



# YOUR DIRECTION HOME

FROM HOMELESSNESS  
TO COMPASS

*This is the story of Norman  
and many others*



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# WHO WE ARE

Compass Housing Services Co Ltd. (Compass) is a not for profit organisation, registered in 1985. Compass Housing primarily aims to alleviate the hardship of housing stress for low-to moderate-income-earning households by providing secure and affordable housing and delivering housing products for disadvantaged people who have difficulties sourcing adequate and affordable housing.

Compass is the largest regional housing provider in Australia, currently managing 3,245 properties. Compass operates from ten facilities: a head office and nine branch offices in NSW. These branches include a specialist Affordable Housing office, a Homelessness project and also a Community Hub, which we facilitate and partner with many organisations and the community to deliver a range of services. Compass not only provides social, affordable and homeless housing options to those in need we also provide disability, supported and indigenous housing across NSW.

Compass operates in the Newcastle, Lake Macquarie, Wyong, Gosford, Maitland, Port Stephens, Cessnock, Singleton, Upper Hunter, Muswellbrook, Broken Hill, Central Darling, Dubbo and Broken Hill LGA's. Compass' head office and branch structure allows for continued growth of specialist skills over the whole organisation independent of the number of additional service centres or branches created.

Compass is regulated by the NSW performance-based registration system in its operations. Compass is registered as a Class 1 provider, meaning that we manage a large portfolio of properties and are subject to the highest level of regulatory requirements. In addition, Compass received full accreditation against the national

Community Housing standards, demonstrating sound governance and management of tenancies, assets, stakeholders, people and finances. Compass is very proud of the high level of service we provide.

For our targeted client group we aim to be **'your direction home'**. We continuously work to increase the supply of housing for our potential clients, properly maintaining our housing assets and assisting clients in sustaining their tenancies.

## AWARDS 2012/2013

### 2013 Winner NSW Awards for Excellence in Community Housing

- for Overall Excellence in Community Housing
- for Excellence in Green Initiatives

### 2013 PowerHousing Australia Conference Awards

- Leadership in Sustainability - Awarded to Compass for the "GROW" program

### 2012 Premiers Awards Finalist

- Award for Partnerships – This Way Home

# STATISTICS

## PROPERTIES BY LGA

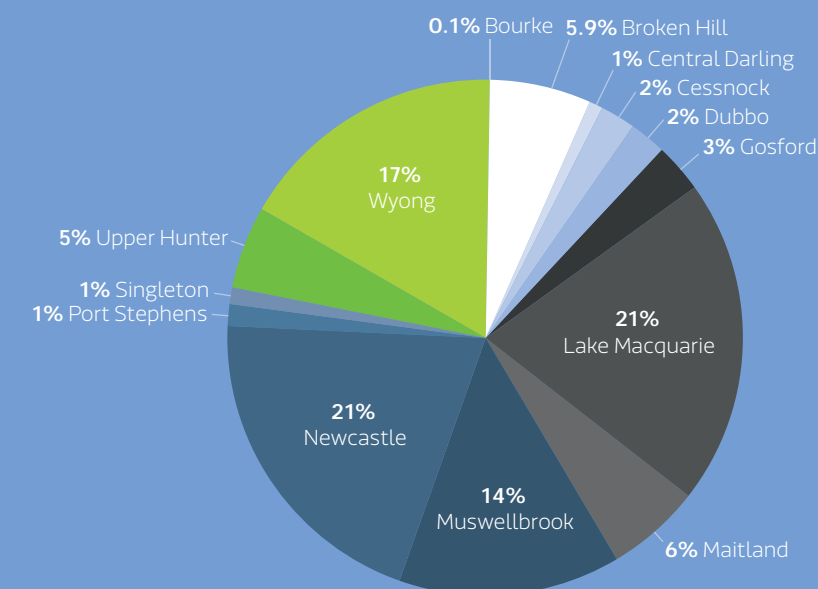
At 30 June 2013 Compass operated 9 branches (and a Head Office) across regional NSW and managed 3,245 properties over 14 local government areas:

**9** Branches **3245** Managed Properties **14** Government areas

We manage approximately **\$1 Billion** in Assets

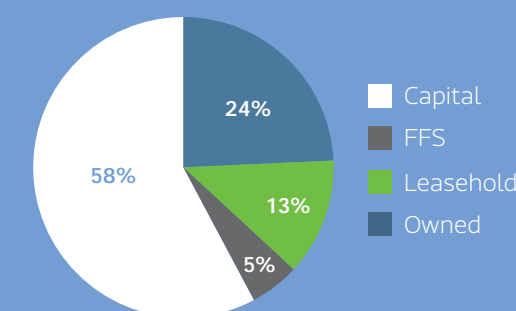
## PROPERTY NUMBERS BY LGA

LGA	Property No.
Bourke	6
Broken Hill	209
Central Darling	25
Cessnock	72
Dubbo	74
Gosford	101
Lake Macquarie	664
Maitland	196
Muswellbrook	450
Newcastle	664
Port Stephens	44
Singleton	32
Upper Hunter	171
Wyong	537
Grand Total	3,245

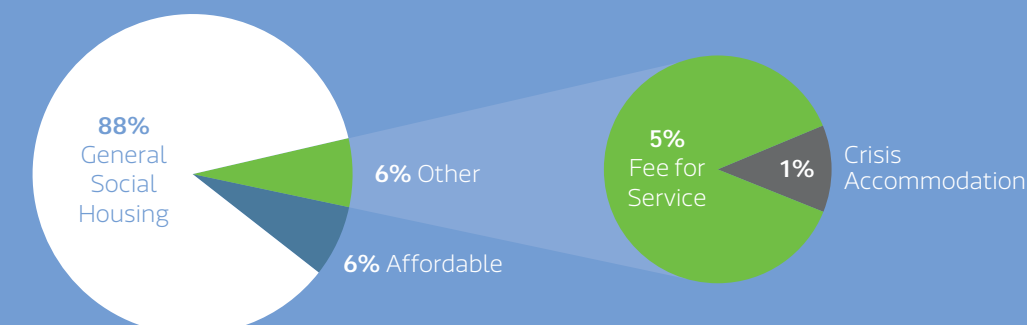


Of these properties Compass owns 784, a further 165 were purchased with capital funding assistance from the Centre for Affordable Housing under the Social Housing Growth Fund (SHGF) and the National Rental Affordability Scheme (NRAS), while 567 were transferred as vested title from Housing NSW. 51 new properties were delivered through leveraging off the vested title properties and 1 property redeveloped as part of leveraging activities. The balance of properties under management consisted of 11 under a Fee for Service (FFS) arrangement with the Community and Private Market Housing Directorate (CPMH), 146 under a FFS arrangement with the Aboriginal Housing Office (AHO), 1885 were Housing NSW capital properties managed under a head lease arrangement and 419 were private leaseholds subsidized under the Housing NSW Community Housing Leasehold Program.

## PROPERTIES BY ASSET SOURCE



## PROPERTIES BY ASSISTANCE TYPE



# ORGANISATIONAL STRUCTURE





# CHAIRPERSON'S REPORT

The past financial year has been one of settled steady growth for Compass as it adjusts to an operating environment that is not subject to the same growth pressures of recent financial years.

While the growth of Compass has slowed in the last 12 months it has maintained a steady increase in rental income, increasing from \$24.7m in 2012 to \$27.5m in 2013 which is an increase of 11.34%. Total assets have increased by 6.44% to \$199,123,098 while Net assets have remained virtually the same as last year at \$170,530,830, an increase of 0.42% (Primarily due to the sale of Compass – Tasmania). This maintains the position of Compass as a very secure and strong Community Housing Provider as it continues to pursue its Vision and Mission to provide an increased supply of affordable housing and other community services to its current and future tenants and clients.

Compass looks forward to further transfers of property and title to those properties from the NSW Government which will allow it to further leverage off the value of those assets. This would allow Compass to increase the supply of housing to eligible tenants by use of its own and borrowed funds. As can be seen from the financial statements Compass has already used the value from previously transferred properties to borrow funds from Westpac to purchase additional properties.

Compass continues to pursue its strategic approach of looking for growth opportunities in NSW and other parts of Australia and is currently involved in discussion with the Qld Government about opportunities in that State after lodging an expression of interest response to a Qld Government initiative. Also during the year Compass reviewed its involvement in the Tasmanian housing sector and decided to dispose of its 100% interest in Compass Housing Services (Tasmania) Ltd (formerly STEPS Housing Ltd). This disposal occurred in April 2013.

The Compass Tenant Engagement Panel (CTEP), continues to work closely with tenants and engage with them in activities and events for their benefit. One such initiative is the Compass Connect Program which revolves around People, Place & Performance. To provide support for this "place based initiative" Compass invested \$200K to allow tenant groups to make application for grants to undertake projects in their area that make a difference to people and their place. This saw many groups of tenants apply for grants from these funds to carry out projects that would provide benefits for them and their community. There have been a large number of applications and a rigorous selection process was used to determine which ones would be granted. This has meant that tenants have become engaged and have been helping each other with their projects. Some of these projects are: A Community Garden, Internet Café, Training Room, and Beautification Project.

I encourage all tenants to get involved with CTEP and wish to thank the current members of the panel for their tireless efforts on behalf of the panel and for their unwavering efforts to get more tenants involved. I also thank them for their work with Compass staff and the Board. This panel is very important to tenant participation at Compass.

The GROW program continued to provide Compass tenants with access to many services and facilities to enhance their tenant experience and enhance their life situation. The GROW program increases the tenant's awareness of and participation in the following programs:

1. Health and Nutrition programs;
2. Esteem and well-being programs;
3. Community contributions, economic participation and generational advancement;
4. Sustainable living practices;
5. Factors impacting on security of tenure.

The Compass youth oriented Grow A Star program also continued to develop during the year.

The Board maintained the use of Board Sub-Committees to allow specific focus on various areas of its operations. These Sub-Committees are Finance, Audit and Risk which has detailed oversight of the finance and risk functions and closely monitors progress against budget expectations. The Property Acquisitions and Business Development Committee oversees all areas of the property portfolio mix and the property purchasing matrix to provide Compass with clear purchasing guidelines to maximise its use of funds. The Community Engagement and Development Committee works closely with the Board and staff to develop grow and maintain our community engagement strategy which will continue to be a focus of Compass.

The Board continued to review its own operations, structures and processes at a Board Governance Planning day in June this year. This process was led by Prof. Geoffrey Kiel a recognised Governance expert. As a result of this planning day and subsequent discussions the Board have recommended a number of changes to the Compass Constitution for the members to consider at the Annual General Meeting later in the year. One significant change recommended is in the length of a Directors term from 2 to 3 years, this will allow for more certain continuity of Compass business knowledge on the Board. One other change is to set a maximum time that a Director can be on the Board which will result in long term renewal of the board. (All the proposed changes will be explained in the Annual General Meeting Notice). The Board also commissioned an independent external review of its remuneration structure with these results also discussed at the Governance Planning Day and later Board meetings. The Board resolved to significantly increase its rate of remuneration and this will be effective in the 2013/14 financial year. These changes and amounts will also be advised to the members in the Annual General meeting papers. The Board believes that these changes will improve the operations of the Board and its Governance. The Board continues its commitment to having the right skills, knowledge and expertise on the Board to reflect the challenging and changing needs of the organisation now and in the future.

I would like to thank the Board for its continued commitment to the sound governance of the organisation and its ability to work together to address the complex issues that arise in an organisation of this

size and complexity. I also thank them for their continued efforts on behalf of the organisation. The Board has demonstrated that it is well equipped, with a diverse range of skills, to navigate the group through challenging times.

I also want to thank the Chief Executive, Greg Budworth, and all the senior management team for leading the organisation through another year of steady growth. They have maximised the position that Compass is in by astute management. I also wish to acknowledge and thank all the other Compass staff that continues to provide excellent service to all of our tenants and other stakeholders that we deal with in a myriad of ways.

Compass has enhanced its position as a leading Community Housing provider during the year, and is in a strong position to take advantage of any opportunities that may arise in the future, I am sure that it will continue to be a leading Community Housing provider across Australia in coming years.

It has been another rewarding year for the Organisation and I have been honoured to be its Chairperson.

**PAUL JOHNSON**

*Chairperson*

# CHIEF EXECUTIVE OFFICER REPORT

Compass has enjoyed another year of excellent results in 2012/2013 achieving a net operating profit of \$4.9M and maintaining strong cash holdings of \$11.8M whilst delivering another 51 new dwellings under the Vested Asset Leveraging Program at an average value of \$295K. In addition over the next twelve months under this program and the 4th round of the National Rental Affordability Scheme (NRAS), we will deliver another 100 new affordable and social dwellings. Of these, 20 will be supported through funds from the NSW Governments Supported Accommodation Innovation Fund and will be purpose built to Liveable Housing Guidelines Platinum Level compliance and provide much needed housing for those with severe or profound disabilities. We are pleased to be in partnership with Ability Options and Ageing, Disability and Home Care in this project.





While the year was relatively stable in terms of properties, staffing and offices, there has been a lot of preparation for strategic growth and examination of various options for a national partnership approach to housing as well as considerations around opportunities under the National Disability Insurance Scheme and the reforms in the NSW Homelessness Sector.

The Board and Management of Compass are keenly focussed on the future and are presently engaged in various strategies to increase scale, capacity and diversity within NSW, interstate and also internationally. Whilst our core business remains tenancy and facilities management and increasing the supply of affordable and social housing, our long term strategic planning identifies taking advantage of all opportunities that are anticipated to arise to deliver on our vision and mission to a broader and deeper extent. International learning is also important and during the year two of our staff won a scholarship to attend the annual International Housing Partnership Conference in Canada and three staff members travelled to the UK providing an opportunity to visit and establish strong links and learning with UK housing providers.

Compass received industry recognition during the year being the recipient of two awards “Overall Excellence in Community Housing” and “Excellence in Green Initiatives” from the NSW Federation of Housing’s 2013 NSW Awards for Excellence in Community Housing. In addition we won the “Leadership in Sustainability” Award at the 2013 PowerHousing Australia Conference for our “GROW” program and at the 2012 Premiers Awards ‘This Way Home’ was a finalist in the “Award for Partnerships”.

We have a strong commitment to staff engagement and endeavouring to become a recognised employer of choice and AON Hewitt were once again engaged to

complete our annual staff engagement survey. Overall staff engagement increased by 9% on the previous year and increases were recorded in a number of key areas:

- 35% increase in participation rates;
- 10% increase in employee sense of accomplishment in their work;
- 10% increase in learning and development;
- 23% increase in employees indicating that employees viewed Compass as one of the best places to work for someone with training and experience in their profession, and a;
- 22% increase in spend on training on the previous year.

Compass spent \$6.2m on maintenance this year and completed almost 18,000 service requests. Compass manages close to \$1Billion in asset value and has a very skilled Assets Division that is a highly competent facilities management team.

Our tender bid for the outsourcing of public housing in Queensland has seen us shortlisted as 1 of 3 proponents who continue to vie for the opportunity to take on the tenancy management and neighbourhood renewal of around 5,000 properties in the city of Logan and surrounding areas. Results of this tender will not be known until early 2014. Queensland government announced their intention to transfer 90% of their existing public housing properties to community housing providers by 2020. Compass has been pursuing opportunities in this state for a few years. In addition Compass is tendering for opportunities in South Australia.

In a year of little activity in relation to stock transfers to community housing providers from the NSW public housing system, now housed within the Department of Families and Communities (FACS), we have achieved an increase of 65 properties in our social portfolio and an increase of 32 in our affordable housing portfolio under

management for the year comprising 51 new property acquisitions, 15 direct allocation NSW LAHC properties and an increase of 31 private leasehold properties to bring our community leasehold program allocation quota to approved capacity.

Compass’ growing capacity allows it to have unique and specialist staff who are adding great value to our organisation in the area of systems accountancy and information technology; governance administration, customer service, community sustainability and social enterprise, community development, media and communications, human resource and risk management. Compass has greatly benefited from these specialist skills in addition to its committed, caring and diligent frontline, assets management, property development and acquisitions and traditional back office functions.

Our fee for service portfolio saw a small drop in numbers as local aboriginal land council properties were handed over to ‘PARS’ registered Aboriginal Housing Providers during the year in line with the Aboriginal Housing Office’s (AHO) Build and Grow Strategy. Compass have sustained strong relationships with the AHO and the aboriginal community sector with 879 indigenous residents housed in 371 properties owned by NSW LAHC or AHO under various programs under The Remote Indigenous Housing National Partnership (RIHNP) involving joint partnerships with support agencies in remote areas Compass provide tenancy and property management services for emergency and transitional accommodation while working closely with support services to assist individuals move into long term sustainable tenancies. The Employment Related Accommodation (ERA) program assists indigenous youth from remote areas to access employment and education opportunities by providing accommodation for them and their families in larger regional areas such as Dubbo, Broken Hill and Maitland.

Properties under management at the end of the year were 3,245 with around 82% reliant on CentreLink benefits as their main source of income, 22% of tenants

had a disability and 10% of households receive additional support through our partnerships with around 25 separate community organisations.

Under the banner of ‘Compass Connect’ the year has seen the embedding of our philosophy of ‘People, Place and Performance’ across all our branches. In addition, special purpose funding of \$200K was offered through a tender process to tenant groups and branches for activities that promote “place based initiatives” for tenant engagement and participation in the community. Three rounds of funding were offered throughout the year with 33 applications receiving a total of \$135K and the remaining funds being used to establish a handyman social enterprise targeted at providing work opportunities for tenants and due for launch early in 2014. Successful projects included funding for tenant groups to undertake grounds and garden beautification projects in Raymond Terrace, Gosford, Wyong, Broken Hill, Muswellbrook, Aberdeen, East Maitland and Killarney Vale; the establishment of an internet café and computer training room at our East Maitland Branch and a proposal to establish a Community Wellbeing Centre in Broken Hill.

Throughout 2012/13, Compass has been encouraging our tenants to volunteer both with Compass and with other organisations resulting in a total of 570 of our tenants performing volunteer work during the year, doubling the previous year’s numbers. The experience has helped one of our volunteers to gain permanent employment at a Compass branch.

Our partnership with Job Quest aimed at increasing tenant employment opportunities continued throughout the year with a number of tenants volunteering in a Community Garden and 5 tenants participating in a training program which enabled them to attain qualifications in Asset Maintenance. Job Quest employed six Compass tenants over the period: 3 fulltime, 1 part time and 2 casual with another starting work with Job Quest then moving into full-time employment elsewhere.

The community development team successfully applied for small funding grants of just under \$50K which has been utilised to complete a number of community projects covering a range of activities, in particular, \$14.8K was received from Wyong Council under their community benefits program to support our auspice service the "KBT - Community Drug and Alcohol Team (CDAT)" to run October fun fest activities and a \$5K grant from Newcastle City Council "Pride of Place" funding for beautification of the grounds at 'This Way Home'.

In addition our KBT branch (The Meeting Place), which integrates a more localised neighbourhood based approach to tenancy management with a 'hub' for community run activities on the Central Coast successfully applied for grant funding for a number of projects such as the 'wall mural' project at the branch with the local community and local school students collaborating on ideas for a wall 'mural' which represented the spirit of their community and was painted by local artist Margrete Erling.

Participation in our youth program 'Grow A Star' increased with sponsorship funding of \$23K providing opportunities for 10 recipients to further their aspirations in the fields of music, sport and the arts. Three very talented young Central Coast recipients have formed a band "Susie's Way" and recently performed their first live paid gig. One Compass and two non-Compass community housing students received one year scholarships to the Central Coast Sports Academy in recognition of their sporting achievements; another student with a physical disability has been assisted to access swimming and diving lessons and a year 12 student received a new laptop and Spanish lessons to assist with her desire to undertake community development work overseas after finishing school. This student also has a strong interest in political journalism and we were able to arrange for her to complete work experience with a member of parliament and with the encouragement and support of our 'Grow A Star' team she has recently been successful in gaining a \$2,000 scholarship from the Housing NSW Youth Scholarship Grant Program.

Across our branches a number of initiatives during the year have seen staff excel in providing quality services with intensive staff resources devoted to building tenant participation in neighbourhood activities, ensuring tenants feel safe and secure in their homes and that housing solutions meet their needs. There was a significant increase over the prior year in the number of eligible tenants for our 'Tenant Incentive Scheme' (TIS) which aims to reward tenants who are consistently in advance with their rent and maintain good property care. In addition 'TIS Green' has proved popular with 16 entries throughout the year presenting ways in which tenants are working to reduce their impact on the environment and one tenant from Broken Hill receiving a local council environmental award for his efforts to create a 'green' home and garden.

Our overall tenant satisfaction maintained a high rate of 88% with tenant response rates increasing by 14% and the use of the online survey option proving popular with an increase of 142% on the previous year. Other key indicators of tenant satisfaction remained steady including:

- 89% of tenants indicated satisfaction with the way Compass involve tenants;
- 87% of tenants indicated satisfaction with the way Compass communicates with and provides information to tenants;
- 90% of tenants who responded indicated their satisfaction with the overall condition of their home.

Attendance at tenant community forums held across all branches during the year increased by 2% from the previous year and our annual branch Christmas parties again provided a range of entertainment for tenants with over 530 residents coming together from the Newcastle and East Maitland areas, to enjoy a great day of fun activities at Speers Point Park.

Branches increased services to local communities through establishing additional outreach offices and tenants living in Cessnock, Edgeworth, Scone, Singleton, Swansea and Wilcannia now have greater access and support without the need to travel too far from home. An internet café and computer training room opened in April at our East Maitland branch and is proving extremely popular with tenants in the area and a computer training course for seniors was well attended. Graffiti removal programs have been run during the year at several branches with many receiving support and assistance from local community groups such as Lion's Clubs. Tenant excursions included visits to Taronga and Dubbo Zoo's, the Botanical Gardens and a cruise on the Hawkesbury River.

A 'Barefoot Bowls day challenge' was organised between 3 Compass branches for a country v's city challenge which was hugely popular and it is aimed to make this an annual event and extend the invitation to other Community Housing providers in 2014. Tenants in the Upper Hunter area had the opportunity to attend a community day with motivational speaker Sam Cawthorn, recognised as young Tasmanian of the year in 2009, he survived a horrific head on collision where after being pronounced dead by paramedics, he defied the odds, survived 5 months in hospital and a year in a wheelchair after being told he would never walk again. Sam is the author of 'Bounce Forward: How To Transform Crisis into Success' and inspires people to recognise opportunity in the midst of crisis and to overcome adversity to 'bounce forward' into a new, more successful life!

## GREG BUDWORTH

*Chief Executive Officer and Executive Director*



# HIGHLIGHTS

SERVICE DEVELOPMENT

Total Properties Managed as at 30 June	3,245	3,349	3,105
Total Properties Managed under Housing NSW Programs	2,882	2,826	2,703

FINANCIAL MANAGEMENT

Cash at end of year	\$11.8 M	\$11.9 M	\$9.0 M
Net Profit	\$4.9 M	\$19.2 M	\$116.4 M
Net Operating Profit (ex Capital Grants/Contributions)	\$4.9 M	\$5.7 M	\$3.6 M
Retained Profit	\$170.5 M	\$169.8 M	\$145.8 M

HOUSING MANAGEMENT

Arrears	2.0%	1.5%	1.6%
Market Rent loss via void/vacancy	1.5%	2.0%	0.7%

HUMAN RESOURCES

Number of full time equivalent staff	87.47	81.92	72.57
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MAINTENANCE

Combined Maintenance expenditure	\$6.2 M	\$5.7 M	\$5.0 M
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REPAIRS AND MAINTENANCE COMPLETIONS

Number of service requests completed	17,980	13,588	9,495
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SOCIAL INCLUSION

Number of tenants volunteering	570	289	
Number of tenants participating in activities	488	176	

TENANT SATISFACTION

Overall satisfaction with the organisation	88%	88%	
Satisfaction with ways in which Compass involve tenants	89%	89%	
Satisfaction with ways in which Compass communicate with tenants	87%	88%	

# HIGHLIGHTS

	2013	2012
TENANCY INCOME	\$27.5 M	\$24.7 M
RENTAL REBATES AND SUBSIDIES	\$3.1 M	\$3.2 M
CAPITAL GRANTS FOR PROPERTY PURCHASE	\$0.0 M	\$4.1 M
NRAS INCENTIVE RECEIVED	\$1.5 M	\$1.3 M
OTHER INCOME	\$1.0 M	\$1.6 M
STOCK UPGRADE GRANT	\$0.5 M	\$1.6 M
CONTRIBUTED PROPERTY FAIR VALUE	\$1.1 M	\$9.4 M
TOTAL REVENUE	\$34.7 M	\$45.9 M

# COMMUNITY HOUSING

Community housing is an integral part of the housing system and represents 88% of Compass' entire housing portfolio. Community Housing aims to provide safe, secure, affordable and appropriate rental housing.

Under our community housing portfolio Compass manages capital properties for Housing NSW as well as leasehold properties which are rented from the open market.

Community housing provides short, medium and long term accommodation and is defined as rental housing provided by not-for-profit community based organisations at below market rent for very low to moderate income households.

Compass continues to work diligently, as it has for the last 28 years of operation to provide quality community housing across NSW and will continue to work with Governments, our stakeholders and our support partners to increase housing opportunities throughout Australia. In 2012-2013 Compass signed 610 new leases under our community housing portfolio, playing a key role

in alleviating the pressures of 55,186 (2012) applicants waiting for community (and social) housing in NSW alone.

Compass continues to provide housing assistance on a basis which provides opportunities for participatory management, and constructive links with community development and support services in sustaining their tenancies.

Community housing waiting lists are growing as more and more disadvantaged households find it harder to find appropriate accommodation in the private rental market. About 5% of the Australian population lives in social housing, that is, Government-provided social housing dwellings or community housing managed by not-for-profit organisations such as Compass. (ABS 2007).

## NORMAN'S DIRECTION HOME

### A COMPASS CASE STUDY

Norman is an amazing man, with an even more amazing story.

Most recently, Norman was faced with the sobering realisation that he was homeless. It was at this stage that after spending sometime in temporary accommodation which Coast Shelter provided him with, that he was able then to transition into a more secure property through Compass. Not only does this property give Norman security of tenure, he is also housed near the care facility where Caralyn (his partner) resides enabling him to visit and care for the love of his life.

Compass together with Coast Shelter have worked to support Norman at a time in his life when he need it the most. Norman has experienced enough to fill two lifetimes, with all of life's wondrous gifts as well as the tumultuous lows.

If you had meet Norman earlier on his life you would have met a man that travelled the world many times over, who lived in some amazing places including New York. Norman was once a successful businessman, who spent a considerable time in America developing a marketing program for a golfing project in tandem with Price Waterhouse.

If you had met Norman only in recent years, you would have met a man dealing with the adversity that life can throw at us.

Norman's health had deteriorated rapidly. He required a heart bypass surgery, as well as survived bowel and stomach cancer; he has battled with alcohol dependency and had made a string of poor decisions involving personal and financial matters. On top of all this Norman deals with the daily heartache of watching the love of his life, Caralyn, approach the final stages of her life as she battles dementia in a care facility on the NSW Central Coast.

Securing a Compass property has been a dream come true for Norman, especially given how close he now is to the love of his life Caralyn.

Compass is extremely proud to be assisting Norman and many, many others like him.



# AFFORDABLE HOUSING

According to the Australian Bureau of Statistics Australia has a shortage of 493,000 rental properties that are affordable and available to people on a low income.

Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education.

As at 30 June 2013, Compass' affordable housing portfolio comprised of a total of 256 properties, 138 owned properties, 90 managed through the Building Better Cities Program and 28 in our Fee for Service portfolio bringing the overall affordable housing supply to approximately 7% of our total housing portfolio. These properties are managed out of our specialised Affordable Housing office – My Place Property.

## BUILDING BETTER CITIES (BBC)

Under the Building Better Cities program Compass has received 90 purpose built properties to manage located in six redevelopment estates in the Newcastle area. Jointly funded by the Federal and State Government, this program has been part of an immensely successful renewal of the Honeysuckle precinct and inner Newcastle surrounds as well as providing affordable housing and being a catalyst for market regeneration and growth.

This program is for low to moderate income earning households and is targeted to key workers in the Newcastle area.

## NATIONAL RENTAL AFFORDABILITY SCHEME (NRAS)

Under the National Rental Affordability Scheme, Compass has been awarded over 250 incentives under the various rounds of funding. Some of these dwellings are tenanted and others are in construction. The rental arrangements are as per the Affordable Housing Guidelines and the household income ranges across three income bands of very low, low and moderate household incomes, with rent charged at 75% of market rent.

NRAS is a long term commitment by the Australian Government in partnership with the States and Territories, to invest in affordable rental housing. NRAS seeks to address the shortage of affordable rental housing by offering financial incentives to persons or entities to build and rent dwellings to low and moderate income households.

The transitional aspect of Affordable Housing encourages tenants to pursue real property ownership while paying reasonable rent in their present circumstances, we have had tenants go on to home ownership from the Affordable Housing program.

# GWEN PARADE COMPLEX

## A COMPASS CASE STUDY

Compass manages a 24 dwelling complex in Gwen Parade, Raymond Terrace on behalf of developers through our My Place Property branch. Over the past 12 months Compass has assisted the tenants of Gwen Parade so that they feel secure in the complex and have the opportunity to engage with the wider community.

Residents of Gwen Parade are a great mix of retirees, aged pensioners, single parents and working singles and couples. The blend of tenants has worked very well, with many catching up regularly within the common areas of the complex.

Recently, tenants were granted funding under our Compass Connect Program to construct a community garden at the complex. This was a great opportunity for both tenants and staff to work together with the common goal of beautifying and activating a shared

space. This project provided a vehicle for tenants to form stronger bonds with each other and to instil a pride of place at Gwen Parade.

Before coming to Gwen Parade, tenants like Steve & Kathleen, were renting a home that was unaffordable. So when the opportunity of an NRAS property presented itself, it allowed them to stay in the local area which they had been long-term residents. Staying in the local area has allowed these retirees to continue to contribute to their local community. If it wasn't for this property they were faced with the prospect of having to leave the community they have called home their whole lives. They are a friendly couple and enjoy the social side of life within the complex. Steve takes great pride in watching over the complex.

This complex has also changed the lives of tenants Linda and Amy. Linda who works fulltime and is also a carer for her adult daughter, Amy, who has a disability, was finding living in the private rental market financially stressful. Since moving into their Compass home, Linda has provided that they now have extra money to help with paying their bills and essentials. The Gwen Parade project has provided Linda and Amy with the head start they deserve and it demonstrates how outstanding the National Rental Affordable Scheme really is.





# DISABILITY HOUSING

Compass prides itself on providing quality disability housing to our tenants. Of the tenants that lived in the 3,245 properties Compass had under management at the end of the 2012/2013 financial year, 22% of them were living with a disability.

Compass together with our support partners work to provide our tenants and housing applicants living with a disability equitable access to housing that enable them to pursue lifestyles of their choice; and to participate fully in all aspects of community life.

Compass strives to provide the best service to these tenants, many of whom have complex needs, so that they may feel secure in their tenure and so they have opportunities to engage and contribute to their community. Where possible Compass modifies our assets to make them suitable for tenants with disabilities and have recently received funding to develop purpose built disability housing through the Supported Accommodation Innovation Fund.

## SUPPORTED ACCOMMODATION INNOVATION FUND (SAIF)

Compass has been awarded \$7,371,200 under a competitive Commonwealth Government Funded tender under the Supported Accommodation Innovation Fund (SAIF) to build innovative supported accommodation for people with disability.

Compass is currently in the construction stage of this exciting project and in the 2013/2014 financial year Compass will deliver 20 platinum standard disability housing independent living dwellings for people with severe and/or profound support needs.

Compass is very excited to be working with the Commonwealth Government's Department of Social Services the NSW State Government's Ageing, Disability and Home Care (ADHC) and Ability Options our support partner on this important project and would like to thank the Commonwealth Government for their support and commitment by providing this funding to allow Compass to deliver much needed affordable accommodation for people with a disability.



*"Compass has allowed me to fulfil my dream of living by myself. At times I didn't think it was possible but I've been living by myself for over a year now and I couldn't be happier. I can't wait to make tea and scones for the Compass staff that made this all possible."*

– Lisa

## LISA'S DIRECTION HOME A COMPASS CASE STUDY

Living independently has been a dream of Lisa's and has defied all the health professionals who have told her this wouldn't be possible.

In September 2012 Compass assisted Lisa in realising her dream by providing Lisa housing in a unit which has been able to be modified to meet her support needs due to its existing adaptable design features.

Lisa is 32 years old with health issues. Lisa suffers from a rare type of Spina Bifida with severe Scoliosis, hearing

impairment in both ears and a shunt. She stands only 104 cm tall and weighs 29 kilograms.

Since the modifications Lisa has now full use of her kitchen and unit, where previously she was unable to use the kitchen bench tops, sink, and gas cooktop in a conventional kitchen.

Lisa is extremely grateful, to be living safely and independently in her home.



# SUPPORTED HOUSING

Compass recognises that its vision and mission is a cause greater than Compass as an organisation.

Compass provides a diverse range of housing programs within our communities which provide assistance to people who may have difficulties obtaining or maintaining housing in the public and private market due to their support needs.

Our supported housing services assist a wide range of people; these include people with disabilities, individuals with mental health issues, young families, women and children escaping domestic violence, indigenous persons and families, seniors and people leaving the criminal justice system, and those experiencing or at risk homelessness.

Compass and its support partners are able to do this through the following services:

## SUPPORTED ACCOMMODATION ASSISTANCE PROGRAM

The Supported Accommodation Assistance Program (SAAP) is a joint State and Commonwealth program that provides accommodation and support services to people who are homeless or at risk of becoming homeless.

These programs are aimed to provide transitional supported accommodation and related support services, in order to help people who are homeless to achieve the maximum possible degree of self-reliance and independence.

## CRISIS ACCOMMODATION PROGRAM

This program funds dwellings under the Commonwealth State Housing Agreement (CSHA) to assist people in situations of actual or impending crisis or homelessness. Support services to these households are provided directly by health and community service organisations, and by the national Supported Accommodation Assistance Program (SAAP).

## SUPPORT SERVICES

Compass recognises sustaining tenancies is the forging of and management of relationships between us, our tenants and the social service providers, who play an important role in the management of complex need tenancies.

Compass has extensive and well-developed relationships with a variety of support organisations that assist our tenants in supported accommodation to successfully live independently, ensuring these tenancies are secure and sustainable. Compass has a long history of working in partnership with support organisations; currently we have formal partnerships with 47 support service providers. These organisations provide a wide variety of services to our clients who are in need of support. Tenants housed in supported accommodation are the most vulnerable and require various levels of support to gain independent living successfully. The level of support required depends of the individual need.



*"Richmond PRA greatly appreciates all the work that Compass does, in particular, holding art exhibitions for 7 supported clients. This has been an important first step in the mental health recovery for many people and we couldn't thank Compass enough for their involvement."*

– Carole Gant, Project Officer Richmond PRA - Hunter

Photo: Carole Gant (2nd from left) and Kay Sundberg (3rd from Right)

## KAY'S DIRECTION HOME A COMPASS CASE STUDY

With the support of Compass and Richmond PRA – Hunter, Kay has been able to achieve her goal of holding a solo art exhibition and to sell her artwork. Kay, a Supported Compass tenant of over 6 years, has a passion for the arts and in particular painting and digital imagery, which she explored while attending classes at Arts in Recovery (AIR), at the Newcastle Community Arts Centre.

After being involved in a group art exhibition held at the 'Compass Artspace' (on Beaumont St in Hamilton), Kay

was ready to hold her first solo exhibition. Kay worked closely with Richmond PRA, Hunter and Compass to produce an amazing solo exhibition.

Kay was not only able to host the exhibition in the 'Compass Artspace'; she was also able to sell 9 pieces of her artwork. This result meant that Kay was able to realise her goal of selling her artwork and she is absolutely thrilled with the result.



# INDIGENOUS HOUSING

Compass is dedicated to working with the tenants of the indigenous communities we operate in. Australia's Indigenous populations in remote areas present the greatest level of housing need. One quarter of Australia's Indigenous people live in remote areas.

Compass has previously managed Local Aboriginal Land Council properties in Wellington, Balranald and Dareton from our Broken Hill and Dubbo Branches. Compass continues to provide services for the Aboriginal Housing Office from these and other branch offices. This year, Compass returned Local Aboriginal Land Council property management to selected Aboriginal Housing providers created within the new Provider Assessment Registration System (PARS) for Aboriginal controlled entities delivering Aboriginal targeted housing services, in accordance with our agreements. Compass supports the aspirations of self-determination and creating scale and capacity within PARS registered organisations and wishes them well into the future.

Compass continues to work with Aboriginal Housing, Local Aboriginal Land Councils, Housing NSW and our

indigenous tenants to support programs which deliver suitable and appropriate housing, particularly in remote areas of NSW.

### REMOTE INDIGENOUS HOUSING NATIONAL PARTNERSHIP (RIHNP)

Our Broken Hill Branch provides property management service and maintenance services and referrals for clients within the Wilcannia and Menindee and surrounding areas to support the Remote Indigenous Housing National Partnership (RIHNP). This partnership is a ten year shared commitment by the Australian, State and Northern Territory Governments to address the issues that face indigenous housing.

### CASE STUDY - WILCANNIA

Wilcannia is a small town located within the Central Darling Shire in far western New South Wales, 200km from Broken Hill, which is now predominately a Barkindji aboriginal community.

Since July 2010, Compass has been managing the portfolio of 64 residential properties on behalf of the Wilcannia Local Aboriginal Land Council (WLALC). This was a challenging portfolio as rent collection was low, instances of property damage high, and tenant frustrations heightened due to lack of responsive maintenance.

Compass staff established a number of initiatives such as an intensive education program informing tenants about their rights and responsibilities, implementation of reasonable payment plans for rent arrears, water usage and property damage and held a number of community meetings

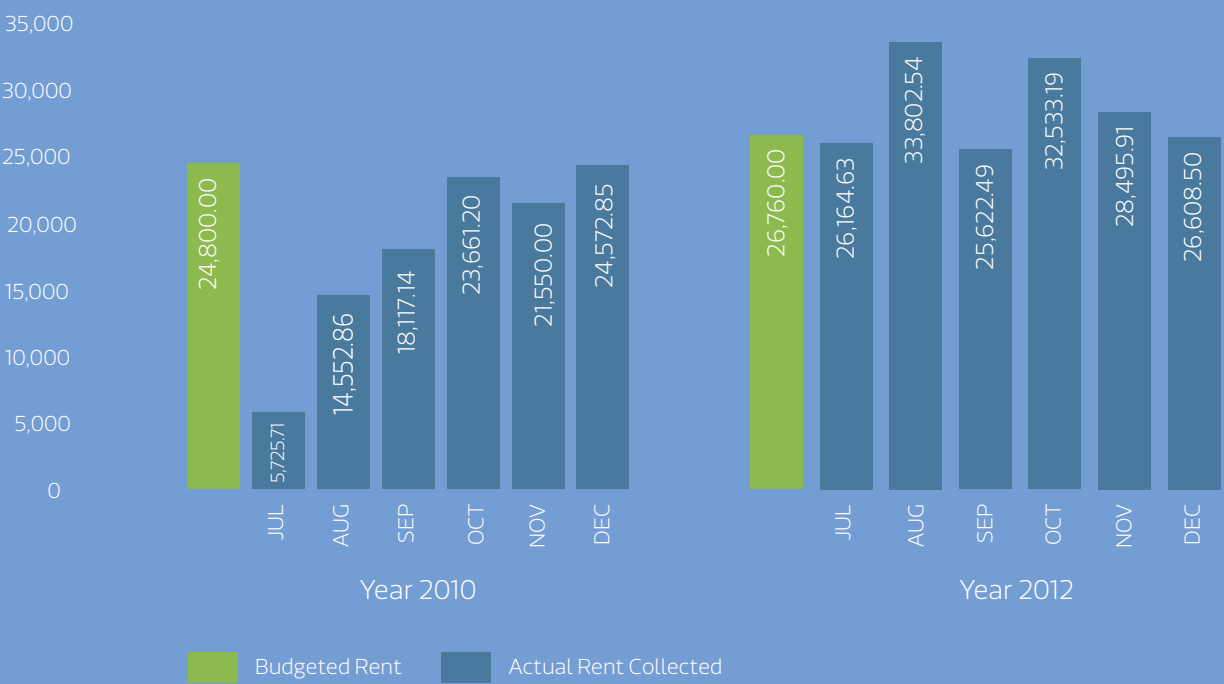
Compass is very proud of the relationships we have established in the Wilcannia community which we believe has resulted in increased rent collection and reduction in property damage. These relationships have also allowed our staff to work with support agencies and involvement in such groups as the Wilcannia Issues Panel, the Central Darling Shire Community Precinct committee and the Homelessness Action Team.



*Relationships between Compass and the tenants, the Land Council and other community members has allowed us to understand the barriers faced in Wilcannia, the inter-community bonds and the history which has formed current attitudes.*

– Chelsea Morris, Compass Broken Hill Branch Manager

RENT COLLECTION COMPARISON 2010 V 2012





# HOMELESSNESS

On any given night in Australia 1 in 200 people are homeless, which equates to approximately 105,237 people who are dealing with homelessness today, 17% of which are under 12 years of age (Australia Census 2006).

Homelessness has many faces, women, young people, older people, families and singles. Homelessness can happen to anyone for a number of reasons, but the simple fact is that the problem can't be solved without an affordable and secure home.

Compass' vision is that all people have appropriate and affordable shelter and that those people are engaged in sustainable communities. We are passionate about being involved in homelessness initiatives, which is highlighted by the 'This Way Home' case study below.

This project was included in the Hunter Regional Homelessness Action Plan 2010-2014, targeting people who have been chronically homeless including people who have been long-term rough sleepers and those families excluded from mainstream crisis housing options.

### CASE STUDY - 'THIS WAY HOME' PROJECT

The 'This Way Home' Project provides a unique model, with a framework of collaboration and the objective of increasing the successful outcomes for persons experiencing homelessness who want to gain and sustain a tenancy in the private, social or public housing market.

This is a partnership between Compass, The Samaritans Foundation, Mission Australia, the Salvation Army, Nova Women's Accommodation and Support, Baptist Community Services, Catholic Care Hunter-Manning and Wesley Mission.

This project has transformed a poorly functioning housing site notorious in the community for drug and alcohol abuse, assaults, anti social behaviour, vandalism and a host of petty criminal activity, into a fully functioning transitional facility based

on the strong partnership and excellent relationships established across a diverse range of agencies.

The site transformation included the renovation of fifty studio apartments to a new configuration of 24 one and two bedroom units for medium term supported accommodation, nine units for temporary accommodation, office facilities and a community room in a landscaped site.

In the 2 years 'This Way Home' has been in operation we have been able to assist just under 200 individuals suffering from or at risk of homelessness. With the majority of those transitioning from temporary or medium term accommodation into long term public, affordable or private housing.

The project not only provides accommodation to those in need, it also aids in the personal development of those at the site through development programmes. The programmes implemented and administered in 2012-2013 included: male and female domestic violence sessions, parenting classes, cooking on a budget, work development orders and the very successful and useful 'Rent it Keep it' sessions.

The service providers partnered in the project have referral rights to the site and provide intensive support to their clients in temporary accommodation or medium-term accommodation whilst their tenancy is managed by a Compass on-site Senior Housing Manager.

Compass developed a new collaborative supported service model and created the opportunity to change the homeless sectors focus from managing homelessness to breaking the cycle of homelessness. The development of the This Way Home model has greatly enhanced the relationship between Housing NSW, Compass and non-government service providers.

The collaborative nature of this program and the willingness for partner agencies to discuss and resolve challenges presented by the project attributes to the success of the model by providing clients and tenants with access to a broader base of resources to achieve their goals. The success of the site has been attributed to a number of factors all of which are based on the strong partnership and excellent relationships established across a diverse range of agencies. These factors include:

- Compass provides an on-site Housing Manager who works from an office on the site. The Housing Manager has been able to identify any issues with the clients and advise the support workers who all attend the site on a regular basis.
- The partner agencies meet on a fortnightly basis to review each of the clients on the site and determine if they are meeting the objectives of their case plans and to consider appropriate exit strategies.
- When a vacancy occurs on the site the partner agencies have nomination rights and make a collective decision at intake meetings to consider which clients should be accepted under This Way Home.
- A commitment by all of the agencies to work collaboratively both for the best interests of their own clients and for the project as a whole.

The This Way Home model has the potential for longevity with the on-going commitment of strong

partners and service providers dedicated to the common goal of improving the lives of persons experiencing homelessness.

The project has to date been a great success which is evidenced by other groups looking to use the model in their projects. The 'This Way Home' management model has been utilised for a new project being undertaken by Catholic Care in Carrington for young dads.

The 'This Way Home' project originated from an interest by member agencies of the Newcastle Hunter Homelessness Interagency Network (NHHIN) who were interested in exploring innovative options to address homelessness in the Newcastle area. Housing NSW committed a site in Mayfield for the project and The City of Newcastle through Building Better Cities contributed \$2 million for the project to assist with the construction and the employment of a project officer to design the partnership model which Compass successfully completed tender for the management of.

### GRANTS & AWARDS RECEIVED

AHIA – Leading Housing Project Award 2013

Finalist NSW Premiers Partnership Awards 2012

Pride of Place Grant – Beautification of the Site

Compass Connect – Additions Beautification of the site

Compass Connect – Community Room Makeover.

## THIS WAY HOME STATISTICS

Medium Term Commenced – October 2011    Temporary Accommodation Commenced – February 2012

### CLIENTS ASSISTED TO DATE

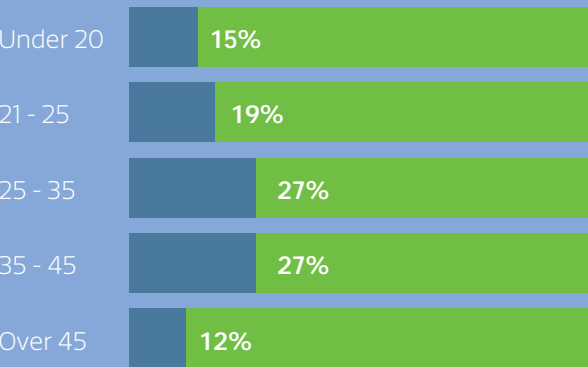
136  
Temporary  
Accommodation  
Clients

62  
Medium Term  
Clients

41%  
Current % of  
Female Clients

59%  
Current % of  
Male Clients

### CLIENT AGES





# TAMMY'S DIRECTION HOME

## A COMPASS CASE STUDY

Tammy's story is inspirational. She has been to the depths of darkness and back again in the last few years, a journey that few would survive let alone prosper from, yet that is exactly what she has done.

Not that many years ago, Tammy was battling drug and alcohol addiction and was leading a life of crime to service the addiction. Tammy paid dearly for this lifestyle as she lost custody of her children and spent time behind bars. When she was released on parole one of the conditions was she needed to find housing within 3 months or she would be sent back to gaol. As she neared the end of her 3 months and when all hope was just about lost, the Samaritans and Compass partnered to get Tammy temporary accommodation at This Way Home.

Tammy was motivated to turn her life around and with the support she received at This Way Home, Tammy was able to transition into a private rental and avoid going back to gaol.

"I came to This Way Home with nothing more than a small bag of clothes. Now I have a private rental, a car, a houseful of furniture and a job. I have been drug, alcohol and crime free for over 12 months and I put it down to how well managed This Way Home is!"

Tammy was motivated greatly by the desire to be a role model for her children and to have a relationship with them. So, it is incredible to note that Tammy has contact with her children once more and continues to build a relationship with them.

*"If it wasn't for Compass & their support partners I'd be in gaol, they have saved my life"*

*– Tammy, Former 'This Way Home' tenant*



# COMPASS ACQUISITIONS AND DEVELOPMENTS

Thanks to the assistance from Commonwealth, State and Local Government funding initiatives, Compass has acquired and developed a total of 301 properties with a total spend of over \$75,000,000.

These initiatives include the Commonwealth and State National Rental Affordability Scheme (NRAS), Commonwealth and Local Government City of Newcastle Initiative Building Better Cities (BBC), State Government Initiatives; Social Housing Growth Funds (SHGF), the Affordable Housing Innovation Fund (AHIF) and the Debt Equity Fund, Compass has also leveraged from the title of 571 properties awarded under the Federal Government's Nation Building Economic Stimulus Program (NBESP).

Compass continues to gain success in acquiring new stock for our social housing and affordable housing programs, bringing much needed affordable housing to areas of high need.

Compass settled on 51 dwellings in the financial year 2012-13. From 2009 to June 2013 Compass have delivered a total of 217 affordable and social housing properties through acquisitions and development. Compass have also exchanged on a further 82 properties which are due to settle in 2013-14 and we are currently developing our envirobuild demonstration project, creating a total of 301 dwellings. Further, Compass are currently working with developers and architects on another 11 developments to deliver 53 more

properties as part of Compass' plan to continue to deliver further dwellings over the coming years.

The recent acquired dwellings are a mix of one, two and three bedroom dwellings in high needs areas, close to services, employment options and transport, these consist of a mix of apartments, villas, duplexes and townhouses ensuring we have a range of stock suitable to our varying demographic needs.

Compass works with developers in advance to deliver these dwellings and we are working towards exceeding the Government's set timetable target to deliver these dwellings by bringing some of these forward to assist in meeting the current and growing housing need.

As part of our acquisitions and development Compass is also in the process of delivering innovative supported accommodation for people with disability. In 2012 Compass were also awarded under a competitive tender \$7,371,200 from the Commonwealth Government's Supported Accommodation Innovation Fund (SAIF). Compass was the highest recipient of funding under SAIF across Australia. Once complete this initiative will see the provision of 20 new dwellings by Compass in partnership with the

Commonwealth's Department of Social Services the State's Ageing, Disability & Home Care and Ability Options (our support partner for this project) on this fantastic initiative housing people in need of this specialist housing. These dwellings will all meet very high standards including platinum level under the Liveable Housing Design Guidelines.

The 51 dwellings that Compass acquired in the financial year 2012-13 are spread across five developments and include 14 dwellings in Newcastle, 14 dwellings in Lake Macquarie, 9 dwellings in Gosford, 8 dwellings in Cessnock and 6 dwellings in Dubbo. All of these 51 new acquisitions have been acquired through leveraging from the properties we received under the Nation Building Economic Stimulus Program. Of these 51 dwellings 32 are affordable housing properties and the other 19 are social housing properties.

Compass would like to thank the Commonwealth and NSW State Governments as well as the City of Newcastle and Cessnock City Council for their commitment and contribution to Compass to assist in providing much needed social and affordable housing.

## EXAMPLE - SPEERS POINT

Compass worked with the developer to deliver this development of 14 units of six x 1 bedroom units and eight x 2 bedroom units. The development is contemporary in design complete with environment fittings and finishes

and is well located within a vibrant community and is within walking distance of Speers Point shops and transport options. These dwellings were delivered through leveraging from properties awarded under the

Commonwealth Government's Nation Building Economic Stimulus Program and will form part of our affordable housing portfolio.



Photo: Speers Point Development

## EXAMPLE - WALLSEND

Compass entered into a partnership with a local developer to deliver this development of 14 x two bedroom apartments. This development is well located within close proximity to many services and transport options. The modern design and

finishes consider environmental sustainability and allow functional living. These dwellings were delivered through leveraging from properties awarded under the Commonwealth Government's Nation Building Economic Stimulus Program and were

also awarded financial incentives through the Commonwealth and State Government's National Rental Affordability Scheme, these will also form part of our affordable housing portfolio.



Photo: Wallsend Development



## ENVIROBUILD PROJECT

Compass is currently developing an environmental sustainable development known as our Envirobuild Project. Envirobuild is a demonstration project of an environmental sustainable duplex construction project that is under construction at Canton Beach, Central Coast, NSW.

The aim of the project is to construct a dwelling using readily available building products to achieve a higher than average energy efficiency. This

development will also include smart metering which will measure and assist our tenants manage their energy and water use within these dwellings. The data collected from the metering will also be collected and monitored to educate and influence other residents towards resource efficiency.

Products include LED lighting, Coolmax Colorbond roofing, steel framing, natural wool insulation, low VOC paints, PV and will utilise cross

ventilation principles removing the need to install air conditioning for cooling in warmer months.

The Envirobuild properties are being constructed as part of our acquisitions program through leveraging from the properties that Compass received title to under the Commonwealth Government initiative, the National Building Economic Stimulus Program in which Compass will continue to deliver properties over a ten year period.

# COMPASS CONNECT

The Compass Connect strategy was established in July 2012. This strategy underpins our approach to tenancy and asset management, based on the principles of People, Place, and Performance (PPP). These principles underpin our vision, that all people have appropriate and affordable shelter and are engaged in sustainable communities and Compass are of the belief that these principles will influence overall performance from investment in People and their connection to Place.

Compass CEO Greg Budworth was the driving force behind conceptualisation and implementation of Compass Connect with the support of our Board of Directors and senior management.

Compass Connect is now the umbrella which sees initiatives such as People, Place, Performance (PPP), the GROW Program and its subset of programs, Compass Connect Funding Projects and The Meeting Place integrated throughout the organisation.

### PEOPLE PLACE PERFORMANCE

Compass aims to be more than merely a housing provider. While we certainly have a strong focus on ensuring lease obligations are met, we also work to engage with our People and encourage improvement in their physical and mental well-being, to provide the best opportunity for them to have a bright future.

We work to ensure that our people are connected to their Place, including their home, neighbourhood and community. Design of peoples' neighbourhood and provision of facilities can underpin a positive sense of place and community. Social inclusion has personal, community and economic benefits and is improved by a more positive connection to place.

Housing assets are strategically optimised to meet housing demand with sound economic management. Performance in managing the housing asset so that it is of acceptable standard and extending the life of the dwelling by diligent property management is crucial to maximising rental returns.

### GROW PROGRAM (GROW)

Compass' established GROW program now is integrated throughout the PPP model under the Compass Connect umbrella. This integration now allows Compass to implement a more holistic approach to our community development programs, with tie-ins to our tenancy and asset management functions. GROW continues to aim to enrich the lives of our tenants through enhancing their personal, social, environmental and economic sustainability.

### COMPASS CONNECT FUNDING

In 2012, under the 'Compass Connect' banner, the Board determined the allocation of a non-recurrent special purpose funding of \$200,000. The availability of funding was offered to our tenants through a tender process for projects run by tenant groups and branches for activities that promoted "place based initiatives", tenant engagement and participation in the community. This funding has led to

the activation of many shared spaces, skills based initiatives for tenants and community inclusion activities.

### THE MEETING PLACE

The Meeting Place, also inspired by the implementation of our People, Place, Performance (PPP) approach to tenant and property management, is a facility on the NSW Central Coast that provides support to not only Compass tenants but also to the whole community. A number of initiatives have been implemented at 'The Meeting Place' to promote tenant and community engagement, including market days, a community garden, morning teas, free access to computers and community noticeboards. The Meeting Place also provides training courses to Compass tenants and the community in its modern training room.

'Compass Connect' has provided Compass with the framework to establish a more holistic approach to tenancy and asset management and the initiatives outlined above (PPP, GROW, Compass Connect funding and The Meeting Place), are continuing to enrich the lives of our tenants. Each of the initiatives briefly outlined above are explored in more detail, starting with 'People, Place, Performance on the next page.





# PEOPLE, PLACE, PERFORMANCE (PPP)

PPP is our approach to tenancy and asset management and it underpins our vision, that all people have appropriate and affordable shelter and are engaged in sustainable communities. Below we outline the driving assumptions behind PPP and our strategies around this approach.

## DRIVING ASSUMPTIONS BEHIND PPP

- People who respect themselves, respect their place (home & community) which tends towards greater social inclusion and to organisational performance;
- Places that are affordable and appropriate increases stability and underpins sustainable community;
- The community respects people who are stable & socially engaged and have respect for property;
- Performance is a function of rental income and lower costs and apart from wages, the most significant cost is maintenance;
- Success in above will increase stakeholder support and company sustainability – a core duty.

## OUR STRATEGY AROUND PPP

Integrated Approach to Portfolio Management	Principles and Assumptions	Current Programs
<b>PEOPLE</b> People-Based Approach	1. People and their improved lives are central. 2. People need to fulfil higher order needs apart from basic to pursue happiness. 3. People include those present and those to come. 4. This pursuit benefits company and community. 5. Customer service approach increases participation and outcomes. 6. Tenure options and security through stages of life are necessary for comprehensive People-Based Approach.	GROW – Health and Nutrition, Self Esteem and Well-Being, Generational Advancement, Security of Tenure. GROW A Star is our new, exciting youth oriented initiative which aims to encourage generational change by enabling children and youth access to sporting programs, music activities and academic opportunities.
<b>PLACE</b> Place-Based Approach	1. People tend to desire and need to be connected to their place (home, neighbourhood and community). 2. Dwelling and neighbourhood design and provision of facilities can underpin a positive sense of place and positive community connectedness. 3. Social inclusion has personal, community and economical benefits and is improved by more positive connection to place. 4. Sensitivity to changing tenant health and mobility reflected in modification and/or design increases positive connection to place for relevant households.	GROW – Security of Tenure; Community Contribution; Economic Participation; Tenant Participation, Eco Builds and Neighbourhood Design 21C; Retrofitting operations - noise, nuisance and interference; Assets - maintenance and improvements. Compass Connect Program with project funding for Place Making and Community.
<b>PERFORMANCE</b> Asset-Based Approach	1. A housing asset should be managed so that it is of acceptable standard. 2. The life of the dwelling can be extended by diligent property management. 3. The rental return on a property should be maximised by diligent tenancy management practices. 4. Housing assets should be strategically optimised to meet housing demand and with sound economic management.	Operations – Access and Allocation, Tenancy Management, Property Management. Assets: Cyclical and Responsive Maintenance, Upgrade, Portfolio Optimisation Finance: Debt Management, Income Reviews.

# GROW & GROW A STAR

Compass’ established GROW program now is integrated throughout the PPP model under the Compass Connect umbrella. This integration now allows Compass to implement a more holistic approach to our community development programs, with tie-ins to our tenancy and asset management functions. GROW continues to aim to enrich the lives of our tenants through enhancing their personal, social, environmental and economic sustainability.

The GROW program also aims increases tenants’ awareness of and participation in; Health and nutrition programs, esteem and well-being programs, community contribution, economic participation, generational advancement, sustainable living practices and factors impacting on security of tenure.

Some initiatives and programs rolled out under the GROW program in 2012/2013 include:

- **TIS** – Tenants in advance in their rent have the opportunity of winning gift cards and morning teas are hosted to congratulate our tenants.
- **TIS Green** – this incentive scheme is specifically focussed on promotion of environmental initiatives undertaken by our tenants in their homes or the community.

- **Tenant Forums** – a tenant forum is hosted each year to provide tenants the opportunity to meet staff, to raise issues and provide feedback on tenancy services.
- **Tenant Groups** – Compass has a robust tenant representation, both formally at Board level and informally within each of the branches. CTEP (Compass Tenant Engagement Panel) meets monthly and tenants from all branches can participate in the ‘Have Your Say” session via our video-conference link.

- **Community Action Groups** - Together with the San Remo neighbourhood Centre and the Benevolent Society at Kanwal, Compass residents joined forces as part of a wider Compass strategy to combat graffiti in North Wyong area, which has received funding from the Wyong Shire Council to assist with the project. Our tenants in the KBT area have also formed a Community Action Team.

- **Tenant Social Activities** - Family trips to Luna Park; Bus trips to Christmas lights at the Hunter Valley and Picnics at Hunter Valley Gardens; Annual Christmas Picnics; Tenant Morning Teas and BBQ’s; Bus trips to Taronga zoo; Lunch cruises; Maitland Gaol;
- **‘GROW a Star’** - Under the broad framework of our GROW program, Compass has delivered on a wide range of initiatives. Our most recent is the ‘GROW a Star’ program which aims to encourage generational change by enabling children and youth access to sporting, music and academic activities and mentors.





"The team at Compass have been so kind to me. Without the Laptop I would not be able to complete my school work and without the tutoring I would not be going as well with my Spanish. Compass has supported me and I can't thank them enough!"

– Brianna

## BRIANNA'S A STAR

### A COMPASS CASE STUDY

Brianna is a smart, vibrant and focussed 16 year old young lady who lives in a Compass property on the NSW Central Coast. Brianna dreams of one day being a political journalist, a field of study that requires a UAI of over 90. In early 2013 Compass staff learnt that Brianna was struggling to afford a computer laptop she needed to complete HSC assignments and she was struggling with aspects of her Spanish Classes.

Through the 'GROW a Star' Program, Compass was able to supply Brianna with a Laptop and Spanish tutoring. Since such time, Brianna's Spanish grades have improved and with the help of the computer laptop Brianna is currently sitting within the top 5-10% of students in each of her classes at her Secondary College.

Another highlight in Brianna's journey has been the opportunity that

Compass was able to bring Brianna in contact with NSW State Member Chris Spence MP who will host Brianna at NSW Parliament House for a meet and greet and for question time. This is an amazing opportunity for any young aspiring political journalist.

More recently, Brianna has also received a \$2000 scholarship from the Housing NSW under their Youth Scholarship Grant.

## Compass Connect

## SUZIE'S WAY

### A COMPASS CASE STUDY

One group that has benefitted from the 'GROW a Star' program is a band called 'Suzie's Way'. This talented group consists of three young (ages 14, 15 and 17 years) artists that reside in Compass homes on the NSW Central Coast.

Through the funding allocated to the GROW a Star program each member of the band received a tuition grant from Compass to assist them develop their musical talents. Additionally, the

whole group received an equipment grant so they could purchase a PA system which has enabled them to perform live at events.

The band have only been working together for 18 months, but have already performed live on numerous occasions and have been booked for more performances in the coming months.

Below you can see a photo of the band performing with Suzie on lead vocals, Jordan on keyboard and Matena on guitar and vocals.

Through the 'GROW a Star' program, Compass will continue to support the band as they develop and will continue to encourage and support other young Compass tenants to follow their dreams in whatever field they choose.



"We love that Compass has helped us out with our music. If it wasn't for the 'GROW a star' program we would still be just jamming at home. Instead we are now performing live at events and growing as a band and as musicians."

– Huhana (Suzie)



# FUNDING PROGRAM

The Board of Compass in July 2012 determined to set aside \$200,000 of non-recurrent funding for the special purposes of promoting Compass tenant lead initiatives under our 'People, Place, Performance' (PPP) under the Compass Connect strategy.

This funding program was aimed at encouraging our tenants to develop concepts into project plans for funding approval for projects determined via a panel. These projects were assessed against a criterion that projects must demonstrate the enhancement of 'people, place and performance (of assets)'. Compass' Community Development Officers were available to assist our tenants complete the application requirements to ensure there was equitable access.

The initial round of Compass Connect applications saw a healthy number of applications received from tenant groups. The successful applicants from round one included:

- The Beautification of common areas in Monroe Place unit complex (Central Coast branch);
- The Dangar Park activation project (Upper Hunter Branch);

- Internet Café/Computer Training Courses (East Maitland Branch);
- Beautification project (This Way Home).

The second round of applications saw an increase in the overall number of application received. The successful applicants from round two included:

- The Gosford Avenue Beautification garden project (Central Coast );
- The Giant Mural project (The Meeting Place);
- The Garden Project (My Place Property);
- Clean Up Nanima Project (The Dubbo Branch);
- Avery Street community garden (The Meeting Place).

Over the next 3 pages of this Annual Report we highlight a project from round 1 of Compass Connect Funding Projects (Dangar Park, Aberdeen – Rose Garden Project) and from round 2 (The Meeting Place – Giant Mural Project). Round 3 funding will be announced and rolled out during the 2013/2014 financial year, with many great projects developing.



## DANGAR PARK, ABERDEEN ROSE GARDEN PROJECT

The Dangar Park Rose Garden, was an immense success bringing together Compass tenants, compass staff, students and staff from the local school, local community groups and members of the wider community.

The project consisted of a new covered picnic table, featuring an Aberdeen themed mosaic, designed and created by local St Joseph's School. As well as the addition of a rainwater tank added to the park. This idea was conceived by a Compass

tenant group and was assisted by Melinda White, Upper Hunter Community Development Officer.

This project was a real community effort with the Upper Hunter Shire Council providing the concrete slabs for the table and tank, as well as the Lions Club of Aberdeen constructing the table, chairs and picnic area cover, all of which was funded through the Compass Connect program.

An official opening was organised at the completion of the project with Compass hosting a BBQ lunch in the

park and speeches from key persons involved in the project. The opening also included a workshop on the design and construction of the mosaic by Deb Serhan from St Joseph's School.

The event was a great success with a healthy number of community members, representatives from the local Council, St Joseph's school, Compass staff and tenants, the Lions Club and several representatives from local media outlets.



## THE MEETING PLACE GIANT MURAL PROJECT

On Wednesday the 26th of June 2013, a wonderfully large and colourfully inspiring mural was unveiled at Compass' The Meeting Place. The Mural is another fantastic project that has resulted from the funding under the Compass Connect.

The project was slated as a community art project delivering a mural developed by community members under the supervision

of a community artist which was completed over an eight week period incorporating an opportunity for intergenerational development within the Killarney Vale, Bateau Bay and Tumby Umbi (KBT) community. Once the artwork (a giant mural) was completed, it was installed on the side of The Meeting Place building for all community members to see.

The project created an opportunity to bring together those within the

community of all ages to participate in creating an art mural based on their input and direction of what they visualised to be the strengths within the community. Thus building on a positive framework and opportunity to create positive community connections and mentors throughout the project and thereafter.

By developing and supporting these connections through the art project

we were able to build on the positive impact of those who desire to make a positive change in the community. This also created an opportunity for the mature aged community members to break down some of the misconceptions of the youth in the area.

The project aimed at creating an intergenerational art project for those within the KBT community. This was

seen as a major success as there have been very few projects facilitated in the local area that provide the youth and mature age members of the community an opportunity to collaborate.





# THE MEETING PLACE

The Meeting Place (formally known as The KBT Hub) was inspired by the implementation of our People, Place, Performance (PPP) approach to tenant and asset management. It is a facility on the NSW Central Coast that provides support to not only Compass tenants but also to the whole community.

Compass' 'The Meeting Place' has a committed, dedicated and dynamic team who understand the need for community involvement to build stronger communities. A number of initiatives have been implemented

to promote tenant and community engagement, including market days, a community garden, fruit and veg boxes, morning teas, free access to computers and community noticeboards relating to events, education and family information.

The Meeting Place also provides training courses to Compass tenants and the community in its modern training room, which is also available for hire. These courses are designed to enhance the skills of those who attend and allow them to contribute positively to the community.

The types of courses offered include, First Aid Training, Certificate II in Food Handling and various practical diploma courses, such as the Diploma of Community Services and the Diploma of Child, Family and Youth Intervention.

The key to the success of The Meeting Place is the warm, open and inclusive environment created by our capable staff and the valuable contribution from our tenant volunteers. Compass tenants and members of the community see the facility as a home away from home, a place to have their

voice heard and know that they are welcome to drop by at any time.

With the renaming of the facility from The KBT Hub to The Meeting Place also came a rebranding. The new logo to the right features characterised members of the community who

come in all shapes and sizes, the name of our facility and the tagline 'where the community comes together'. This rebranding supports the direction of The Meeting Place and the focus on community and tenant engagement.



## ALISON'S DIRECTION HOME

### A COMPASS CASE STUDY

Through the many great initiatives facilitated through The Meeting Place there have been many great outcomes for our tenants, one standout has been the story of Alison. Alison is a single mother who came to The Meeting Place to attend one of the community events held at the end of 2012; she presented as a very shy lady. Since then and then through the relationships and encouragement of Compass staff, Alison has been involved in volunteering at the market days at The Meeting Place; she has

started study a TAFE course and is now volunteering at The Meeting Place on a regular basis. In just a few months Alison has transformed into a confident, outgoing and resourceful woman who is positively contributing to the community and assisting Compass tenants and staff. We are thrilled to have assisted Alison in her development and will continue to support and provide for Compass tenants and members of the community through The Meeting Place.

'Through The Meeting Place we have been able to more effectively engage with and assist our tenants. The Meeting Place provides our tenants with a home away from home, a link to the community and resources to develop their strengths.'

— René McKenzie-Low, Branch Manager,  
The Meeting Place





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The financial statements and other specific disclosures have been derived from Compass Housing Services Co Limited and its controlled entities (the company's) full financial statements for the financial year. Other information included in the Summary Financial Statements is consistent with the company's full financial statements.

The Summary Financial Statements do not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the company as the full financial statements.

A copy of the company's 2013 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request

## DIRECTORS' REPORT

Your directors present their report, together with the summary financial statements of the Group, being Compass Housing Services Co Limited and its controlled entities, for the financial year ended 30 June 2013.

### PAUL JOHNSON

Qualifications	Retired CEO of a Financial Institution. He is also a qualified accountant and CPA. Graduate Member of the Australian Institute of Company Directors.
Experience	Board Member since 2010.
Special responsibilities	Chair of Board, Member of Property Acquisitions & Business Development Committee, Member of Finance Audit & Risk Committee, Member of Operations & Community Development Committee, Member of Appeals Committee, Chair of Remuneration Committee.

### STEPHEN BARR

Qualifications	Director of Monteath and Powys. Qualified Surveyor and Town Planner. Masters in Planning, Bachelor of Surveying (Hons). Graduate Member of the Australian Institute of Company Directors.
Experience	Board Member since 2009.
Special responsibilities	Vice President of Board, Chair of Property Acquisitions & Business Development Committee, Member of Finance Audit & Risk Committee, Member of Remuneration Committee.

### TIM CURRAN

Qualifications	Chief Executive Officer of a not for profit organisation, Carewest Incorporated. Bachelor of Computer Science, Masters in Social Change and Development, MBA. Member of the Australian Institute of Company Directors.
Experience	Board Member since 2004, Resigned 20 November 2012.
Special responsibilities	Ex Treasurer, Ex Chair of Finance Audit & Risk Committee, Ex Member of Property Acquisitions & Business Development Committee.

### SANDRA CALLAND

Qualifications	Tenant advocate of Hunter and Central Coast Tenants Advisory Council, advisory service. Skills in Housing Policy, Development and Tenant Advocacy.
Experience	Board Member since 2004
Special responsibilities	Board Member, Chair of Community Engagement & Development Committee, Member of Appeals Committee, Member of Property Acquisitions & Business Development Committee

### KWESI ADDO

Qualifications	Legal Counsel (NSW/ACT) at Aurecon Australia Pty Ltd, Master of Construction Law, Bachelor of Laws, MBA (Hons), Master of International Relations. Member of the Australian Institute of Company Directors.
Experience	Board Member since 2005.
Special responsibilities	Board Member.



DIRECTORS' REPORT CONTINUED

STEVE EDMONDS

Qualifications	Director City Assets and Chief Financial Officer for the City of Newcastle. Qualified Accountant and Land Economist with: Diploma in Project Management, Masters of Property, Diploma in Commercial Asset Property Management. Fellow of the Australian Institute of Company Directors. Masters of Business Administration, Bachelor of Ed, CPA (Associate) Current, Certificate IV OHS.
Experience	Board member since 2009.
Special responsibilities	Board Member, Treasurer, Chair of Finance Audit & Risk Committee Member of Remuneration Committee.

GREG BUDWORTH

Qualifications	Chief Executive Officer at Compass Housing. Masters Degree in Business, and other tertiary qualifications in Business Management, Project Management, Workplace Safety and Workplace Training. Graduate Member of the Australian Institute of Company Directors.
Experience	Board member since 2012.
Special responsibilities	Executive Board Member, Chief Executive Officer, Company Secretary.

MARK O'DWYER

Qualifications	Tenant Member. Retired Regional Manager of Yellow Pages Audit. Member of Central Coast Local Health District Community Engagement Committee since 2007. Member of N.S.W Housing Federation Tenant Network. Affiliate Member of the Australian Institute of Company Directors.
Experience	Board member since 2011.
Special responsibilities	Board Member, Member of Operations & Community Development Committee, Member of Appeals Committee.

BARRY MARTIN

Qualifications	Currently retired. Has experience in human resource management over a cross section of industries in a career spanning 30 plus years. Also has comprehensive experience in working with the aboriginal community.
Experience	Board member since 2011.
Special responsibilities	Board Member, Member of Operations & Community Development Committee, Member of Appeals Committee, Member of Remuneration Committee.

MICHAEL RYAN

Qualifications	Regional Business & Finance Manager at Baptist Community Services. MBA, Graduate Certificate in Professional Accounting, Diploma in Business and a Member of CPA Australia.
Experience	Board member since 2012, Resigned 6 February 2013.
Special responsibilities	Ex Board Member, Ex Member of Property Acquisitions & Business Development Committee, Ex Chair of Finance Audit & Risk Committee.

MATTHEW DOUGHERTY

Qualifications	Bachelor of Social Work (Research), Graduate Certificate in Management and Organisational Leadership, Masters of Social Work.
Experience	Board Member since 2005, Resigned 7 July 2012.
Special responsibilities	Ex Board Member, Ex Member of Finance Audit & Risk Committee, Ex Member of Property Acquisitions & Business Development Committee.

ROSEANNE CHALMERS

Qualifications	Retired Registered Nurse & Tenant Member.
Experience	Elected 28 November 2012.
Special responsibilities	Board Member.

TIM WILLIAMS

Qualifications	Currently CEO of Committee for Sydney. International experience in community housing having advised governments in the UK and Australia.
Experience	Appointed 18 February 2013.
Special responsibilities	Board Member.

PETER FRANCIS

Qualifications	Master of Business General Management (Dis), Graduate Diploma of Management, Bachelor of Arts (B.A.), REL, Member of the Australian Institute of Company Directors.
Experience	Appointed 18 February 2013.
Special responsibilities	Board Member

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

## COMPANY SECRETARY

The following person held the position of Compass Housing Services Co Limited secretary at the end of the financial year:

Mr Greg Budworth has worked for Compass Housing Services Company Limited for the past 9 years previously working in other human services agencies and was appointed company secretary on 4 April 2004.

Mr Budworth has a Masters Degree in Business and other tertiary qualifications in Business Management, Project Management, Workplace Safety and is completing a Doctorate in Business Administration. He is also a Member of the Australian Institute of Company Directors.

## REVIEW OF OPERATIONS

The consolidated surplus of the Group for the financial year after providing for income tax amounted to \$4,853,770.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

On 4 April 2013, Compass Housing Services Co Limited disposed of its 100% interest in Compass Housing Services Co. (Tasmania) Ltd (formerly STEPS Housing Ltd)

The Board are of the opinion that as of 4 April 2013, Compass Housing Services Co. (Tasmania) Ltd (formerly STEPS Housing Ltd) ceased to be a controlled entity of Compass Housing Services for consolidation purposes.

## PRINCIPAL ACTIVITIES

The principal activity of the group during the financial year was providing social housing in the areas of Broken Hill, Dubbo, Upper Hunter, Lower Hunter, Maitland, Central Coast, Newcastle, Lake Macquarie and Tasmania.

## SHORT & LONG TERM OBJECTIVES

The objectives of Compass Housing Services Co Ltd as defined in the organisation's constitution are as follows:

a. to take over the funds and other assets and liabilities of the previously unincorporated association known as the Newcastle Lake Macquarie Community Housing Trust;

b. to relieve poverty, sickness, destitution, helplessness and distress of persons regardless of race, creed, colour or gender;

c. to obtain secure, affordable and sensitively managed housing for poor, needy and underprivileged people;

d. to encourage the self management of properties by involving the tenants in the management functions of the Company;

e. to purchase real estate;

f. to liaise with and complement existing housing provision and housing support services;

g. to compile, print and publish newspapers, periodicals, books, leaflets or other materials; and

h. to arrange, provide or assist in holding conferences, exhibitions, or other meetings as necessary.

The current strategic objectives of the organisation have been drawn from those defined in the constitution and are as follows:

**Growth:** Greatly increase social and affordable housing stock by active participation in appropriate transfer and tender opportunities and through self initiated programs and developments. Support growth through sound systems of management.

**Quality:** Continuously improve the quality of services to client and benefits to the general community. Pursue and promote sound social and environmental principles and practices.

**Diversity:** Develop new business, social, environmental and housing opportunities and to encompass a wide range of people, provide wider choice in services and employment opportunities.

**Reach:** Expand provision of services to other regional areas by participating in regional opportunities and partnerships. Contribute to the national agenda and national programs for community housing development.

## STRATEGY FOR ACHIEVING THE OBJECTIVES

To achieve these objectives, the Group has adopted the following strategies:

- Refining sound finance, audit and risk management;
- Further improving effective governance, performance, company profile and people management practices;
- Improving service delivery and quality for clients & community;
- Enlarging tenant participation outcomes; and
- Increasing business development opportunities and efficiencies;

## MEMBERS GUARANTEE

Compass Housing Services Co Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2.20 for members subject to the provisions of the company's constitution.

At 30 June 2013 the collective liability of members was \$94.60 (2012: \$237.60).

## DIVIDENDS

The Corporations Law prohibits a Company Limited by Guarantee from paying dividends.

## ENVIRONMENTAL ISSUES

The Directors believe the company has complied with all significant environmental regulations under a law of the Commonwealth or of a state or territory.

## AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

## INDEMNIFYING OFFICERS OR AUDITORS

During the year, the company effected a directors and officer's liability policy. The insurance policy provides cover for the directors named in this report, the company secretary, officers and former directors and officers of the company.

This policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.



MEETINGS OF DIRECTORS

During the financial year, 37 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:


	DIRECTORS' MEETINGS		FINANCE, AUDIT & RISK COMMITTEE		PROPERTY ACQUISITIONS & BUSINESS DEVELOPMENT COMMITTEE		OPERATIONS & COMMUNITY DEVELOPMENT COMMITTEE	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Paul Johnson	13	11	7	6	4	4	4	3
Stephen Barr	13	12	7	5	4	4	-	-
Tim Curran	5	5	3	3	2	2	-	-
Sandra Calland	13	12	-	-	4	4	4	4
Kwesi Addo	13	12	-	-	-	-	-	-
Steve Edmonds	13	11	7	5	1	1	-	-
Greg Budworth	13	13	7	7	4	4	4	4
Mark O'Dwyer	13	13	-	-	-	-	4	4
Barry Martin	13	12	-	-	-	-	4	4
Michael Ryan	6	6	3	3	3	3	-	-
Matthew Dougherty	1	1	-	-	-	-	-	-
Roseanne Chalmers	8	6	-	-	-	-	-	-
Tim Williams	6	4	-	-	-	-	-	-
Peter Francis	6	4	-	-	-	-	-	-

	APPEALS COMMITTEE		SUBSIDIARY BOARD MEETINGS		REMUNERATION COMMITTEE	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Paul Johnson	3	3	-	-	3	3
Stephen Barr	-	-	4	4	3	3
Tim Curran	-	-	-	-	-	-
Sandra Calland	3	3	4	3	-	-
Kwesi Addo	-	-	4	3	-	-
Steve Edmonds	-	-	4	4	3	3
Greg Budworth	3	3	-	-	-	-
Mark O'Dwyer	3	3	-	-	-	-
Barry Martin	3	3	-	-	3	3
Michael Ryan	-	-	-	-	-	-
Matthew Dougherty	-	-	-	-	-	-
Roseanne Chalmers	-	-	-	-	-	-
Tim Williams	-	-	-	-	-	-
Peter Francis	-	-	-	-	-	-

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001 for the year ended 30 June 2013 has been received and can be found on page 8 of the summary financial report.

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

  
Director  
PAUL JOHNSON

  
Director  
STEPHEN BARR

Dated 21 October 2013

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013, there have been:

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

# AUDITOR'S INDEPENDENCE DECLARATION

Unit 1,  
1 Pioneer Avenue  
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Tuggerah NSW 2259



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**AUDITORS' INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF COMPASS HOUSING SERVICES CO LTD  
AND CONTROLLED ENTITIES  
A.B.N. 84 002 862 213**

We hereby declare, that to the best of our knowledge and belief, during the year ended 30 June 2013, there have been:

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

**Name of Firm:** Bishop Collins  
Chartered Accountants

**Name of Partner:**

David McClelland

**Auditor's  
Registration No.** 320260

**Address:** Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

**Dated this 21<sup>st</sup> day of October 2013**

# SUMMARY STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2013

	CONSOLIDATED		PARENT	
	2013	2012	2013	2012
	\$	\$	\$	\$
Potential Rental Revenue	45,640,548	41,802,629	45,320,693	41,382,313
Less: rent lost through vacancies	(667,496)	(823,131)	(667,496)	(823,131)
Less: rental subsidies and rebates	(17,471,365)	(16,298,236)	(17,318,948)	(16,073,318)
Tenant income	27,501,687	24,681,262	27,334,249	24,485,864
Fair Value Contributions	1,109,481	9,402,225	1,109,481	9,205,180
Grant income	4,614,163	8,576,743	4,538,905	8,290,741
Other revenue and income	1,501,562	3,239,117	1,892,462	3,183,225
<b>TOTAL REVENUE</b>	<b>34,726,893</b>	<b>45,899,347</b>	<b>34,875,097</b>	<b>45,165,010</b>
Administration expenses	(10,893,234)	(9,636,893)	(10,589,550)	(9,180,623)
Tenancy and Property Management Expenses	(18,139,258)	(16,522,044)	(18,093,221)	(16,253,592)
Finance costs	(840,631)	(562,669)	(746,566)	(460,407)
<b>SURPLUS BEFORE INCOME TAX</b>	<b>4,853,770</b>	<b>19,177,741</b>	<b>5,445,760</b>	<b>19,270,391</b>
Income tax expense	-	-	-	-
<b>SURPLUS AFTER INCOME TAX</b>	<b>4,853,770</b>	<b>19,177,741</b>	<b>5,445,760</b>	<b>19,270,391</b>
Other comprehensive income	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>4,853,770</b>	<b>19,177,741</b>	<b>5,445,760</b>	<b>19,270,391</b>



LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION

Partners: David A McClelland FCA

Ian M Rodrigues FCA



# SUMMARY STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2013

	CONSOLIDATED		PARENT	
	2013 \$	2012 \$	2013 \$	2012 \$
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	11,776,097	11,933,329	11,776,097	11,930,172
Trade and other receivables	5,153,209	3,397,628	5,153,209	3,436,021
Other financial assets	5,527,543	-	5,527,543	-
Other assets	830,179	1,904,266	830,179	1,898,119
Non current assets held for sale	1,750,000	3,230,000	1,750,000	3,230,000
<b>TOTAL CURRENT ASSETS</b>	<b>25,037,028</b>	<b>20,465,223</b>	<b>25,037,028</b>	<b>20,494,312</b>
<b>NON CURRENT ASSETS</b>				
Trade and other receivables	-	-	-	470,000
Other assets	1,700	1,700	1,700	1,700
Other financial assets	122,639	2,017,560	122,639	595,051
Property, plant and equipment	740,859	826,674	740,859	813,122
Investment property	173,158,538	163,728,310	173,158,538	158,413,310
Intangible assets	62,334	67,343	62,334	67,343
<b>TOTAL NON CURRENT ASSETS</b>	<b>174,086,070</b>	<b>166,641,587</b>	<b>174,086,070</b>	<b>160,360,526</b>
<b>TOTAL ASSETS</b>	<b>199,123,098</b>	<b>187,106,810</b>	<b>199,123,098</b>	<b>180,854,838</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	1,992,566	1,671,266	1,992,566	1,628,852
Borrowings	1,281,917	1,926,153	1,281,917	1,920,462
Provisions	600,626	522,953	600,626	519,445
Other Liabilities	4,578,167	4,154,781	4,578,167	4,108,302
<b>TOTAL CURRENT LIABILITIES</b>	<b>8,453,276</b>	<b>8,275,153</b>	<b>8,453,276</b>	<b>8,177,061</b>
<b>NON CURRENT LIABILITIES</b>				
Borrowings	20,096,044	8,954,217	20,096,044	7,523,641
Provisions	42,948	69,066	42,948	69,066
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>20,138,992</b>	<b>9,023,283</b>	<b>20,138,992</b>	<b>7,592,707</b>
<b>TOTAL LIABILITIES</b>	<b>28,592,268</b>	<b>17,298,436</b>	<b>28,592,268</b>	<b>15,769,768</b>
<b>NET ASSETS</b>	<b>170,530,830</b>	<b>169,808,374</b>	<b>170,530,830</b>	<b>165,085,070</b>
<b>EQUITY</b>				
Reserves	115,089,886	115,089,886	115,089,886	115,089,886
Accumulated surpluses	55,440,944	54,718,488	55,440,944	49,995,184
<b>TOTAL EQUITY</b>	<b>170,530,830</b>	<b>169,808,374</b>	<b>170,530,830</b>	<b>165,085,070</b>

# SUMMARY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2013

PARENT	ACCUMULATED SURPLUSES \$	ASSET REVALUATION RESERVE \$	VESTED CAPITAL ASSETS RESERVE \$	VESTED SURPLUS RESERVE \$	TOTAL \$
<b>BALANCE AT 1 JULY 2012</b>	49,995,184	75,000	110,101,451	4,913,435	165,085,070
Total comprehensive income	5,445,760	-	-	-	5,445,760
<b>Balance at 30 June 2013</b>	<b>55,440,944</b>	<b>75,000</b>	<b>110,101,451</b>	<b>4,913,435</b>	<b>170,530,830</b>

PARENT	ACCUMULATED SURPLUSES \$	ASSET REVALUATION RESERVE \$	VESTED CAPITAL ASSETS RESERVE \$	VESTED SURPLUS RESERVE \$	TOTAL \$
<b>BALANCE AT 1 JULY 2011</b>	146,062,593	75,000	-	-	146,137,593
Correction of prior period error	(322,914)	-	-	-	(322,914)
Total comprehensive income	19,270,391	-	-	-	19,270,391
Transfer to reserves	(115,014,886)	-	110,101,451	4,913,435	-
<b>Balance at 30 June 2012</b>	<b>49,995,184</b>	<b>75,000</b>	<b>110,101,451</b>	<b>4,913,435</b>	<b>165,085,070</b>

CONSOLIDATED	ACCUMULATED SURPLUSES \$	ASSET REVALUATION RESERVE \$	VESTED CAPITAL ASSETS RESERVE \$	VESTED SURPLUS RESERVE \$	TOTAL \$
<b>BALANCE AT 1 JULY 2012</b>	54,198,186	75,000	110,101,451	4,913,435	169,288,072
Retained earnings derecognised on sale of subsidiary Compass Housing Services Co. (Tasmania) Ltd.	(3,611,012)	-	-	-	(3,611,012)
Total comprehensive income	4,853,770	-	-	-	4,853,770
<b>Balance at 30 June 2013</b>	<b>55,440,944</b>	<b>75,000</b>	<b>110,101,451</b>	<b>4,913,435</b>	<b>170,530,830</b>

CONSOLIDATED	ACCUMULATED SURPLUSES \$	ASSET REVALUATION RESERVE \$	VESTED CAPITAL ASSETS RESERVE \$	VESTED SURPLUS RESERVE \$	TOTAL \$
<b>BALANCE AT 1 JULY 2011</b>	146,062,593	75,000	-	-	146,137,593
Retained earnings recognised on consolidation with Compass Housing Co. (Tasmania) Ltd.	4,815,954	-	-	-	4,815,954
Correction of prior period error	(322,914)	-	-	-	(322,914)
Total comprehensive income	19,177,741	-	-	-	19,177,741
Transfer to reserves	(115,014,886)	-	110,101,451	4,913,435	-
<b>Balance at 30 June 2012</b>	<b>54,718,488</b>	<b>75,000</b>	<b>110,101,451</b>	<b>4,913,435</b>	<b>169,808,374</b>



# SUMMARY STATEMENT OF CASH FLOWS

for the year ended 30 June 2013

	CONSOLIDATED		PARENT	
	2013 \$	2012 \$	2013 \$	2012 \$
<b>CASH FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	27,800,104	25,001,614	27,140,419	24,661,521
Payments to suppliers and employees	(26,999,263)	(25,567,560)	(26,384,106)	(24,980,820)
Interest received	582,340	460,172	581,846	483,764
Interest and borrowing costs paid	(840,631)	(562,669)	(746,566)	(460,407)
Receipt from grants	4,491,524	9,409,774	4,419,849	9,077,292
Net cash provided by (used in) operating activities	5,034,074	8,741,331	5,011,442	8,781,350
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from sale of plant and equipment	87,083	255,664	80,623	84,772
Proceeds from sale of investment	1,965,381	5,000	1,965,381	-
Proceeds from sale of subsidiary	800,000	-	800,000	-
Loans made	-	-	-	(140,000)
Purchase of property, plant and equipment	(297,727)	(322,004)	(297,727)	(197,010)
Payment for investment properties and WIP	(5,527,614)	(12,558,544)	(5,527,544)	(12,558,544)
Payment for intangible assets	(91,390)	(39,169)	(91,390)	(39,169)
Payment for WIP and Investment Property	(14,028,716)	-	(14,028,716)	-
Net cash used by investing activities	(17,092,983)	(12,659,053)	(17,099,373)	(12,849,951)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Proceeds from borrowings	13,193,550	9,540,732	13,173,349	9,540,732
Repayment of borrowings	(1,096,790)	(2,739,162)	(1,079,595)	(2,511,458)
Payment of finance lease liabilities	(159,898)	(69,180)	(159,898)	(69,180)
Net cash used by financing activities	11,936,862	6,732,390	11,933,856	6,960,094
Net increase (decrease) in cash and cash equivalents held	(122,047)	2,814,668	(154,075)	2,891,493
Cash on consolidation with Compass Housing Services Co. (Tasmania) Ltd	-	79,782	-	-
Cash and cash equivalents at beginning of year	11,933,129	9,038,679	11,930,172	9,038,679
Cash disposed of on sale of subsidiary Compass Housing Services Co. (Tasmania) Ltd	(34,985)	-	-	-
Cash and cash equivalents at end of financial year	11,776,097	11,933,129	11,776,097	11,930,172

# DIRECTORS' DECLARATION

The directors of the Compass Housing Services Co Limited declare that:

- The summary financial statements, as set out on pages 9 to 12 :
  - comply with Accounting policies, as disclosed in the full financial report; and
  - have been derived from and are consistent with the full financial statements of Compass Housing Services Co Limited and the consolidated group.
- In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

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



Director

PAUL JOHNSON



Director

STEPHEN BARR

Dated 21 October 2013

# INDEPENDENT AUDITORS' REPORT

Unit 1,  
1 Pioneer Avenue  
PO Box 3399  
Tuggerah NSW 2259



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## INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL REPORT TO THE MEMBERS OF COMPASS HOUSING SERVICES CO LTD AND CONTROLLED ENTITIES A.B.N. 84 002 862 213

The accompanying summary financial statements, which comprises the summary statement of financial position as at 30 June 2013, the summary statement of comprehensive income, summary statement of changes in equity and summary cash flow statement for the year then ended, are derived from the audited financial report of Compass Housing Services Co Ltd and controlled entities for the year ended 30 June 2013. We expressed an unmodified audit opinion on the financial report in our report dated 21 October 2013.

The summary financial statements does not contain all the disclosures required by the Australian Accounting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial report of Compass Housing Services Co Ltd and controlled entities.

### Directors Responsibility for the Summary Financial Statements

The directors of the company are responsible for the preparation of a summary of the audited financial report.

### Auditors' Responsibility

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

### Auditors' Opinion

In our opinion, the summary financial statements derived from the audited financial report of Compass Housing Services Co Ltd and controlled entities for the year ended 30 June 2013 are consistent, in all material respects, with that audited financial report, in accordance with the Australian Accounting Standards.

### Other Matter – Charitable Fundraising Act 1991

In our opinion, the summary financial statements of Compass Housing Services Co Ltd and controlled entities presents:

- (i) A true and fair view of the summary financial results of fundraising appeals conducted during the year; and
- (ii) The accounting and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and its regulations; and
- (iii) Monies received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and its regulations; and



LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION

Partners: David A McClelland FCA


Ian M Rodrigues FCA

# AUDITORS REPORT



- (iv) As at the date of this report there are reasonable grounds to believe that the organisation will be able to meet its debts as and when they become due and payable.

Name of Firm: Bishop Collins  
Chartered Accountants

Name of Partner:   
David McClelland

Auditor's  
Registration No. 320260

Address: Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated this 21<sup>st</sup> day of October 2013



LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION





# COMPASS VISION, MISSION & VALUES

## OUR VISION

That all people have appropriate and affordable shelter and are engaged in sustainable communities.

## OUR MISSION

Greatly foster growth, quality, diversity and reach in providing housing and other human services, demonstrating harmony between sound governance and business management and being a leader in the areas of personal, social, environmental and corporate sustainability.

## OUR VALUES

- Compass recognises that its vision and mission is a cause greater than Compass as an organisation
- Compass strives to be an innovative, entrepreneurial, reformative and environmentally responsible social enterprise and to lead by example
- Compass aims to continue to be an employer of choice showing loyalty and respect and a commitment to the personal development of its staff
- Compass will treat our service users, partners, and stakeholders with empathy, respect, cooperativeness and diligence.



[www.compasshousing.org](http://www.compasshousing.org)