes and 32 two bedroom homes, this building is expected to become home to at least 120 new SGCH customers when it is delivered in late 2022.

Alexandria

In excess of 100 homes are planned for this site on Botany Road, Alexandria. The stage 1 Development Application has been approved and design competition is complete. The stage 2 Development Application is due to be lodged in December 2021. We are hoping to deliver by the end of 2024.



1. Riverwood exterior render
2. Alexandria exterior render

Spotlight: Gibbons Street

11 Gibbons Street, Redfern is an innovative 18-storey building featuring 162 new homes, a community hub, bicycle storage and workshop, commercial and office spaces.



Spotlight: Gibbons Street

In addition to providing social and affordable housing, our development features a local SGCH office, ground floor commercial space and a dedicated café space in the lobby. Located directly across from Redfern train station, the building offers great links to transport and nearby retail, employment and education hubs.

Officially opened in June 2021, this development is the result of layers of partnerships across three levels of government and is a stunning example of a modern integrated building that delivers economic, environmental and social benefit.

The local council City of Sydney had identified their former Marian Street depot as a prime location to provide affordable housing in perpetuity. Working together, SGCH and the City of Sydney agreed a base land price with an additional fee dependent upon the final yield. The site was settled in September 2019

with a purchase price of \$15 million – this compares to a slightly smaller neighbouring site which sold privately for \$53 million in the same year.

At a federal level, originally financed by the Clean Energy Finance Corporation, this project was part of a refinanced loan from the National Housing Finance and Investment Corporation in 2020. The homes delivered at Gibbons Street fulfil commitments to the NSW Government Social and Affordable Housing Fund and the Leveraging commitments through the National Building Economic Stimulus Program.

With appointed builder Lendlease commencing on site in October 2019, this site was largely constructed during the pandemic keeping over 1,000 tradespeople employed throughout the lifecycle of the project.

Achieving an average 8-star NatHERS rating, the building is our most energy efficient development to date. Thoughtful design features in the apartments include high commercial grade windows and sliding doors incorporating double glazing and trickle vents to allow control of airflow throughout each apartment. This creates thermal comfort for residents of the building while reducing household running costs. The building also features a bike hub to promote sustainable transport options. A rooftop PV solar array and battery storage reduces ongoing operational costs for SGCH.

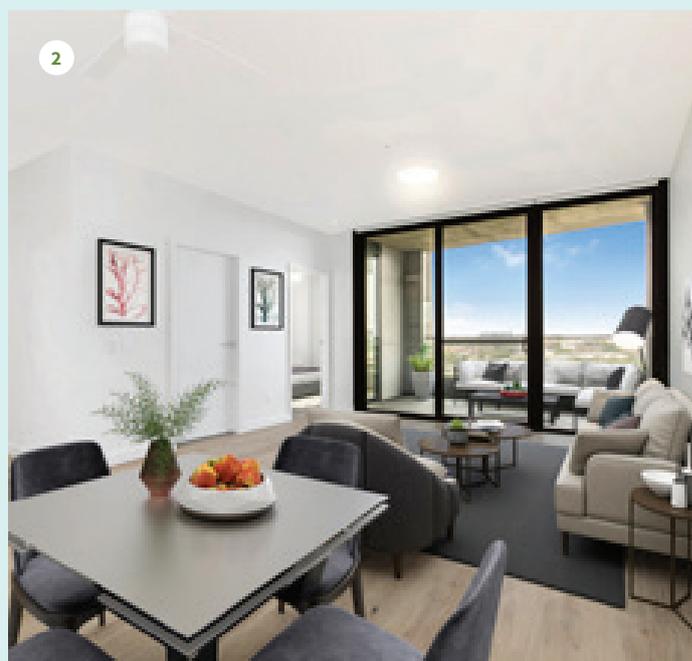
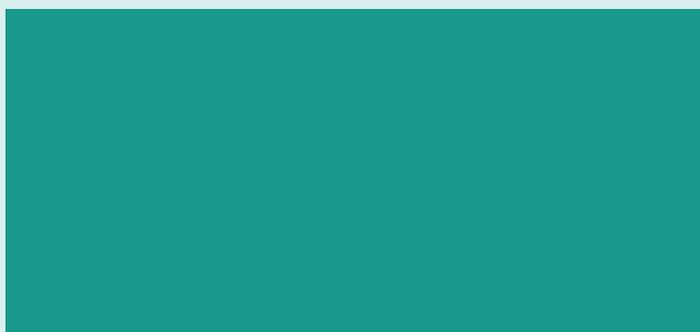


1. Spacious balconies offer privacy
2. Features of the playground area on Level 3

Spotlight: Gibbons Street



1. Indoor and outdoor living spaces
2. Light filled interiors



Sustainability at 11 Gibbons St considers the whole life of the building and the future tenant needs. All apartments have been designed to a Silver Livable Standard with 27 fully adaptable units ensuring future flexibility as tenant needs change. The development also contains a number of dual key apartments which cater for diverse living arrangements including intergenerational living and fee-for-service partnership opportunities, allowing future adaptability and sustainable outcomes.

Public art by artist Joe Hurst is integrated into the development and featured in the brickwork, terrazzo flooring and lightwork installation on the soffit on the podium level.

Being in Redfern, it was particularly important to provide targeted community benefit for Aboriginal customers. At Gibbons Street, we set an allocation target for a minimum 25% of housing for Aboriginal people. With a grant of \$150,000 from the City of Sydney, SGCH employed an Aboriginal Affordable Housing Engagement Coordinator to specifically promote affordable housing to Aboriginal stakeholders in the inner city and build cultural awareness in the participating organisations at Bridge Housing and City West Housing.

This initiative saw strong interest from Aboriginal stakeholders with over a third of households at Gibbons Street already committed to Aboriginal customers, two weeks prior to the building's operational completion.

Spotlight: Gibbons Street



Stakeholder feedback

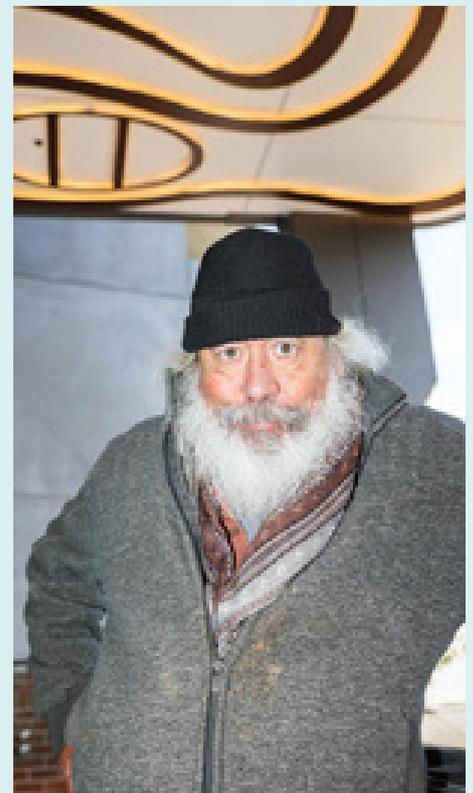
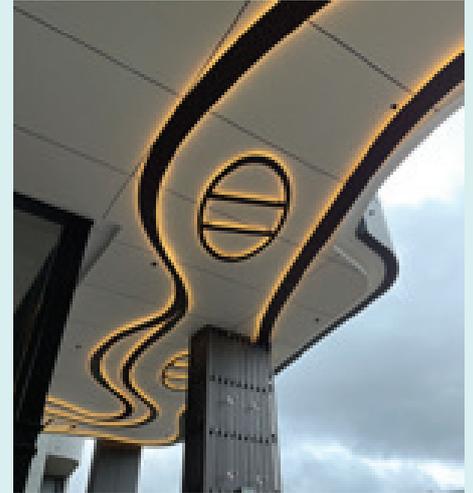
Our first guests to the newly completed development were partners from local Aboriginal organisations. SGCH led a tour of the building providing a first look at styled units, community spaces and the playground ahead of an official opening ceremony.

Around 40 people joined us and were asked for their feedback following the tour, rating the building a phenomenal 4.88 stars out of 5.

SGCH scored highly when respondents were asked to what extent they agreed with the descriptors 'SGCH in an organisation I...'



Spotlight: Gibbons Street



'The Way Home' Joe Hurst

The public artwork, called 'The Way Home' is by Aboriginal artist Joe Hurst. The commissioned artwork is incorporated into the building in several elements; an illuminated sculpture on the soffit of the level 3 podium, built into the brick façade, and set in the terrazzo flooring of the lobby.

Joe's artwork serves as a symbol of connection and country for the Redfern community. The linear symbols in the design represent pathways and water movement, reflecting the historic waterways and traditional gathering activities of the area.

"I am very impressed with the building, and how the architects and builders recreated my design with detail. It makes me feel proud that I contributed to social housing in the inner city. SGCH has provided residents a place to live for a long time."

Joe Hurst,
Artist

Spotlight: Gibbons Street

Tevita's story



Tevita was born in Redfern, where he lived during his primary school years along with his eight siblings. When Tevita was a teenager, the family moved to larger accommodation in Mt Druitt but for Tevita, Redfern has always been home.

Thirty-two-year-old Tevita, which means 'Of David' or 'Beloved' in Polynesian, has a father from Tonga and a mother from Taree, the Biripi or Saltwater people from the Mid North Coast. Tevita now works full-time as a career mentor at the Aboriginal Employment Service.

Tevita has found it difficult to find affordable, secure accommodation in Redfern and has been staying with family and friends to be close to work. His office overlooks the Gibbons Street site and Tevita applied as soon as he could, becoming the first person to be accepted into affordable housing for this development.

Tevita is excited about moving into his new home, being able to live in a community he loves, close to work and with rent he can afford.

"Finding accommodation that's affordable, close to work and in the community where I grew up and feel most comfortable has been hard."

"I'm looking forward to having some stability and finally feeling grounded in the one place - my place."

"I have watched Gibbons Street being built from the ground up and from the start of construction, it's been really heart-warming knowing this building is for social and affordable housing, and that people from my community might be placed there."

"I find more acceptance in the City - Redfern was my home before, and it is my home again now."

"I have watched Gibbons Street being built from the ground up and from the start of construction, it's been really heart-warming knowing this building is for social and affordable housing, and that people from my community might be placed there. "

Tevita,
Gibbons Street Resident

Spotlight: Gibbons Street

May 2018
Design excellence process began. Start of the NSW Government Architect's Design Excellence Pilot Program which included a number of collaborative workshops with DKO, a panel of experts, NSW Department of Planning Industry and Environment and City of Sydney

September 2018
Design finalised and Development Application submitted

December 2017
Agreement between City of Sydney and SGCH to purchase Marian Street depot site, subject to development consent being achieved and based on eventual yield

April 2018
Land purchase

July 2018
Aboriginal artist Joe Hurst's artwork is commissioned through Boomalli

September 2019
Development Application approved Land purchase variations agreed and purchase price settled at \$15 million Lendlease awarded the building contract

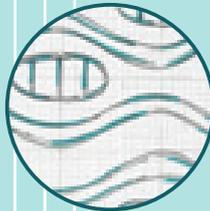
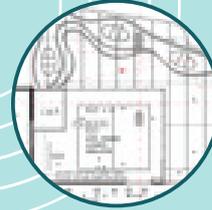
October 2019
Lendlease construction commences with demolition and site works

February 2020
A start of construction ceremony held

December 2020
Topping out ceremony conducted as building reached 18-storey milestone

March 2020
COVID-19 causes changes however construction continues, over 1,000 tradespeople employed during project lifecycle

June 2021
Building completed. Officially opened on 7 June 2021 with customers moving in shortly after



Spotlight: Foyer Central and City Road Chippendale

SGCH's development at 26-30 City Road, Chippendale comprises Foyer Central – an innovative youth housing model, affordable housing, and commercial and office spaces.



Spotlight: Foyer Central and City Road Chippendale



1. Scott Langford addresses media at the launch
2. The self-contained studios are light-filled

Located in the heart of Sydney, Foyer Central was constructed between August 2019 and January 2021, transforming a former public housing site to offer a modern quality addition to the area that is respectful of the heritage and delivers on purpose.

First Youth Foyer in NSW

This Youth Foyer is the first purpose-built foyer in NSW, and the first in the world funded by a social impact bond. A social impact bond (SIB) is a financial instrument that pays a return based on the achievement of agreed social outcomes.

Our partners Uniting operate Foyer Central providing 24/7 support services to residents, with the bond mechanism through Social Ventures Australia. SGCH is the developer, owner and tenancy manager.

The Foyer Model is an internationally established framework that aims to break the cycle of disadvantage for young people exiting care. It offers stylish apartment living for young people with lived experience of out-of-home-care, a collaboration between partner organisations who want to provide young people with a home to live and learn in a safe and supported community as they transition to independent living.

Our partners in Foyer Central are Uniting and Social Ventures Australia, supported by the City of Sydney, NSW Department

Communities and Justice and NSW Office of Social Impact Investment.

Together we identified three key outcomes to focus on:

- Reduced rates of youth homelessness
- Reduced rates of youth unemployment
- Better communities.

Our shared ideas, expertise and capability have resulted in a unique development and targeted service offering to make a positive impact in young people leaving care. Foyer participants who successfully complete the program will be able to demonstrate they can sustain a tenancy and employment, or education and training, or a combination of both.

Investing in young people at a pivotal point in their lives reduces their dependence on government services in the future – saving money across vital public services and benefitting the entire NSW community. Participants are likely to improve their physical and mental health, education and development outcomes. They will also be more likely to gain employment, be independent and have secure housing.

This development was more than 7 years in the making and after years of research and planning for a successful Foyer, location was earmarked as critical to success.

We worked collaboratively with NSW Government to find a suitable location, this site was formerly a public housing site that was identified for redevelopment. The location was carefully chosen to support the overall intent of a Youth Foyer housing model to assist young people at risk of homelessness transition to independent living through education, training and employment pathways. In the centre of Sydney, Foyer Central is located in close proximity to three universities, TAFE and job opportunities. The site also has open spaces with the park across the road including the Aquatic Centre and with Broadway Shopping Centre and Glebe Point Road nearby for groceries and services.

This unique purpose-built development is a modern, quality addition to the area that is respectful of the heritage and delivers on purpose. The site created significant improved uses; previously 37 dwellings, the new development offers a total of 73 studio homes - 53 are dedicated to Foyer Central students and the balance of 20 are affordable housing. The 20 affordable housing units are completely separate from Foyer Central, with its own entrance and communal facilities including a laundry and a rooftop terrace with BBQ. Demand for these units was high and they were let within 20 days of being on the market.

Spotlight: Foyer Central and City Road Chippendale



Foyer Central provides a fresh start

Close to uni. Check. Close to work. Check. Brand new stylish apartment. Check. Affordable... check!

For 18 year-old Mikayla*, hearing about what was on offer at Foyer Central sounded almost too good to be true.

It was Mikayla's Social Worker who first shared news about Foyer Central, and before long, she moved out of her Aunt's place and into her new home. Since moving in at the end of April, Mikayla loves how welcoming the staff are and getting to know the other tenants.

"The other tenants are really relatable. I feel very included", shares Mikayla.

"I also really like the privacy at Foyer. That is something I have never had before. It can be a little noisy, but the building is just gorgeous."

With a passion for social justice and equality, it comes as no surprise to hear that Mikayla is studying an Bachelor in Social Work at UNSW.

Being located in the heart of the Sydney CBD with easy access to transport, Mikayla can easily travel to uni as well as her new job at the local supermarket.

"I can also keep doing other things that make me happy like coaching and playing netball", says Mikayla.

**Name has been changed for privacy reasons.*

"I also really like the privacy at Foyer. That is something I have never had before. It can be a little noisy, but the building is just gorgeous."

Mikayla*,
Foyer Central Resident

Spotlight: Foyer Central and City Road Chippendale



Wirriga and Wirrigule

Public artwork featured in the entrance of Foyer Central is Wirriga and Wirrigule, a collaboration between Local Gadigal Elder and artists – Charles Madden (Uncle Chicka) and Yamaji Wajarri, Dutch and English artist Nicole Monks.

Uncle Chicka has been an advocate for Sydney rock art within his practice for decades and the shape of Wirriga was drawn by his hand as a direct continuation of Gadigal culture.

The wall sculpture - Wirriga depicts the male goanna and Wirrigule - the female goanna is expressed through a sculptural light which is refined from the goanna form. Both Wirriga and Wirrigule include elements of the skin pattern of the goanna, creating a balance and connecting the story within the space.

The integration of First Nations art and culture throughout the foyer and public domain, connects this space with Gadigal land, creating knowledge transfer and understanding of this place for all.

Spotlight: Foyer Central and City Road Chippendale

City Road affordable housing



Within the same site and distinct from the Foyer Central are 20 units for single people earning moderate income. Featuring a separate entrance and rooftop garden common area, these studio units offer affordable housing for customers like Seung.

Seung is a personal trainer and student and was happy to find a property that he could afford that offered all the features he needs.

“Because my work and uni commitments are in the CBD, it was difficult for me to find a property within my budget without a long commute – in the private rental market, it was almost impossible.

This home is new and safe, and it’s also much cheaper than most apartments in the area. It also means I have more time for my family and personal life, as I’ve reclaimed hours each day that I was spending commuting from Western Sydney.”

Seung,
City Road Resident



03

A leading business

Financial Year 2020/2021 Highlights



\$9.5 million operating surplus



\$89.5 million annualised savings for customers



\$250 million loan with NHFC, including \$100 million floating note rate



Continued alignment to ISO 31000:2018



Transforming service delivery, launch of Customer Care Hub



Partnering to engage with Aboriginal communities



Media coverage of key project announcements



75 media mentions with a potential news reach of 20.8 million



Awarded Silver in Australasian Reporting Awards



Organisational review to ensure fit for future



7 Conversation Circles with over 200 staff to determine our new structure, 81 submissions on proposed changes received

Strategic outcomes

SGCH's strategic outcome, a leading business, is the expression of our focus on being a great organisation that creates impact.

We seek to build, maintain and improve upon the drivers of success aligned to this outcome. Our progress is tracked against three key measures.

Refer to the full strategic outcomes on page 4 in the Introduction.



Financial performance

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 \$1.25 billion in assets on balance sheet and approximately \$3.46 billion in assets under management. Our overall performance has been very strong.

For detailed information about SGCH Group financial performance please refer to the Directors' Report and Summary Financial Statements 2020/21 (page 95).

Overview of trends (2018-2021)

	2018	2019 ¹	2020	2021
Rental income	\$54,170,175	\$60,253,567	\$73,313,309	\$75,746,280
No. properties at June 30	4,791	6,404	6,568	6,940
EBITDA	10.8%	42.0%	30.7%	34.3%
Underlying EBITDA (excluding changes from AASB 15, 16 & 1058 adopted from Financial Year19) ²	10.8%	16.1%	11.6%	17.2%
Property values				
Completed projects	\$588,972,499	\$652,347,500	\$717,300,000	\$894,475,000
Work in progress	\$61,180,038	\$80,681,020	\$96,427,383	\$10,884,097
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	\$1,843,456
ROU asset - investment property	–	\$85,781,943	\$87,054,620	\$98,912,123
Total	\$669,586,538	\$829,044,806	\$903,263,552	\$1,006,114,676

Expenditure (2018-2021)

Maintenance expenditure by category	2018	2019 ¹	2020	2021
Common area	\$2,129,984	\$2,692,321	\$3,494,871	\$2,891,243
Planned maintenance	\$2,917,323	\$5,219,508	\$6,519,574	\$11,069,823
Responsive maintenance	\$5,812,150	\$3,858,171	\$8,857,597	\$9,506,815
Other maintenance	\$2,003,201	\$424,910	\$1,181,127	\$14,402
Total	\$12,862,658	\$12,194,909	\$20,053,169	\$23,482,284

Annualised average housing subsidy

Based on June 2021

Annualised average housing subsidy per household	Total
Number of properties	6,927
Weekly market rent	\$479
Weekly rent paid by tenants	\$170
Weekly Commonwealth Rent Assistance paid by tenants	\$60
Average total rent paid by tenants per week	\$231
Weekly subsidy provided	\$248
Subsidy %	52%
Average annualised subsidy per household	\$12,903
Annualised total subsidy \$'000	\$89,380

Charan's story



Charan is now a proud Australian homeowner, thanks to affordable housing.

Charan and his family lived at our 148 Great Western Highway property in Westmead for almost three years during which time he was able to save a deposit and get a foothold into the Sydney real estate market.

Originally from Southern India, Charan got permanent residency in 2017 before moving his young family to Australia a year later.

Charan rented privately for 12 months before spotting an advertisement for affordable housing online.

“I had never heard of affordable housing. My income fell within the bracket and so I applied. The scheme has helped me in so many ways and our experience was so positive.

“The property at Westmead was newly-built when we moved in and the facility was at par with any other rental property. Importantly, it gave us an opportunity to save 25% more each week.

“I was able to save close to \$400 dollars a month, which was so much more than I could have otherwise. This helped me in building my deposit amount for a home in just 2.5 years.

“I could get into the market and buy my dream home even in the crazily raising market conditions of 2021.”

Charan, who works for a travel insurance company based in North Sydney, was able to purchase his new home, a townhouse in Schofields in Western Sydney, in June 2021.

“Our search took some time. Since COVID, prices had increased significantly. The market had been going up and up and I thought we would miss our chance. It took six months of serious looking and we had many setbacks.

The family's search for a home also occurred at the same time as the worsening COVID-19 crisis unfolded in India.

“It was a difficult time emotionally. There is not much we could do from Australia apart from asking our friends and family to be careful and to stay at home.

“There is absolutely no way we can travel. I don't know when we will return to India. For now, our home is here in Australia and we are so thankful to SGCH.”

“I had never heard of affordable housing. My income fell within the bracket and so I applied. The scheme has helped me in so many ways and our experience was so positive.

“The property at Westmead was newly-built when we moved in and the facility was at par with any other rental property. Importantly, it gave us an opportunity to save 25% more each week.

Charan,
Westmead customer

Risk management

Strong risk management continues to be fundamental to our business practice at SGCH. The Risk Management Framework is reviewed and approved by the Board annually. The Risk Management Framework includes our 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.

We have reconsidered our risk reporting, and created a quarterly Key Risk Report for our Audit and Risk Committee which identifies and summarises the 15 risks we wish to focus on for the year. This allows us to deeply understand these risks, their drivers, key mitigations and assurance pieces.

Our response to COVID-19 is based on risk management to protect our customers, our staff and our contractors.

This year the internal audit plan was adjusted to a six month program, providing more agility and allowing the audit focus to adapt as needed to support a changing business. Additionally, an external review of our internal audit practices was conducted and confirmed performance with Internal Audit Standards and value to SGCH.

2021 risk management summary



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.

As business needs change and evolve, our focus areas have been:

- Customer experience enhancements
- System enhancements (TechOne and/or third party)
- Business process automation.

Key achievements that have been implemented;

- BPOINT – SGCH now offers an additional payment portal for customers to make payments, including rent.
- Automating key processes - improving our tenancy sign up process is benefitting our customers and team members, providing increased efficiency
- Customer data – upgrading our enterprise IT system.

Creating a supportive culture for change



After reviewing customer feedback, SGCH undertook the task of reshaping its first point of contact for customers and forming a Customer Care Hub.

Whilst the focus of this project was to deliver an improved customer experience for customers, the real work was internally focused – a review of existing systems, process and team interactions and using this to design a simplified customer contact point.

SGCH invests heavily in supporting staff through periods of change, drawing on the expertise of skilled team members in this area to guide the change process. Kelly Kennedy, Learning and Development Manager explains how using a change management approach with this project helped build trust and assurance with the key staff involved.

“With any project, our first step is to undertake a change impact analysis. This was focused on our staff; who would be affected and what changes would occur for them.”

The hub involved the creation of a specialised customer service team, a gateway for all incoming enquiries into the organisation. SGCH designed this hub based on a research and customer feedback gained through Project Next.

“Because this is a customer focused project, our staff were engaged,” explains Kelly.

“What was really great we were very clear on the target about what we wanted to achieve. The focus on our customers, on the end state kept us all motivated.”

The staff who make up the hub were a newly formed team, with some existing staff stepping into different roles and others newly recruited.

“We did goal setting and agreed behaviours with the new team. We also worked with the team to see how they wanted to be perceived internally and externally and worked together on how to achieve this”, explains Kelly.

“Throughout the project, maintaining contact and building the relationship with staff was critical. The change was very intensive, but it was supported. We also developed the e-learning modules for the hub with the changes in mind.

We were committed to getting it right and now our focus will be on the review stage. Seeing if we have the right model for our customers and adapting and responding where we need to.”

Kelly Kennedy,
SGCH Learning and Development
Manager

Engaging with Aboriginal communities

Improving outcomes for Aboriginal people and increasing access to housing is part of our commitment to closing the gap.

In late 2020 Tabatha Dantoine joined SGCH as the new Aboriginal Affordable Housing Engagement Coordinator. The position was funded by the City of Sydney to promote and improve access to affordable housing for Aboriginal and Torres Strait Islander people over a period of 18 months and includes partners in other community housing organisations in Bridge Housing and City West Housing.

Tabatha has already achieved great outcomes showcasing affordable housing options across these three organisations within the City of Sydney.

Together with our partners, Bridge Housing and City West Housing we have created a single common Register of Interest. This means people can register their details in a single document and they will be contacted by the housing provider who can best match their needs.

Affordable housing programs operate under a range of guidelines depending on how the program is funded or run. There is also a range of suburbs where the properties are located which can make it difficult to search comprehensively. This collaborative approach will support the take up affordable housing opportunities as they arise and improve the experience for Aboriginal customers.



Tabatha Dantoine,
Aboriginal Affordable Housing
Engagement Coordinator

Meeting our target of 25% new affordable housing to Aboriginal people

SGCH set a target of 25% for our new affordable housing offerings to be tenanted by Aboriginal people. Using a targeted and culturally sensitive approach for our two new developments, City Road Chippendale and Gibbons Street Redfern, we have exceeded this target.

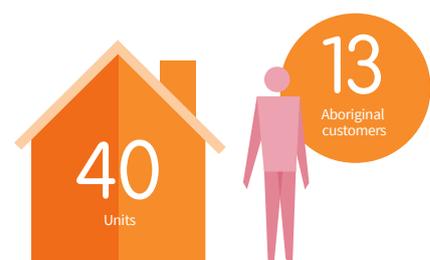
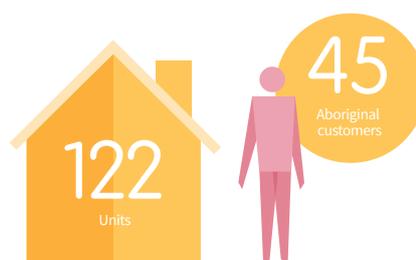
City Road, Chippendale

City Road benefitted from a promotional strategy to attract eligible applicants to this new affordable housing development. Engagement included social media channels, community stakeholders, regional contacts and large local employers such as universities and hospitals.

Gibbons Street, Redfern

With the tenancing process commencing in June 2021 for Gibbons St, it is expected Aboriginal customer representation will exceed 40% once complete. SGCH engaged with the community to promote this development and the affordable housing options through social media channels, Koori Radio, Yabun, Yarn'n, Aboriginal Housing Corporation, and the Aboriginal Medical Service.

SGCH also conducted building tours for Aboriginal community and stakeholders and developed five new local support partners/ agreements with: Mudgin-gal; Tribal Warrior; Weave; ID Know Yourself; and BLAQ (see page 50).



City Road, Affordable

Gibbons Street, Affordable

Gibbons Street, Social

Reputation

We understand every interaction creates an impression of our organisation. Our Corporate Affairs, Impact and Communication team has strategic responsibility for reputation to position, promote and protect SGCH.

Through advocacy and engagement with key stakeholders including the media, government and community, SGCH aims to showcase our experience and expertise to achieve strategic outcomes for our customers and grow our impact. Over the past year, this has included a range of activities.

Media

Securing key media opportunities for SGCH, including interviews with the Group Chair in The Australian and Group CEO in the Australian Financial Review about key strategic announcements has been a priority this year. Coverage of development milestones for Gibbons Street, Redfern and Foyer Central, Chippendale was featured across television and newspaper outlets. We achieved 75 media mentions with a potential news reach of 20.8 million.



Government relations

Working with partners across government to highlight shared outcomes, we have been honoured to have key announcements supported by the Assistant Treasurer and Minister for Community Housing, the NSW Treasurer (now Premier, Dominic Perrottet), Minister for Families, Communities and Disability, Minister for Housing, Water, Lord Mayor of Sydney and the Deputy Lord Mayor of Sydney. We have also enjoyed engaging with local councillors and State and Federal MPs at a number of events this year.



1. Minister Pavey and Minister Henskens address media at Gibbons Street
2. Premier Perrottet speaks at Foyer Central
3. Scott Langford, Annette Gallard with Minister Pavey, Lord Mayor Clover Moore and Minister Henskens at Gibbons Street

Stakeholder relations

Developing our Partnership and Stakeholder roadmap this year, we have a renewed focus on our goal to be a partner of choice. Though COVID-19 restrictions have stalled some face-to-face engagement opportunities, we were able to invite partners and stakeholders to a number of site tours and events to showcase new developments and thank them for their support of SGCH.



Thought leadership

We have shaped a number of presentations, speeches and written opinion pieces to contribute to thought leadership including pieces in Investa Daily, the Daily Telegraph and FS Sustainability and appearances at conferences and forums across a range of sectors.



Advocacy

Understanding the diverse needs of our customers and opportunities to link to support, we have worked with NSW Health and other partners to support our customers during COVID-19 and assisted with local and state government grant opportunities to improve our customers' homes and wellbeing.



1. Site tour with UNSW City Futures
2. Ahi International Women's Day panel
3. Health in Place forum hosted by SGCH

Events

We have hosted more than 50 events at our new buildings to welcome new customers, showcase our new homes with project partners and key stakeholders to connect that connects to our purpose of providing great places for everyone.



Customers, staff and partners at Ironbark Avenue welcome barbeque

Social media

We engage with a variety of stakeholders across social media platforms. We have increased our LinkedIn followers by a quarter this year, with 545 new followers taking us to over 2,100 and an engagement rate of 8.74%. Our most popular content on Facebook were several posts promoting affordable housing at Gibbons Street, Redfern.

Social Media in 2021			
	Twitter	1,305 followers	101800 impressions of 132 tweets
	LinkedIn	2144 followers	Gibbons Street site tour post gained 18,964 impressions
	Facebook	933 followers	Most popular post reached 1,800
	Instagram	329 followers	Most popular post reached 189

Stakeholder feedback

Stakeholder feedback was gathered following a program of site tours and events at our flagship developments with participants asked to complete a short, anonymous survey to help us understand where we excelled and opportunities for improvement.

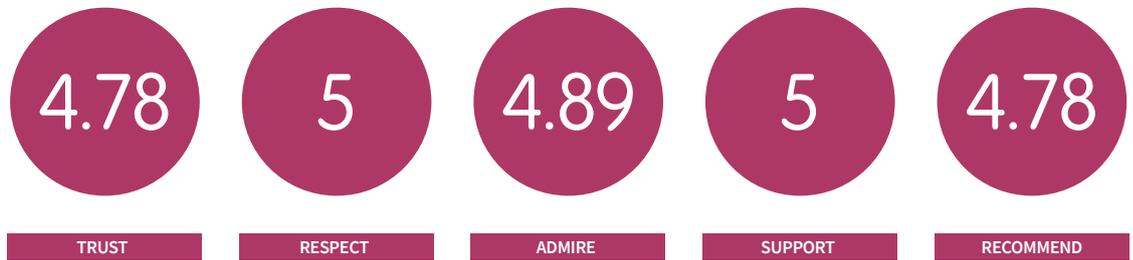
We asked a question about how stakeholders perceived SGCH on five sentiments using a rating scale where 5 was the highest.

Gibbons Street

SGCH is an organisation I...



OVERALL STAR RATING



Foyer Central and City Road

SGCH is an organisation I...



OVERALL STAR RATING



Fit for the future

In 2020, after the publication of our Strategic Plan 2019–2024, we commenced an organisational review to allow us to focus and increase our impact to deliver more homes and better core services. The review was necessarily paused in the face of the global pandemic. In 2021, SGCH recommenced the review to focus on how we could transform to:

- Align how we work to deliver the strategy
- Build the right culture and capabilities for the future, to deliver on our purpose
- Support staff to meet the needs of customers
- Focus our resources and investments where they will have the most impact.

With a strategic direction from the Board, the organisation focused on two areas:

- **Core Services** – investing into how we deliver our core services of tenancy, maintenance, support coordination and place-based services. Reviewing how we deliver these services, the processes and systems that support them and investing more resources into these areas where required.
- **More Homes** – increasing the supply of sustainable, safe and affordable homes. Using our capabilities and partnerships to develop, or deliver in partnership, new homes and improving the standard of properties we manage.

Gathering insights from across the organisation, a series of workshops called Conversation Circles saw team members provide input into how we could best deliver Core Services and More Homes. This was the start of an iterative process where the feedback and insights were gathered and proposed changes were presented for a period of extensive consultation.



Team member discussion

Process



December 2019 - March 2020
Consultation with staff looking at how we align to our goal plans, strategy

September 2019
Strategic Plan 2019-2024 developed, launched to all staff

October 2019
Operational goal plans developed to implement strategy

March 2020
COVID-19 disrupts operations - review put on hold

May 2020
Board review scenarios, agree our strategy remains fit for purpose with focus on execution of key priorities

January - February 2021
Opportunity to reset and focus on vital work which was put on hold during COVID-19

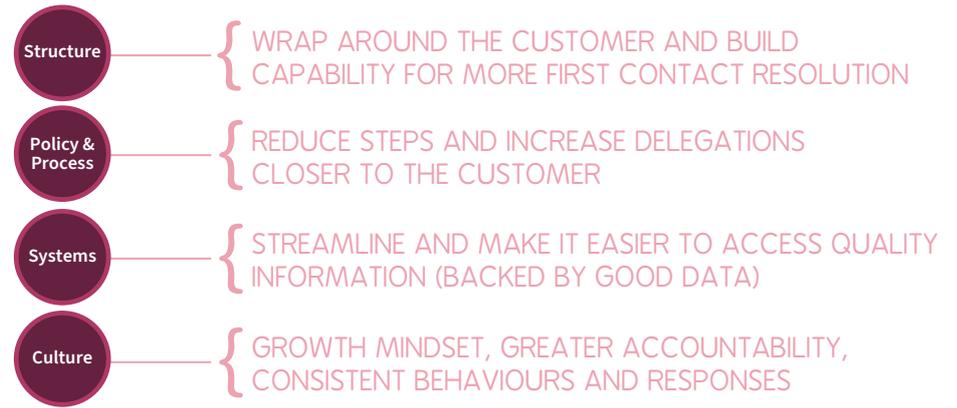
March 2021
Conversation Circles recommence with staff to see what has changed since last March and how we can best support delivery of Core Services and More Homes

June 2021
Following extensive consultation and feedback, new operating structure is announced and begins implementation

Process

Throughout this consultative review process a continuous loop of two-way feedback communication, maintained with weekly updates from the Group CEO, team meetings, surveys and a mixture of informal and formal channels informed decision making. We determined from the feedback that we needed to create a simpler SGCH and focus on the following areas for a stronger SGCH.

Focus areas for a stronger SGCH



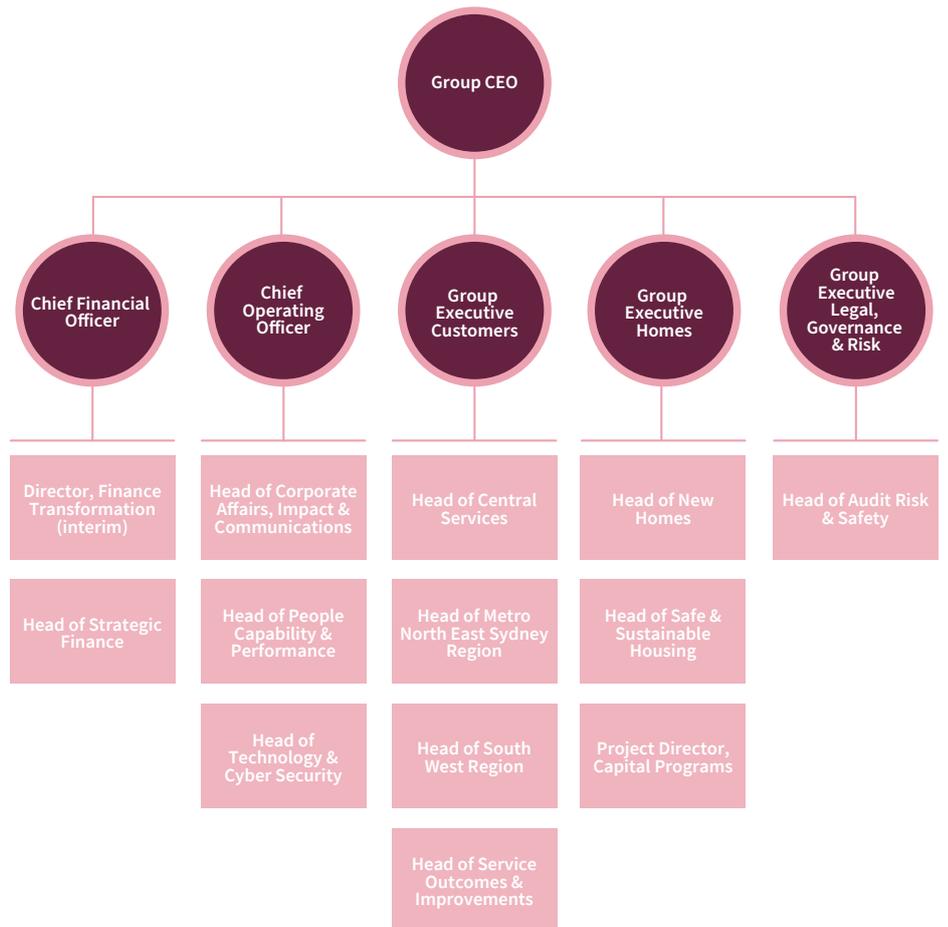
Supported by stronger capabilities in:

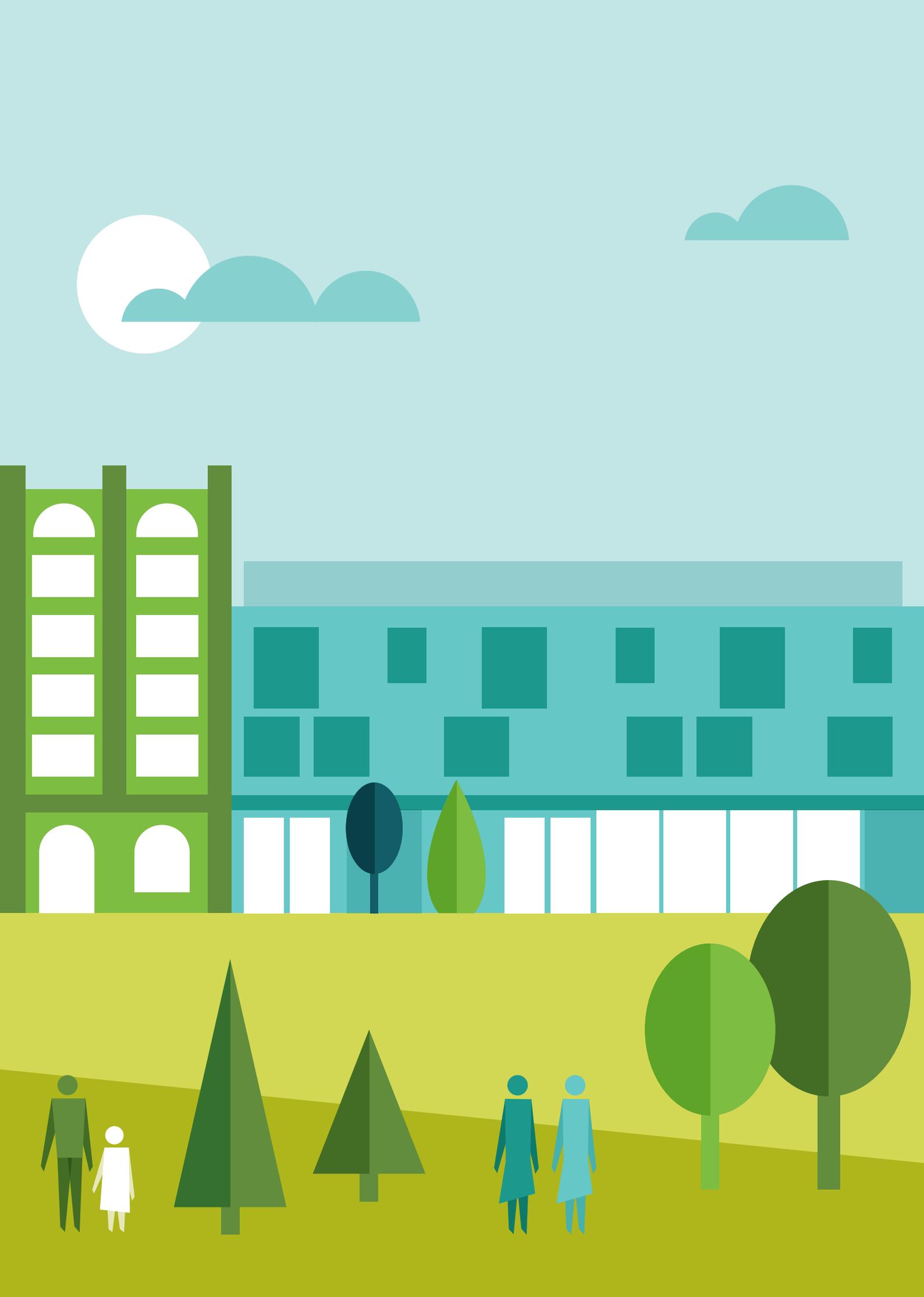
- Risk Management & Assurance
- Data & Analytics
- Planning & Project Execution
- Outcomes Thinking

Group structure

All of the extensive feedback and ideas contributed by the team and shaped by the Executive led to changes in how our teams are organised and where resources are bolstered. This organisational structure (right) is effective from 1 October 2021.

We acknowledge that in the course of the review a number of staff have left the organisation, including several members of the leadership team. In any organisational change, we understand people leave for a variety of reasons and this has included a total of four people who left SGCH as their positions were made redundant, as well as people who have left to pursue other opportunities. We thank each and every team member for their contribution to SGCH.





04

A high performing culture

Financial Year 2020/2021 Highlights



Top 10 AFR BOSS Best Places to Work



Winner, Employer of Choice in The Australian Business Awards 2020



225 staff, 67% female 33% male



90.05% retention rate



Maintained gender balance target (40:40:20) at Board level



89% courses completed with 7,841 enrolments in Apollo, our Learning Management System



Recharge, our health and wellbeing program, has offered 21 staff activities



2/3 staff members completed Byala cultural competency training

Strategic outcomes

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.

Refer to the full strategic outcomes on page 4 in the Introduction.



An award winning culture

Our people and culture are our greatest strength and we are united in our passion and commitment to our customers. We are an equal opportunity employer and make decisions about employment based on merit. We recognise and embrace the diversity each person brings to the workplace. We believe that by focusing on diversity we can positively impact the quality and acceptance of decisions, efficiency and productivity, products and service quality, morale, and team work. Diversity is also a key driver of innovation.

We invest in our people, attracting and retaining a professional, skilled and values-aligned team who deliver great outcomes for our customers.

We are proud of our team at SGCH, who are highly skilled and aligned to our values of innovation, support, accountability, respect and integrity, and we are greatly enriched by our diversity.



Team members at a community engagement event

Gender equality indicators

Under the Workplace Gender Equality Act 2012, non-public sector employers with 100 or more staff must report to the WGEA annually against six gender equality indicators (GEI). The reporting results are a snapshot from 26 May 2021.

Gender equality performance	
Indicator	Key Performance Indicators
GEI 1 The gender composition of the workforce	149 female, 68 male
GEI 2 Gender composition of governing bodies of relevant employers	4 female, 3 male
GEI 3 Equal remuneration between women and men	Has conducted a remuneration gap analysis within past 12 months Has taken action as a result of the remuneration gap analysis: <ul style="list-style-type: none"> • Created a pay equity strategy or action plan • Identified cause/s of the gaps • Reviewed remuneration decision-making processes • Reported pay equity metrics (including gender pay gaps) to the governing body • Reported pay equity metrics (including gender pay gaps) to the Executive
GEI 4 Availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities	Has a flexible working arrangements policy or strategy. Formal types of flexible work offered include: <ul style="list-style-type: none"> • Carer's leave • Compressed working week • Flexible hours of work • Job sharing • Part-time work • Purchase leave • Telecommuting • Time-in-lieu • Unpaid leave
GEI 5 Consultation with employees on issues concerning gender equality in the workplace	No consultation in reporting period, has an overall gender equality policy or strategy Has a gender equality policy or strategy for: <ul style="list-style-type: none"> • Retention • Performance management • Promotion • Talent identification • Succession planning • Training and development • Recruitment.
GEI 6 Sex-based harassment and discrimination	<ul style="list-style-type: none"> • Has a formal policy or formal strategy on sex-based harassment and discrimination prevention • Includes a grievance process in any sex-based harassment and discrimination prevention policy or strategy • Provides training for all managers on sex-based harassment and discrimination prevention

Our Executive



Scott Langford

Group Chief Executive Officer

Qualifications

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

Experience

Since joining SGCH in 2016, Scott and his team have secured a development pipeline of 1,000 new social and affordable homes in Sydney, underpinned by \$475 million of financing commitments. Scott has held senior roles in community housing and the private sector in property development. He has served on numerous industry Boards and advisory groups including as Chair of the International Housing Partnership and PowerHousing Australia. He is currently a member of the NSW Community Housing Industry Council and a Director of CHIA NSW.



Kevin McCarthy

Chief Financial Officer

Qualifications

B. Comm, Accounting CA GAICD

Experience

Kevin is a hands-on finance leader with broad experience across the technology and professional services, industrial, finance and not-for-profit sectors with demonstrated capacity to lead large, diverse teams through times of significant change. He has a strong focus on partnering with business leadership colleagues to successfully navigate complexity in the market and the business, motivating his team and managing stakeholders to deliver real-world business outcomes and maintain best-practice governance standards and control over business assets. Before joining SGCH in 2018, Kevin spent 11 years in senior finance roles with Canon, including 5 years as Finance Director (CFO ANZ).



Alison Cunningham

Chief Operating Officer

Qualifications

BA (Hons) Politics and Economics, Grad. Dip Japanese Language, Politics

Experience

Alison brings almost twenty years' experience in NSW Government senior executive roles in the housing and transport portfolios, where she led a broad range of strategy, planning, people, integrity and corporate service functions. Her success in these roles was underpinned by her early career in the non-government sector, where she held frontline, management and leadership roles in community housing and HIV/AIDS organisations in the UK and Australia.



Barb McKenna

General Manager, Customers and Communities
(retired 1 October, 2021)

Qualifications

BA, History and Gender Studies

Experience

Throughout her career, Barb has worked in a range of project management, program development and policy roles including coordinating the handover of properties, delivering funding grants and managing the transition of a range of high priority programs to business as usual. Barb joined SGCH in 2012 as Manager Operations, Housing Services and Renewal where she led the team through a period of significant growth and change prior to her appointment to General Manager in 2015. Barb has led the Customers and Communities team with a focus on customer service excellence.



Renée Wirth

Group Executive, Customers
(commenced 4 October 2021)

Qualifications

B. Planning, M Dev Studies

Experience

Renée was formerly Group Executive and Director Office of CEO and moves to the portfolio of Customers following the retirement of Barb McKenna. Renée has 20 years' experience in managing the planning and delivery of social and affordable housing policies and projects including eight years in Housing NSW in the NSW Government. Since commencing with SGCH in 2015, Renée has led the organisation's successful proposals under Phase 1 of the NSW Government's Social and Affordable Housing Fund and the Social Housing Management Transfer program. Most recently Renée established our Northern Sydney services as we took over the management of over 1,400 public housing tenancies in the lower North Shore.



Andrew Brooks

Group Executive, Homes

Qualifications

BSc (Honours) Building Surveying, MRICS

Experience

As Group Executive, Homes, Andrew oversees the property portfolio for SGCH. He joined the organisation in May 2013, leading the leveraging strategy associated with the vested portfolio of Nation Building assets and taking responsibility for Development and Construction and Property Services teams, now grouped under the Homes portfolio. Before joining SGCH, Andrew held the position of Project Leader for the \$900M Bonnyrigg PPP with Becton Property Group. Prior to moving to Australia in 2007, Andrew gained commercial experience leading and delivering major urban regeneration projects in the UK. He develops and builds strong partnerships with government, community and key stakeholders to ensure delivery of successful projects with a focus on safe, sustainable homes.



Claudia Certoma

Group Executive, Legal, Governance and Risk

Qualifications

BEC (Hons I), LLB (Hons I) (Syd), Solicitor (NSW, HCA), GradDipACG, AGIA ACG (CS, CGP)

Experience

Claudia joined SGCH in November 2020 to establish and lead the combined legal and governance function and is also the Company Secretary. Since then, Claudia also assumed leadership of the internal audit, risk and safety functions. Claudia is an experienced general counsel and governance professional with around 20 years of commercial legal experience. As General Counsel for the residential development business at Frasers Property Australia, she worked with CHPs on mixed use social, affordable and private housing developments and mixed use precinct developments. As Corporate Counsel at Laing O'Rourke Australia, Claudia advised the development business and treasury function, working on PPPs, development and construction, finance, corporate and commercial, company secretarial, risk and compliance projects.

Employee engagement

SGCH has been measuring employee engagement through the Gallup Q12® Employee Engagement Survey since 2017. The Gallup® approach identifies twelve core elements that link powerfully to key business outcomes and best predict employee engagement and performance.

We aim to increase our Gallup Engagement score by 0.2 each year, with a target of 4.79. We have seen a steady increase in our a Q12® Grand Mean score since we began using the measure, as shown in the table below.

Gallup Q12® Employee Engagement Survey

Q12 Grand Mean Score



Pulse Check

This year's Pulse Check survey was open from 25 January to 4 February. This was immediately after we announced our plans for a greater return to the office. This survey was not a full Gallup Q12 Employee Engagement Survey, this will be conducted after the reporting period. The focus of the survey was on current satisfaction, wellbeing, organisational progress and a range of accountability and leadership practices.

- Approximately 50% of team members were invited to participate.
- The response rate was 71% (84 out of 118 team members responded).

Overall, the results were encouraging with strong improvements seen in some items, especially 1:1 meetings and perception of safety. Accountability and managing stress levels remain as areas for focus and improvement. There are also some unique differences between Divisions which is driven by local job family, leadership and micro culture characteristics. We will continue to support the business with employee engagement improvement action planning, the ongoing embedding of our new Accountability and Development Planning process and proactive management of wellbeing.

Pulse Check 2021 results

	Current satisfaction	Has decreased overall from 4.33 to 4.11
	Collaboration	Steady improvement across all teams from 3.61 to 3.72
	Accountability	Has decreased overall from 3.21 to 3.14
	Regular one on one meetings with manager	Strong improvement from 4.27 to 4.44
	Coping with disruption (COVID-19)	Positive increase from 3.90 to 3.98
	Feeling safe at work (COVID-19)	Strong increase from 4.13 to 4.32
	Workplace managing changes well (COVID-19)	Has decreased from 4.29 to 4.08
	We're able to continue supporting customers (COVID-19)	Steady result, 4.5 to 4.46
	Our organisation has a positive future (COVID-19)	Down to 4.4 from 4.62

Fostering growth and development

Apollo, our Learning Management System (LMS) enables team members to manage their own learning journey through flexible eLearning options. The LMS also has a Rewards and Recognition feature that allows us to show appreciation for our colleagues.

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. The autonomy that team members have in selecting and completing the training, with avenues to provide feedback, has a positive impact on SGCH's employee retention and engagement.

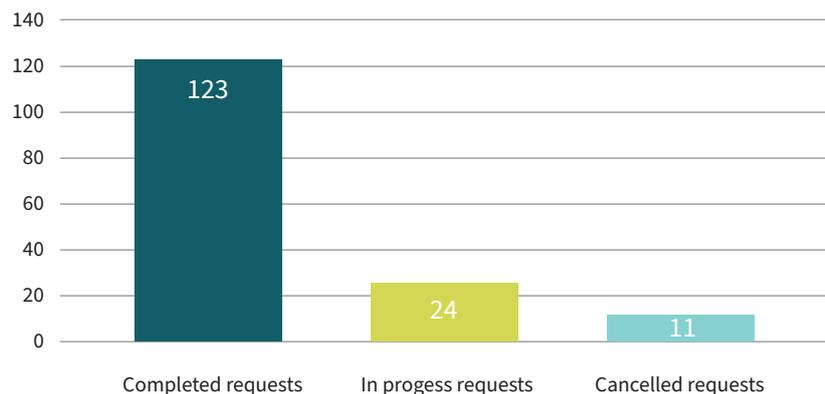
SGCH have a completion rate of 89% across 7,841 enrolments. This is one of the highest completion rates amongst all other companies our LMS provider services.

Heading	
<p>97 in-house sessions</p> 	<p>In-house learning</p> <p>The Learning and Development team offered 97 in-house sessions in this financial year (including Zoom workshops).</p>
<p>150 team members completed Byala training</p> 	<p>Cultural competency training</p> <p>Byala is our Aboriginal competency training that first started in 2019 as part of our Community Housing for Aboriginal People strategy. We had 150 team members complete the training in this financial year, taking our overall completion rate from 11% to 54%.</p> <p>Our feedback shows that 90% of team members who completed Byala improved in their cultural knowledge, customer skills and practice.</p>
<p>47 modules with 89% completion rate</p> 	<p>Online modules</p> <p>The Learning and Development team currently have 47 online modules available on Apollo, this completion rate is also at 89%. 20 online modules were created in this financial year.</p>

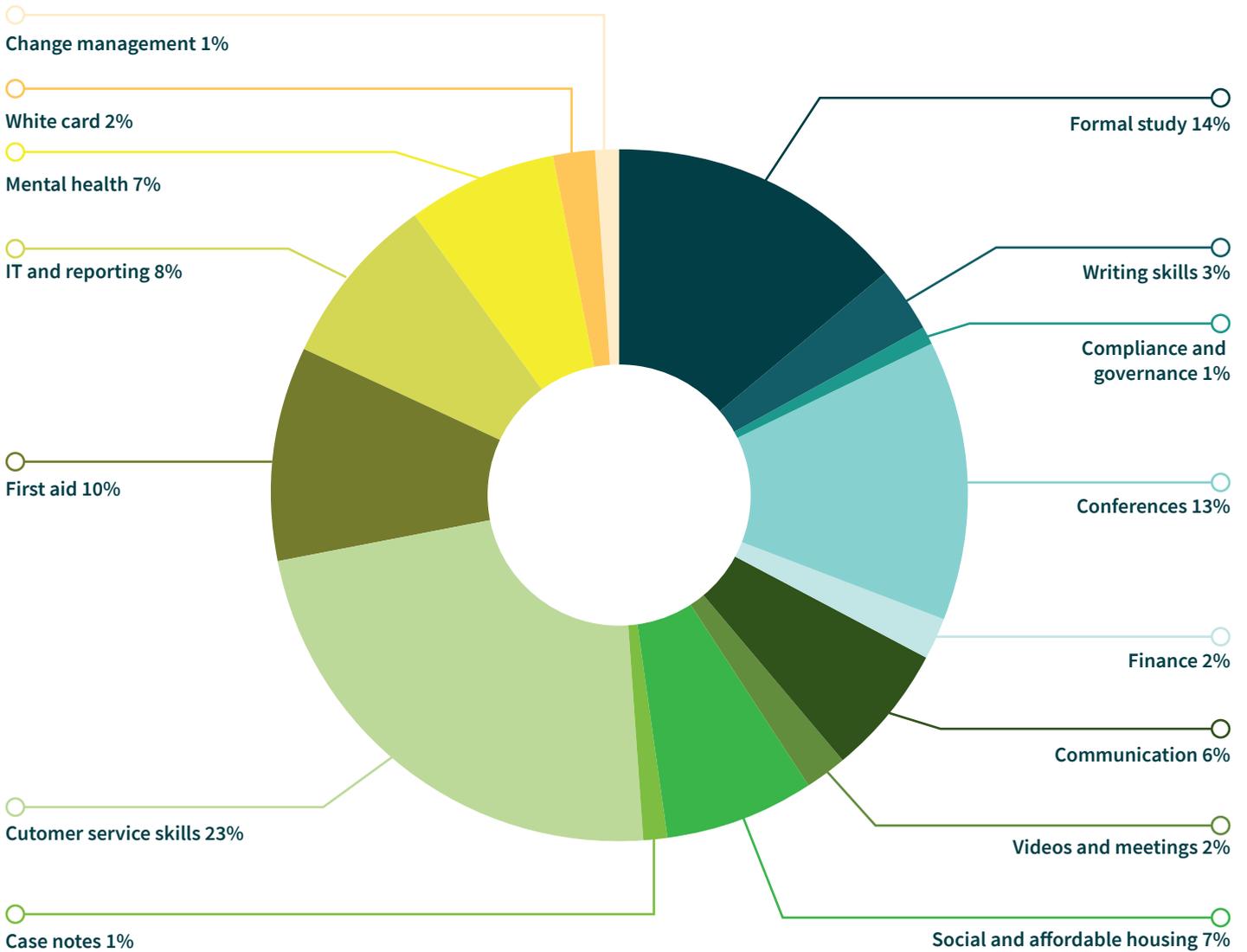
External learning requests

In the 2020-2021 financial year, the Learning and Development team received 158 requests for external learning.

Status of learning requests in 2021



Breakdown of learning requests in 2021



COVID adjustments

Arrangements that the Learning and Development team made to work around COVID-19 restrictions include:

- COVID Induction module – 77% of workforce completed
- 2 Working Safely with COVID workshops with Skilled Health (28 attended)
- Being Solution Focused during a Pandemic for managers workshop

- Virtual workshops substituted in-person workshops
- Continued staff weekly yoga offering over Zoom
- Adapted in-person training to meet COVID Safe requirements.

75 learning and wellbeing activities were run on Zoom, including 19 cyber security virtual escape room sessions which offered teams an interactive way to learn about cyber security.

“Brought awareness to mental health support. These times have had an impact on everyone.”

Team member

Recharge

In December 2020, SGCH launched 'Recharge' a practical health and wellbeing plan to foster a resilient workplace. This innovative and responsive program aims to help our team members be the best version of themselves, both inside work and outside work. It is an acknowledgement that all team members

start from different places and experience different barriers in developing types of wellbeing, and that individual change is most effective when supported by effective policies and frameworks. Our health and wellbeing approach is multi-dimensional and linked to our mental, physical, emotional, social and economic wellbeing.

Some of the initiatives to come out of the recharge program include promotion of financial seminars, offering on-site skin checks and flu vaccinations, yoga classes and walking groups, promotion of the Employee Assistance Program (EAP) service and flex leave.

Key results of Recharge in 2021

Life without smoking program

- 5 team members opted in for weekly phone counselling to help them reduce their smoking.
- All participants had a medium to very high range of nicotine dependence. All have tried to quit in the past.
- There is a strong relationship with workplace cues and smoking behaviour at work.
- **Results:** 1 person quit smoking, 2 people greatly reduced smoking, and 1 person can go long periods without smoking.

Flu clinics

- 52 team members vaccinated in the office.
- 20 team members vaccinated using offsite vouchers.

Skin checks

- 51 team members received skin checks.
- 22.8% had moderate to severe sun damage.
- 9 team members received written referrals for further checks.

Health checks

- 27 team members opted for a health screening.
- 57.1% fell in the high-risk range for BMI and waist circumference.
- 43% had blood pressure in the pre-hypertension range.
- 26% of females and 44% of males were found with below average to poor resting heart rates.

Change management – Customer Care Hub

Supporting our team members through change remains a priority for SGCH. Underpinned by the Prosci Change Management principles, a globally recognised program, the Learning and Development team work alongside staff to identify training and support needs to thrive through change. The design, development and operationalisation of a new customer care hub was one project where a people focused change management approach was critical to success.

The Learning and Development team ran a total of 21 workshops for the customer care hub main team and overflow team, covering:

- Affordable and social housing
- Rent
- Complaints, feedback and appeals
- Tenancy and support coordination
- Finance
- Property issues
- Housing Plus and Catalyst programs
- 8x8 telephony training
- Team building.

Cadetship program

The Cadetship program is a new opportunity that provides successful applicants to undertake paid employment with a Community Housing Provider and study a Certificate IV in Social Housing for a period of 12-months.

Together with the NSW Government, the Community Housing Industry Association (CHIA) NSW is providing new training opportunities connected to jobs in the Community Housing Industry through a Cadetship program.

This program provides an opportunity for cadets to undertake paid employment and training in property management and asset development.

With 25 cadetships offered each year from 2021 until 2024, all participants who successfully obtain a place enter a 12-month paid employment contract with a Community Housing Provider and enrol to study the CHC42215 Certificate IV in Social Housing.

SGCH is participating in the program and our successful candidate Rosina started in June 2021. Rosina is currently working in our Pathways team working with clients within the social housing system. Rosina will rotate around the business applying learning from the classroom into practice.

Rosina's story

In Rosina's own words, from the moment she received an SMS from the Department of Communities and Justice about fully funded training opportunities, everything changed.

Living in public housing and a mother of two children, Rosina was immediately interested to hear about the training opportunities available to tenants and jumped online to start the application process.

Rosina was one of only 25 out of 200 applicants to be selected for the cadetship program in what she likens to "winning the lotto."

In Rosina's case, that means a cadetship with SGCH where she's hoping to bring in her own experiences within the housing sector when working with customers.

The cadetship involved a mix of online learning with practical on the job workplace based training. As part of the cadetship, Rosina is also provided with a mentor, a staff member at SGCH, to support her both in the workplace and provide some guidance on that are based on practical examples.

Rosina started the course back in May and was fortunate to have a 2-week induction training in person through CHIA as well as four weeks on site in the office before switching to remote working.

"I am working 5 days a week and one week a month is training. It was originally face to face but has now switched to online. When I hear things in class, I'd go home and look into it further. I like to research a lot and the switch to online has been hard. It's also been a little hard to get back into the discipline."

As part of the workplace training, Rosina shadows different teams at SGCH, learning about different parts of the business.

"I think actually they are learning a little from me as I can share my own housing experience and really appreciate the work that SGCH are doing and it's history", she says.

When the 12 months program is finished and Rosina has completed her certification, she hopes to continue at SGCH.



"When I have finished and have my certification I would love to work here. It's a good place to work with good opportunities, I would recommend this cadetship for others like me.

Rosina Haiti,
Cadet

Safety

We are committed to a safety culture and ensuring our staff and customers are safe. To keep this front of mind, all team meetings include a 'safety moment' where staff are encouraged to share an observation relating to safety.

A key priority has been to ensure COVID-safe approaches that enable our teams to perform their roles and continue to meet the needs of our customers safely and flexibly.

This has been guided by the SGCH Resilience Coordination Committee. The SGCH Resilience Coordination Committee have coordinated key documents including the SGCH COVID Response Plan, High Rise Lock down plan, and Office COVID-Safe plans. As part of the COVID Response Plan, they ensure staff have the support, resources and equipment needed to continue working from home during lockdown.

The committee adopts the following principles:

- Prioritise the safety and wellbeing of our team and customers
- Consider mental health as well as physical health aspects
- Consult as widely as possible with workers and customers and incorporate feedback
- Provide the best possible service safely to our customers
- Adopt a measured and staged approach to a return to office based and field work
- Continue to embrace flexible and new ways of working
- Communicate with honesty and transparency
- Comply with Government and Public Health advice as a minimum.

SGCH has supported vaccination efforts with special leave in place to support staff to access appointments, and communicating availability of clinics and opportunities for essential workers.

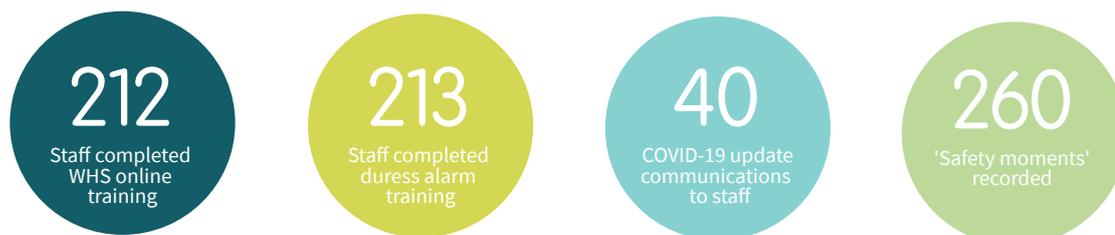
The committee has also been considering the mental health of staff and introduced a program of Recharge days, a session with a comedian, online team games and access to mental health supports. They are also preparing for staff to return to the office in a safe and sustainable way.

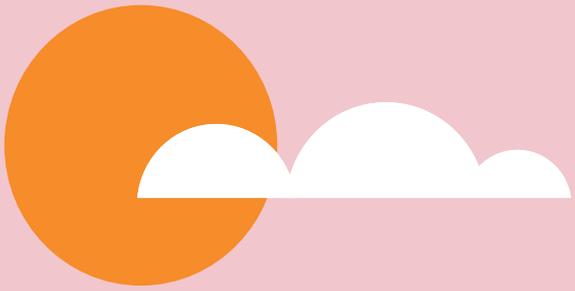
Framework and Assurance

The SGCH Group Safety Management Framework covers the many ways we look after safety across SGCH, including strategy, policies, processes, personal protective equipment (PPE), reporting, consultation and training. The framework outlines roles and responsibilities of our various Committees and levels of Management as well as the responsibility of all staff to contribute to a safe workplace.

The SGCH Safety Assurance Program works across various teams at SGCH to confirm that staff have completed SGCH's safety training; staff have completed safety forms and checklists applicable to their role; and safety hazards for staff are being reported and managed.

Safety snapshot





05

Governance

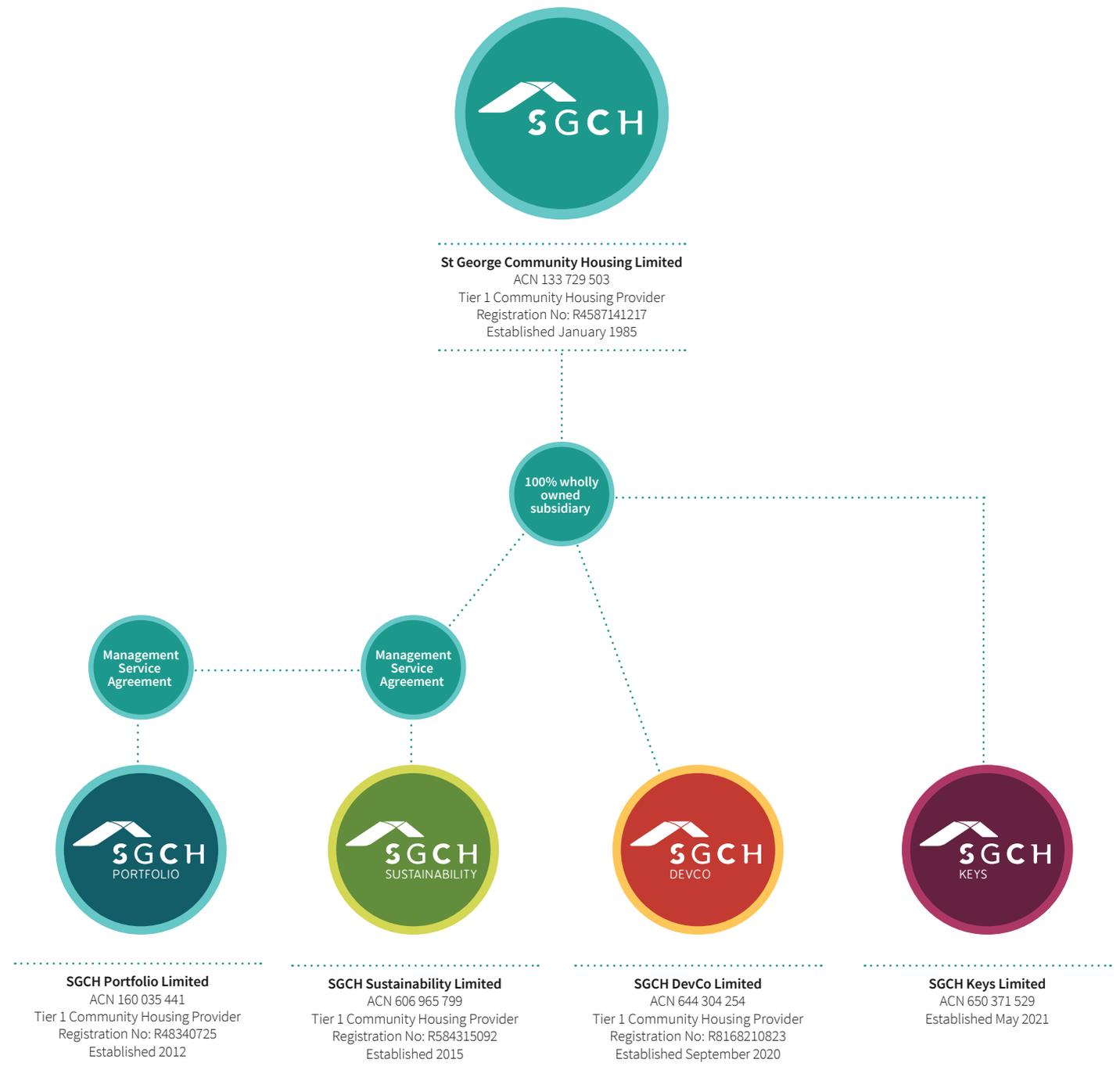
To ensure the long-term success of SGCH Group, we are committed to corporate governance that guarantees accountability to stakeholders including members, customers, employees and the communities in which we work.

Group structure

SGCH Group is made up of a parent company (St George Community Housing Limited), and four subsidiary companies, SGCH Portfolio Limited, SGCH Sustainability Limited, SGCH DevCo Limited and SGCH Keys Limited.

SGCH Portfolio Limited has been operational since November 2014 and SGCH Sustainability since July 2015. Both subsidiaries were established to hold a selection of assets against which we secured finance deals to create more homes and increase our impact.

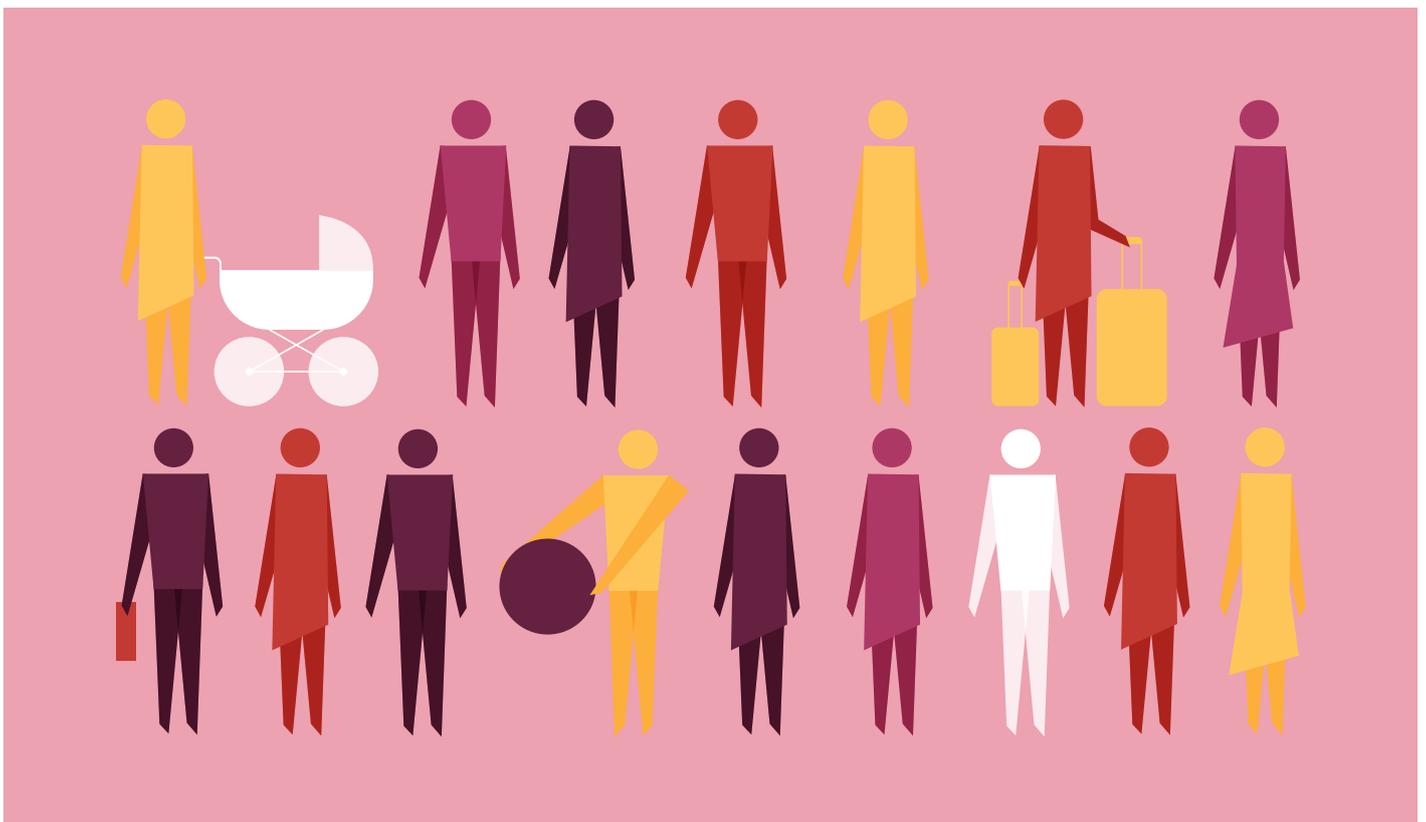
In the past financial year, we established two new subsidiaries; SGCH DevCo Limited in September 2020, and SGCH Keys Limited in May 2021. Our strategic intent for these subsidiaries is to deliver future projects as part of our capital strategy.



The SGCH Board sets and guides the strategic direction of the organisation and oversees its activities with an appropriate level of governance and risk management.

The directors have an appropriate mix and balance of skills, expertise, experience, diversity and independence to effectively govern the organisation for the benefit of the customers and communities we serve.

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. The skills and experience of directors is reviewed regularly to ensure alignment to the Group's growth and strategic direction.



Acknowledgement of retiring Director, Philip Manidis

The planned retirement of Philip Manidis at the end of June 2021 marked eight years of service as a Director. Group Chair Annette Gallard said, "Philip has made an outstanding contribution to SGCH since joining in 2013. With his strong professional background as a founder of Mandis Roberts, the board benefitted from his expertise in urban planning, environment and communication services and infrastructure projects. Philip brought a more commercial approach to finances as the Chair of the Audit and Risk Committee and as a member of the Development and Construction Committee advanced improvements by strengthening our portfolio and investment strategy.

"He focused on building strong relationships. Philip has an inherent interest in people that speaks volumes of his passion and commitment to creating positive change. He has personally supported our Strive Scholarship program to improve educational outcomes for customers. On behalf of all the directors and staff I thank Philip for his contribution, he will be missed."

Group Executive, Homes Andrew Brooks joined the organisation at a similar time as Philip. Andrew says "Philip joined the subsidiary board of the newly created SGCH Portfolio at an exciting time for the organisation as we worked to secure debt financing and deliver on leveraging commitments to the National Building Economic Stimulus Plan – Social Housing.

"This was a huge step change for the organisation in terms of our Development and Construction capability and delivery. Philip brought enthusiasm and expertise to this space, and a commercial lens which furthered our thinking. It is fitting that at Philip's last meeting as a Director for SGCH, we were able to mark the milestone of fulfilling those leveraging targets at Gibbons Street, Redfern."

We thank Philip for his service to SGCH and wish him well in his future endeavors.



"He focused on building strong relationships. Philip has an inherent interest in people that speaks volumes of his passion and commitment to creating positive change.

He has personally supported our Strive Scholarship program to improve educational outcomes for customers. On behalf of all the directors and staff I thank Philip for his contribution, he will be missed."

Annette Gallard,
SGCH Group Chair

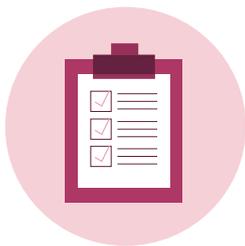


Director Philip Manidis, Group Chair Annette Gallard and Vice Chair Victoria Weekes at a Strive Scholarships event

Committees

The SGCH Group has four Board Governance Committees that assist with its duties to oversee strategic areas of business operation. This year, the Committee Charters were reviewed and updated to reflect growing areas of focus.

The Director's Report includes details of the number of times the Committees met throughout the reporting period and the individual attendances of members at those meetings. The current charters are available on the SGCH website.



Audit and Risk

Property Portfolio and Investment

Safety and Sustainability

People and Culture

Chair

Karen Orvad
(from 1 January 2021)

Chair

Simon Shakesheff
(from 4 December 2020)

Chair

Victoria Weekes
(from 4 December 2020)

Chair

Annette Gallard

Current Members

Anna Buduls, Annette Gallard, Rajiv Viswanathan, Simon Shakesheff

Current Members

Anna Buduls, Barry Mann, Philip Fagan-Schmidt, Rajiv Viswanathan

Current Members

Annette Gallard, Barry Mann, Karen Orvad

Current Members

Anna Buduls, Philip Fagan-Schmidt, Victoria Weekes

The Audit and Risk Committee oversees the integrity of the Group's financial reporting, monitoring the effectiveness of the Group's systems of internal controls, risk management and compliance, and monitoring the effectiveness and integrity of the internal and external audit functions.

This refreshed committee (formerly Development and Construction) maintains oversight and strategic guidance of resources invested in homes. This includes review and oversight of strategy and systems for investment, review and recommending to the Board investment or development opportunities, monitoring the development pipeline, overseeing and monitoring strategic asset management, and long-term planning of portfolio asset management and investment.

The charter includes reviewing safety systems and performance and environmental and sustainability initiatives with respect to development and maintenance activities and assets.

This committee builds upon the former Work Health Safety and Environment Committee with an expanded remit. The Safety and Sustainability Committee monitors and reviews culture relating to safety, environmental and social sustainability. This includes the Group's approach to promoting and protecting health and safety of our workers, customers and others while pursuing strategic objectives, the environmental impact and strategies and initiatives adopted to improve environmental sustainability and the impact of our activities on customers, stakeholders and communities.

The committee considers key risks, compliance and impact of relevant changes in the areas of safety, environmental performance and social impact.

Assists the Board to fulfil its statutory, corporate governance and oversight responsibilities in relation to the people, remuneration and culture of the Group, contribute to the development and review of people and culture strategies, systems and processes and to monitor and ensure the effectiveness and performance of the Board.

Corporate governance principles

The SGCH Group is required to meet the Australian Charities and Not-for-profits Commission governance standards and the performance outcomes mandated in the National Regulatory System Community Housing (NRSCH), against which it reports annually to demonstrate compliance and maintain registration as a Tier 1 community housing provider.

Additionally, the SGCH Group benchmarks against the best practice ASX Corporate Governance Council's Principles and Recommendations ("Recommendations") in continually assessing and improving its processes and policies.

Principle 1

Lay solid foundations for management and oversight

The Corporate Governance Policy sets out the principal features of the Group's governance, including the role of the Group Board and its Committees, matters reserved to the Group Board, the mechanism for delegation to management, company secretarial accountability to the Group Board, the directors' access to independent advice and the customer's voice in decision making.

The SGCH Group follows the Recommendations when appointing directors. A process for evaluating the performance of the Group Board and directors is outlined in the Corporate Governance Policy and evaluations have been undertaken in accordance with the policy. The Committee Charters were revised by the Group Board over 2021 and these charters and performance of the Committees will be reviewed over the year ahead.

The Group Board undertakes a review of the CEO's performance each year. The CEO is responsible for evaluating the performance of the executive management team each year and the People and Culture Committee of the Group Board annually reviews this process and the development and maintenance of succession plans.

The SGCH Group has a Diversity and Equal Employment Opportunity Policy. The Group Board has equal female and male representation, achieving its targets. The SGCH Group is a "relevant employer" under the Workplace Gender Equality Act. The Gender Equality Indicators are reported on page 78.

Principle 2

Structure the Board to be effective and add value

All the directors of the Group Board are independent directors and therefore all Committee members are also independent. The People and Culture Committee assist the Group Board in considering the matrix of skills of directors to ensure that the Group Board composition reflects the areas of expertise and experience required by the Constitutions of the companies and as set out in the Corporate Governance Policy. The Group Board also has a program for inducting new directors and continually reviews its program of education and professional development.

Principle 3

Instil a culture of acting lawfully, ethically and responsibly

The SGCH Group clearly articulates and discloses its values to staff, customers and stakeholders. The SGCH Group has a Code of Conduct and Ethics and Conflict of Interest policy and all employees and directors declare their compliance at least annually. Conflict of interest registers are maintained. Material breaches are reported to the People and Culture Committee. The SGCH Group also maintains a Whistleblowing and Reportable Conduct policy and framework where reports are investigated and reported to the Audit and Risk Committee and the Board. Each of these policies is publicly available on the SGCH website.

Principle 4

Safeguarding the integrity of corporate reports

SGCH has a wholly independent Audit and Risk Committee of which a key function is to oversee the integrity of the Group's financial reporting and associated processes, including the appointment of the external auditor. Annually, the Group CEO and CFO provide the Boards a declaration that, in their opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group and each of the companies and the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Principle 5

Make timely and balanced disclosure

SGCH complies with all applicable regulatory requirements to make notifications and disclosures and keeps its stakeholders and customers informed of material information.

Principle 6

Respect the rights of members

SGCH encourages customer participation and feedback in various ways including the Tenant Coordination Panel. The Annual General Meeting is conducted in accordance with the Recommendations for substantive resolutions being decided by a poll and the option to receive and send communications to SGCH electronically. Regular communication with customers is a critical objective and achieved in various ways via communications and updates and regular and personal engagement by our tenancy managers. The website and other publications (including the Annual Report) provide a high degree of detailed information about SGCH, its governance and avenues for communication with SGCH. The Customer Care Hub is a major investment in enhancing and improving access and communication by customers as well as improving service to customers. During the COVID-19 pandemic SGCH has maintained communication with customers electronically and by phone and through online events and engagement.

Principle 7

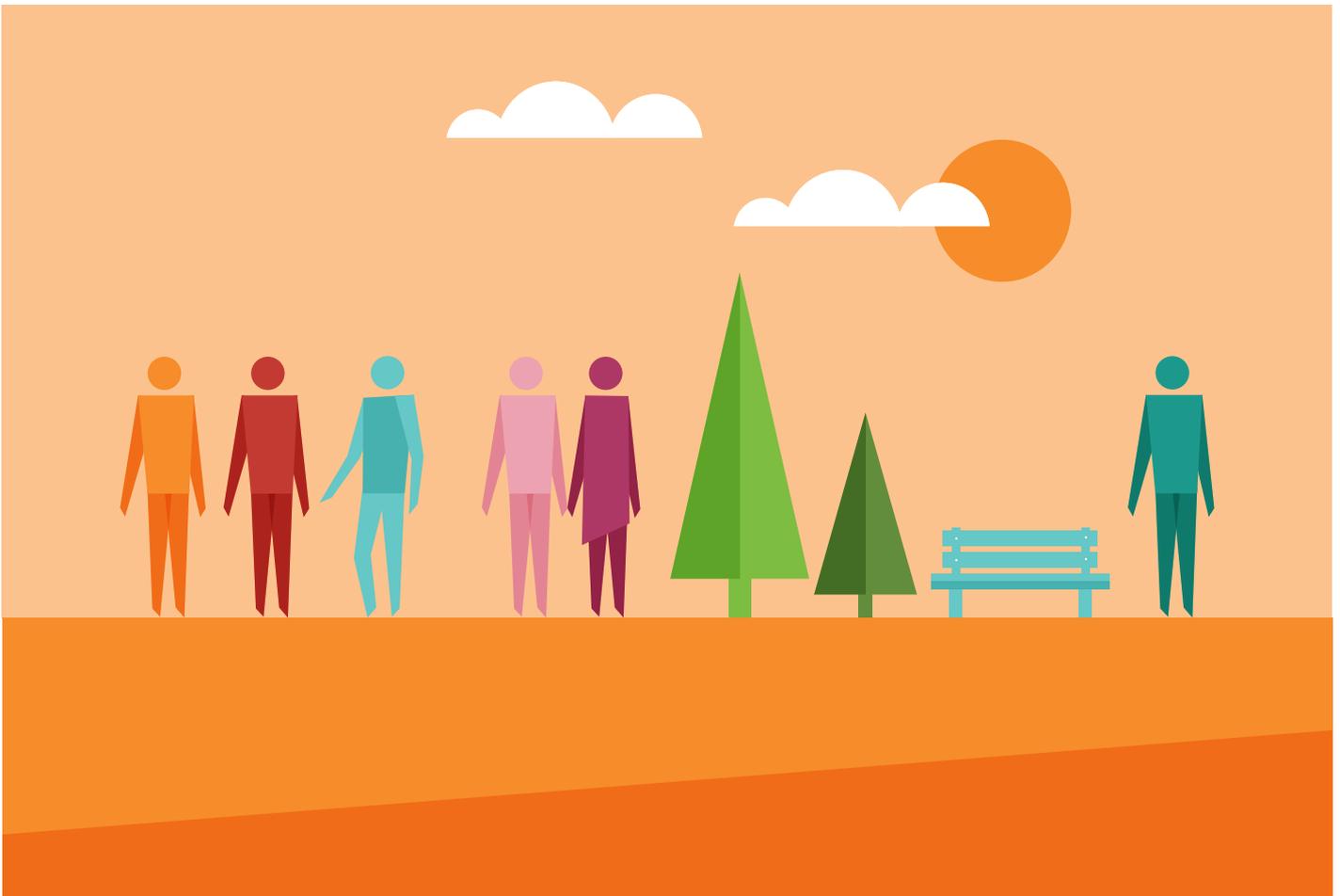
Recognise and manage risk

The SGCH Group's wholly independent Audit and Risk Committee assists the Group Board to monitor the effectiveness of the Group's systems of internal controls, risk management and compliance, and monitoring the effectiveness and integrity of the internal and external audit functions. The Audit and Risk Committee each year reviews the Risk Management Framework and reports to the Group Board and external reviews are also conducted periodically. The Internal Audit function works to a Board approved audit plan for assessing compliance, focused on key and strategic risks, and monitors management's responsiveness to audit findings. The Internal Audit function has a reporting line to the Chair of the Audit and Risk Committee. Annually, the function is self-assessed and reports these findings to the Audit and Risk Committee. The effectiveness of the function is periodically reviewed by an external auditor to ensure the function is conforming with the mandatory requirements of the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors, including the International Standards for the Professional Practice of Internal Auditing and the IIA Code of Ethics.

Principle 8

Remunerate fairly and responsibly

The People and Culture Committee's role includes to assist the Board in setting the level of remuneration for directors and the Group CEO and approving the remuneration of senior executives. The Committee also oversees succession planning and advises the Board on annual performance targets and annual evaluation of the Group CEO's performance.





06

Financial Report

Summary Financial Statements for the year ended 30 June 2021

Contents

Directors' Report	97
Discussion and analysis of the summary financial statements	104
Summary consolidated statement of profit or loss and other comprehensive income	105
Summary consolidated statement of financial position	106
Summary consolidated statement of changes in equity	107
Summary consolidated statement of cash flows	108
Notes to the summary financial statements	109
Independent Auditor's Report	115
Directors' Declaration	117

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, SGCH Sustainability Limited, SGCH DevCo Limited and SGCH Keys Limited for the year ended 30 June 2021.

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

Philip Manidis

(Resigned 30 June 2021)

Anna Buduls AO

Simon Shakesheff

Karen Orvad

(Appointed 5 October 2020)

Barry Mann

(Appointed 27 November 2020)

David Thrift

(Resigned 27 November 2020)

Graham Millett

(Resigned 27 November 2020)

Rajiv Viswanathan

(Appointed 25 August 2021)

Philip Fagan-Schmidt PSM

(Appointed 25 August 2021)

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)

Claudia Certoma

(Appointed 11 December 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 surplus of the Group for the year ended 30 June 2021 amounted to \$23,700,281 (2020: deficit of \$18,620,791). The surplus was primarily driven by fair value increase in investment properties of \$12,356,760 (2020: fair value decline of \$18,911,945) and government grants associated with the Youth Foyer Project of \$3,000,000 (2020: Nil). The Group is exempt from income tax.

Directors' Report



Annette Gallard PSM

Non-executive Director & Chair

Qualifications

B. Soc. Stud., M Comm.

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.

Special Responsibilities

- Chair of the Board
- Chair of People and Culture Committee
- Member Audit and Risk Committee
- Member of Safety and Sustainability Committee from 4 December 2020



Victoria Weekes

Non-executive Director & Vice Chair

Qualifications

BComm LLB, FAICD, SFFinsia

Experience

A professional Director with over 30 years of 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. Victoria is currently Chair of NSW Treasury Audit & Risk Committee and a director of Alcidion (ASX:ALC). 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.

Special Responsibilities

- Vice Chair of the Board
- Member of Safety and Sustainability Committee
- Chair of Safety and Sustainability Committee from 4 December 2020
- Member of Property Portfolio and Investment Committee to 27 August 2021
- Member of People and Culture Committee



David Thrift

Non-executive Director
(resigned 27 November 2020)

Qualifications

–

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. He has a strong background in integration of acquisitions and senior management experience in organisation culture, operations and IT. David spent 17 years with GE Capital retiring as Senior Executive Director, Risk and Ombudsperson.

Special Responsibilities

- Chair of Safety and Sustainability Committee until 27 November 2020
- Member of the Audit and Risk Committee
- Member of People and Culture Committee

Directors' Report



Philip Manidis

Non-executive Director
(resigned 30 June 2021)

Qualifications

B Bus Sc, MCRP

Experience

Philip founded leading environmental planning and communications consulting firm, Manidis Roberts, providing 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. 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 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

Special Responsibilities

- Chair of Audit and Risk Committee to 31 December 2020, thereafter a member until 30 June 2021
- Member of Property Portfolio and Investment Committee



Graham Millett

Non-executive Director
(resigned 27 November 2020)

Qualifications

BA Dip Ed, MBA, AIQS (Affil), AIPM, AICD

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 national and global organisations, including Coopers and Lybrand, Qantas and the National Broadband Network.

Special Responsibilities

- Chair of Property Portfolio and Investment Committee until 27 November 2020
- Member of Audit and Risk Committee
- Member of Safety and Sustainability Committee



Anna Buduls AO

Non-executive Director

Qualifications

BA, M.Com

Experience

Anna is an experienced Non-Executive Director with business, not-for-profit and government policy experience. She has worked in investment banking and provided consulting services to private and government entities. For over two decades she has been on both Government and public company boards across a broad range of industries and sectors, including not-for-profit. She also has deep knowledge of and expertise in homelessness and with disadvantaged communities, garnered from both her government policy work and personal philanthropy. In 2003 Anna received a Centenary Medal for her community contributions. She was made an Officer of the Order of Australia in 2018 for distinguished service to the business and finance sectors through her advisory roles, and as a supporter and advocate for policy development to reduce homelessness, as well as her contributions to the welfare and charity sectors.

Special Responsibilities

- Member of People and Culture Committee
- Member of Safety and Sustainability Committee to 4 December 2020
- Member of Audit and Risk Committee from 4 December 2020
- Member of the Property Portfolio and Investment Committee from 27 August 2021

Directors' Report



Simon Shakesheff

Non-executive Director

Qualifications

M Comm

Experience

Simon has over 30 years of analysis, advisory and operational experience in finance and real estate. He spent 19 years as the head of listed real estate analysis at Macquarie Bank and JPMorgan, before becoming a corporate advisor to listed real estate groups at UBS and Bank of America Merrill Lynch. He also has operational experience at Stockland Trust Group, where he was responsible for Strategy, Research and Stakeholder Relations, and a member of the Executive Committee. Simon is currently the Chair of HomeCo Daily Needs REIT (ASX: HDN), and a non-executive director of Kiwi Property Group (NZX: KPG), Cbus Property, and Assembly Funds Management. He has had a longstanding interest in housing and is a member of the National Housing Finance and Investment Corporation's research reference group.

Special Responsibilities

- Member of the Property Portfolio and Investment Committee
- Chair of the Property Portfolio and Investment Committee from 4 December 2020
- Member of Safety and Sustainability Committee from 4 December 2020 to 27 August 2021
- Member of the Audit and Risk Committee from 27 August 2021



Karen Orvad

Non-executive Director
(appointed 5 October 2020)

Qualifications

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

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.

Special Responsibilities

- Member of Audit and Risk Committee from 4 December
- Chair of the Audit and Risk Committee from 1 January 2021
- Member of Safety and Sustainability Committee from 4 December 2020



Barry Mann

Non-executive Director
(appointed 27 November 2020)

Qualifications

GAICD, Graduate Diploma in Applied Finance and Investment (FINSIA), BE (Civil)

Experience

Barry has over 30 years experience as a senior executive in the property industry. His experience includes over 20 years in listed Australian property companies (Lendlease and Stockland) including six years in international postings as Managing Director and Chief Operating Officer. He has local and state government experience including as the Chief Executive of the NSW Government urban renewal organisation. Barry brings to the Board extensive and diverse experience in urban renewal, property development, housing, major transactions, design and construction, infrastructure delivery, international business, joint venture management and government enterprises. He is currently a Non-Executive Director of NSWALC Housing Ltd, Non-Executive Director of Auckland Real Estate (AKL.ASX and AKL.NZX), an Advisory Board member for Taylor Australia, an Independent Advisor to the Board of Ingham Property Group and the Independent Chair of the Building Regulation Advisory Panel for the Urban Development Institute of Australia, NSW.

Special Responsibilities

- Member of People and Culture Committee from 4 December 2020 to 27 August 2021
- Member of Property Portfolio and Investment Committee from 4 December 2020
- Member of Safety and Sustainability Committee from 30 April 2021

Directors' Report



Rajiv Viswanathan

Non-executive Director
(appointed to the Board on 25 August 2021)

Qualifications

BA LLB

Experience

Rajiv has over 20 years experience across the public, private and community sectors, gained in diverse roles in New York, London and Sydney. Most recently he was the Chief Executive Officer of Indigenous Business Australia (IBA), a commercially focused statutory corporation that supports Aboriginal and Torres Strait Islander people to own their own homes, start and grow businesses, and make investments. He previously worked in various roles with the Macquarie Group in New York and Sydney, in business development and risk management. Prior to this, he worked as a corporate lawyer in London and Sydney. Rajiv has extensive experience across a range of commercial transactions, including establishing new businesses, acquisitions, joint ventures, investment funds and capital raising, including in cross-border contexts. He is passionate about developing and applying commercial solutions to create social impact. He is also a non-executive Director of the First Nations Foundation, which works to create financial literacy in Indigenous communities.

Special Responsibilities

- Member of Property Portfolio and Investment Committee from 27 August 2021
- Member of Audit and Risk Committee from 27 August 2021



Philip Fagan-Schmidt PSM

Non-executive Director
(appointed to the Board on 25 August 2021)

Qualifications

M Policy and Admin, BA

Experience

Philip has had an illustrious career in social housing, having held the position of Executive Director of Housing SA for almost a decade with responsibility for 40,000 social housing properties. He offers insights from his leadership of a large organisation in Housing SA, overseeing 1,000 staff, a \$10 billion asset base and an annual operational budget of \$400 million. Philip is experienced in policy and strategy, natural and urban resources; and the disability, community services and aged care sectors. He has served on significant national and local Boards and Committees and has worked widely across Government agencies including the Premiers Department, Health, Community Services, and Housing.

He is nationally recognised as an industry leader and was awarded a Queens Birthday Public Service Medal for outstanding service in social housing policy and practice in 2015. Since leaving the South Australian public service in 2018, he has worked as a consultant and independent director and advisor.

Special Responsibilities

- Member of Property Portfolio and Investment Committee from 27 August 2021
- Member of People and Culture Committee from 27 August 2021

Directors' Report

Meetings of Directors

During the financial year, 13 meetings of Directors were held. Attendance by each Director was as follows:

	Full Board	Audit and Risk Committee	Property Portfolio & Investment Committee	People and Culture Committee	Safety and Sustainability Committee
Annette Gallard PSM	13/12	4/4	—	3/3	2/2
Victoria Weekes	13/13	—	4/2	3/3	4/4
David Thrift	5/5	1/1	—	2/2	2/2
Philip Manidis	13/11	4/4	4/4	—	—
Graham Millett	5/5	1/1	1/1	—	2/2
Anna Buduls AO	13/13	3/3	—	3/2	2/1
Simon Shakesheff	13/13	—	4/4	—	2/1
Karen Orvad	10/10	3/3	—	—	2/2
Barry Mann	8/8	—	3/3	1/1	1/1
Rajiv Viswanathan	—	—	—	—	—
Philip Fagan-Schmidt PSM	—	—	—	—	—

/ = Meetings eligible to attend/Meetings attended

— = Not a member of the stated Committee

Directors Report

Remuneration of the Directors

During the financial year the remuneration of the Directors amounted to \$245,383 (2020: \$258,694)

Company Secretary's qualifications

Claudia Certoma

BEC (Hons I), LLB (Hons I), GradDip ACG, AGIA ACG (CS,CGP), Solicitor (NSW, HCA) (appointed 11 December 2020)

Rebecca Piero

BCom, LLB, FCSA (resigned 28 July 2020)

Scott Langford

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

Strategy for achieving the corporate objectives

The Group's Strategic Plan identifies 4 'Tier One' priorities for the coming year, grouped as More Homes, Better Core Services, Execution Governance and Technology; their ongoing implementation will maximise achievement of the Strategic Plan set by the Board. All projects are assessed against these priorities and ranked for social and financial return on investment in determining resource allocation and priority for implementation.

During the year we invested over \$86 million in delivering 355 new social and affordable homes for the people of Sydney. In the coming years we will deliver a further 174 new homes in our committed development pipeline that extends to the end of calendar year 2023 and will complete the delivery of 1,170 new safe and sustainable homes.

The refinancing of our subsidiary SGCH Portfolio Ltd through NHFIC will release almost \$50 million of investable capital over the life of the loan. This provides an opportunity to leverage these funds with external investor capital and drive continued growth in our committed development pipeline.

Future Developments - Short and Long Term Objectives of the Group

The Group is conducting a proactive search for suitable investment opportunities and considering engagement with values-aligned partners who can help realise our ambitions for growth. A prospective capital partner for the delivery of Key Worker Housing has been identified and an initial project is expected to add to our property portfolio in the near term, with opportunities to further expand our development pipeline over the coming year/s.

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

Appropriate funds are allocated to support the ongoing enhancement of our business systems, processes and technology platforms, typified by the launch of our Customer Care Hub in July 2021. We will improve customer satisfaction through process simplification and use of technology to improve service efficiency. 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

No matter or circumstance has arisen since 30 June 2021, 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 Group

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 \$434, based on 217 current ordinary members.



Annette Gallard PSM

Chair

Sydney, 15 October 2021

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 2021. The financial statements and disclosures in the Summary Financial Statements have been derived from the 2021 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 or Loss and Other Comprehensive Income

Total revenue and other income increased by \$12,495,089 (12.95%) to \$109,014,050 (2020: \$96,518,961) mainly due to the increase in government grants by \$6,263,447 and for LHC stimulus contract revenue of \$5,768,620. Total expenditure also increased by \$4,250,134 (6.25%) to \$72,290,736 (2020: \$68,040,602) primarily driven by increase in property related and employee expenses.

The surplus of \$23,700,281 was primarily driven by fair value increase in investment properties of \$12,356,760 (deficit 2020: \$18,620,791 primarily driven by fair value decline in investment properties of \$18,911,945).

Statement of Financial Position

Total assets increased by \$187,233,395 to \$1,257,887,515 (2020: \$1,070,654,120) representing an increase of 17.49%. The movement is mainly due to capital works added and completed during the year of \$79,274,953 and increase in bank balance and short-term investments by \$84,756,668 as a result of NHFIC refinancing.

Total liabilities increased by \$163,533,114 to \$590,874,549 (2020: \$427,341,435) representing an increase of 38.27%. The increase is predominantly in relation to a refinancing arrangement and draw down under the Group's new loan facility with NHFIC of \$250,000,000.

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 2021, \$12,356,760 was transferred from the Investment Property Reserve, which reflects the fair value gain on investment property for the year.

Summary consolidated statement of profit or loss and other comprehensive income

	Note	2021 (\$)	2020 (\$)
Revenue	02	105,640,572	95,569,264
Other income	03	3,373,478	949,697
Expenses			
Property expenses		(38,621,184)	(36,195,844)
Employee benefits expense		(24,998,653)	(22,747,134)
Depreciation expense		(1,419,441)	(1,291,205)
Professional fees		(1,192,072)	(686,194)
Other expenses		(6,059,386)	(7,120,225)
Fair value gain/(loss) on investment property – owned		12,356,760	(18,911,945)
Fair value loss on investment property – right of use assets		(13,173,246)	(12,117,313)
Fair value gain/(loss) on derivative financial instrument		1,849,692	(1,776,934)
Operating result		37,756,520	(4,327,833)
Net financial cost		(14,056,239)	(14,292,958)
Surplus/(deficit) for the year		23,700,281	(18,620,791)
Other comprehensive income for the year		—	—
Total comprehensive income/(loss) for the year		23,700,281	(18,620,791)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements.

Summary consolidated statement of financial position

	Note	2021 (\$)	2020 (\$)
Current assets			
Cash and cash equivalents		197,481,839	143,520,171
Short-term investments		40,800,000	10,005,000
Trade and other receivables		4,623,247	5,731,731
Non-current assets classified as held for sale		—	1,402,500
Other current assets		2,868,275	1,849,292
Total current assets		245,773,361	162,508,694
Non-current assets			
Other non-current assets		1,210,294	1,282,146
Property, plant and equipment		5,515,842	4,901,560
Contract asset		1,116,798	1,179,716
Investment property	04	1,004,271,220	900,782,004
Total non-current assets		1,012,114,154	908,145,426
Total assets		1,257,887,515	1,070,654,120
Current liabilities			
Trade and other payables		9,981,836	15,647,557
Employee benefits		3,538,135	2,779,935
Lease liabilities		16,036,809	14,339,501
Unexpended grants		2,210,042	702,673
Total current liabilities		31,766,822	33,469,666
Non-current liabilities			
Employee benefits		384,220	262,758
Borrowings		472,349,367	309,844,346
Derivative financial liability		—	7,895,779
Lease liabilities		86,374,140	75,355,369
Unexpended grants		—	513,517
Total non-current liabilities		559,107,727	393,871,769
Total liabilities		590,874,549	427,341,435
Net assets		667,012,966	643,312,685
Equity			
Accumulated surplus		113,666,475	102,322,954
Investment property reserve		553,346,491	540,989,731
Total equity		667,012,966	643,312,685

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements.

Summary consolidated statement of changes in equity

	Accumulated surplus (\$)	Investment property reserve (\$)	Total equity (\$)
Balance at 30 June 2019	102,031,801	559,901,675	661,933,476
(Deficit) for the year	(18,620,791)	—	(18,620,791)
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	643,312,685
Surplus for the year	23,700,281	—	23,700,281
Other comprehensive income for the year	—	—	—
Total comprehensive income for the year	23,700,281	—	23,700,281
Transfer from reserves	(12,356,760)	12,356,760	—
Balance at 30 June 2021	113,666,475	553,346,491	667,012,966

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements.

Summary consolidated statement of cash flows

	Note	2021 (\$)	2020 (\$)
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		97,555,673	84,772,489
Receipts of government grants (inclusive of GST)		21,903,132	18,237,818
Payments to suppliers and employees (inclusive of GST)		(83,318,179)	(72,866,441)
Interest received		369,927	312,436
Lease payments – interest		(5,313,361)	(4,706,722)
Finance costs paid		(8,802,799)	(9,134,325)
Net cash provided by operating activities		22,394,393	16,615,255
Cash flow from investing activities			
Increase in short-term investment		(30,795,000)	(10,005,000)
Proceeds from sale of investment properties		1,422,500	11,570,500
Payment for investment properties		(80,280,389)	(102,546,025)
Payment for property, plant and equipment		(320,273)	(794,382)
Net cash used in investing activities		(109,973,162)	(101,774,907)
Cash flow from financing activities			
Proceeds from borrowings		250,000,000	296,604,126
Lease payments – principal		(14,608,490)	(13,523,348)
Repayment of borrowings		(87,804,986)	(98,675,220)
Repayment of derivative financial liability		(6,046,087)	—
Net cash provided by financing activities		141,540,437	184,405,558
Net increase in cash held		53,961,668	99,245,907
Cash at the beginning of the financial year		143,520,171	44,274,264
Cash at the end of the financial year		197,481,839	143,520,171

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements.

Financial Report

Notes to the financial statements for the year ended 30 June 2021

Note 01

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 2021. The audited financial statements for the year ended 30 June 2021 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.

01

Note 02

Revenue	2021 (\$)	2020 (\$)
Revenue from tenants		
Rent income	75,746,280	73,313,309
Reimbursements	1,973,479	3,201,779
Total revenue from tenants	77,719,759	76,515,088
Revenue from government		
CHLP – Tenancy management and maintenance funding (i)	10,746,554	10,521,001
SHMT – Tenancy management and property management	1,232,327	451,783
SAHF – Monthly services payments	5,692,789	3,558,035
National Rental Affordability Scheme Incentives	1,888,854	1,895,246
Home Energy Action Plan	—	707,473
National disability insurance scheme	1,099,897	909,699
Other	784,810	138,547
Total revenue from government	21,445,231	18,181,784
Other revenue		
Insurance recoveries	182,953	586,624
LHC stimulus (ii)	5,768,620	—
Management fees	524,009	285,768
Total other revenue	6,475,582	872,392
Total	105,640,572	95,569,264

(i) 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.

(ii) During the current year the Group entered into a contract with LHC to carry out structural repairs of properties and recognised the revenue towards provision of those services (2020: Nil).

02

Note 03

Other income	2021 (\$)	2020 (\$)
Gain on disposal of investment properties	20,000	885,500
Contribution from City of Sydney for Youth Foyer Project (i)	3,000,000	—
Donation income	118,827	—
Other income	234,651	64,197
Total	3,373,478	949,697

(i) During the current year the Group received grant from City of Sydney towards completion of the Youth Foyer Project.

03

Note 04

Investment Property	2021 (\$)	2020 (\$)
Investment property – Owned		
Balance at the beginning of year	813,727,384	733,028,520
Capitalised subsequent expenditure	79,274,953	102,748,281
Disposal of investment property	—	(5,060,000)
Assets transferred from other assets	—	3,325,028
Assets transferred to non-current assets held for sale	—	(1,402,500)
Change in fair value of investment property	12,356,760	(18,911,945)
Total	905,359,097	813,727,384
Investment property – Right of use leased assets		
Balance at the beginning of year	87,054,620	85,781,943
Additions of new properties to right of use assets	32,331,896	20,738,697
De-recognition of terminated properties from right of use assets	(7,301,147)	(7,348,707)
Change in fair value of investment property	(13,173,246)	(12,117,313)
Balance at the end of the year	98,912,123	87,054,620
Total	1,004,271,220	900,782,004

Included within Investment property is a balance of \$10,884,097 (2020: \$10,645,440) 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.

04

Note 04

Valuation basis

The fair value of owned investment properties has been determined with reference to independent valuations performed by registered property valuation companies that hold recognised and relevant professional qualifications and have 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 4.00%. 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.

04

Independent Auditor's Report



Independent Auditor's Report

To the members of St George Community Housing Limited

Report on the Summary Financial Statements

Opinion

We report on the **Summary Financial Statements** of St George Community Housing Limited (*the Group*) as at and for the year ended 30 June 2021. The Summary Financial Statements are derived from the audited financial statements of St George Community Housing Limited (the Group).

In our opinion, the accompanying Summary Financial Statements of the Group are consistent, in all material respects, with the Audited Financial Statements, in accordance with the basis of preparation described in the Summary Financial Statements.

The **Summary Financial Statements** comprise:

- Summary consolidated statement of financial position as at 30 June 2021.
- Summary consolidated statement of profit or loss and other comprehensive income, Summary consolidated statement of changes in equity, and Summary consolidated statement of cash flows for the year then ended
- Related notes.

The Group consists of the St George Community Housing Limited and the entities it controlled at the year end or from time to time during the financial year.

Scope of the Summary Financial Statements

The Summary Financial Statements do not contain all the disclosures required by *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013* applied in the preparation of the Audited Financial Statements. Reading the Summary Financial Statements and this Auditor's Report thereon, therefore, is not a substitute for reading the Audited Financial Statements and our auditor's report thereon.

The Audited Financial Statements and our auditor's report thereon

We expressed an unmodified audit opinion on the Audited Financial Statements in our auditor's report dated 15 October 2021.

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

Independent Auditor's Report



Responsibility of the Directors for the Summary Financial Statements

The Directors are responsible for the preparation of the Summary Financial Statements in accordance with the basis of preparation described in Note 1 to the Summary Financial Statements, including their derivation from the Audited Financial Statements of the Group as at and for the year ended 30 June 2021.

Auditor's responsibility for the Summary Financial Statements

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

KPMG

Stephen Isaac

Partner

Sydney

15 October 2021

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 2021, as set out on pages 105 to 114:

- (a) are an extract from the full financial statements for the year ended 30 June 2021 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

A handwritten signature in black ink that reads "Annette Gallard". The signature is written in a cursive style with a large initial 'A'.

Annette Gallard PSM

Chair

Sydney, 15 October 2021

Annual Report 2021



Published on 2 November 2021

SGCH

Level 5, 38 Humphreys Lane
Hurstville NSW 2220

PO Box 348
Hurstville BC NSW 1481

1800 573 370

communications@sgch.com.au
sgch.com.au