

ANNUAL REPORT / 18 19



COMPASS HOUSING SERVICES

'YOUR DIRECTION HOME'





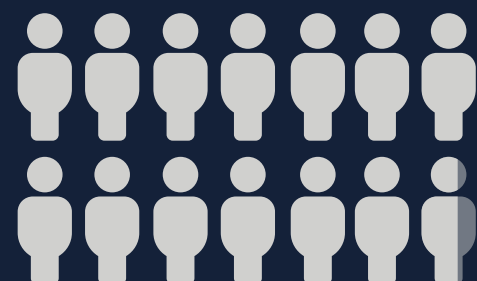
COMPASS HOUSING SERVICES IS FUNDED BY **Australian Government**



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HIGHLIGHTS



13,283

Number of people provided housing

6,891

Total properties under management



\$1,842 BILLION
Total assets under management

\$13 MILLION
Total grants

\$39 MILLION
Total cash

\$69 MILLION
Total revenue

\$7 MILLION
Total surplus

\$358 MILLION
Net assets

Tenant Testimonials

"Compass Housing has changed my life. I went from homelessness to the completion of a PhD. I could not be more grateful for the service and accompanying support."

"Thank you for your kindness and your staff excel in everything they do to help. Life is good because Compass gives me a house and I'm forever grateful."

"I'm very happy with my unit & Compass staff are always polite down to earth & professional."

"I have been a tenant for 5 years and it's been wonderful. Thank you for a great home."

"I am so thankful for Compass Housing. They have always done their best to keep me smiling."

"I love Compass Housing, wouldn't choose another way to rent a home."

Tenant Satisfaction Data

Satisfied with the way Compass involves tenants

93%

92%

Satisfied with services that Compass provides

Satisfied that their rights as a tenant are upheld by Compass

91%

Satisfied with the overall condition of their home

90%

88%

Satisfied with the way Compass communicates and provides tenants with information

SNAPSHOT OF OUR ASSETS

6,891

Properties managed
in NSW, QLD & NZ

1,443

Total number owned

14

Service centres

57

Local Government Areas

2018-19 AWARDS



2019 **Sustainability
Advantage Program**



Gold Status



2018 **Hunter
Business Awards**

WINNER

Excellence In Innovation



2019 **Australian
Business Awards**



Employer of Choice



Community Contribution



Training Excellence



HR Management



2018 **Australian
Business Awards**



Business Excellence



Community Contribution



Business Innovation



Employer of Choice



2019 **National Print Award**
Gold Award Annual Report

SUSTAINABLE DEVELOPMENT GOALS

WHAT WE'RE DOING TO MAKE A DIFFERENCE

The United Nations introduced the Sustainable Development Goals (SDGs) in 2015 to create a roadmap to addressing some of our planet's most urgent and crucial challenges including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. Compass Housing has long been committed to social, economic and environmental sustainability and has adopted the SDGs in its business and service delivery.

The very nature of what we do means we have a long track record of contributing to sustainable development nationally and internationally through our advocacy and leadership and our commitment to our vision that all people have appropriate and affordable shelter and are engaged in sustainable communities.

In 2017 Compass declared its commitment to the SDGs and has continually advocated for governmental and business action at local, national and international levels ever since. This year we evaluated how our services and operational delivery, as described in

our previous annual report, align with the SDGs. The qualitative assessment was conducted by business sustainability consultancy Kumalie Group Pty Ltd.

Next year we will embed our commitment to the SDGs even further. As we develop our 2020-30 Strategic Plan, we will frame our internal discussions, stakeholder engagement, and the evaluation and prioritisation of our goals around them. We will develop our own roadmap for the future, setting strategies and targets that help contribute to their achievement, and a better, more sustainable and prosperous world.



1. NO POVERTY

- Our housing services provide vulnerable people with adequate, safe and affordable housing.
- Our support and referrals services provide access to basic services, including financial support and financial welfare checks to help eliminate financial stress for low – income earners.



2. ZERO HUNGER

- We provide vulnerable people with access to basic services, including affordable food and produce, foodbanks, weekly free lunches, and cooking classes.
- Our community gardens enable tenants to grow fruit and vegetables as a source of food.



3. GOOD HEALTH AND WELL-BEING

- We provide Shout Out suicide prevention training for tenants and staff, which assists with mental health support, and provides training on accessing help and assisting others.
- We provide access to free liver screening, treatment and education for Indigenous people.
- Our community gardens help increase the health, well-being and social participation of our tenants.
- Our Open Door Committee provides employees with health and well-being support.
- Employees are offered discounted fitness memberships, free flu immunisations and mental health first aid courses.



8. DECENT WORK AND ECONOMIC GROWTH

- We create opportunities for tenants to access education and vocational training that can lead to opportunities for full and productive employment.
- Our Deep Place Method provides a comprehensive profile for marginalised communities and maps new economic activities that can create training and employment opportunities for the long-term unemployed.



10. REDUCED INEQUALITIES

- We manage specialised disability housing for disabled persons across Australia and work with the residents' service providers to ensure quality outcomes.
- Our Cultural Diversity Program builds organisational and employee capacity to work in culturally responsive ways.
- Compass has MOU's in place with over 50 support service providers to ensure tenants have access to the services and referrals they require.



17. PARTNERSHIP FOR THE GOALS

- We participate in and promote effective public-private and civil society partnerships and work to strengthen national and regional development capacity and planning.
- We collaborate with businesses, government and non-governmental organisations to deliver specific initiatives such as Hunter Homeless Connect, the Affordable Housing Income Gap Report, and The Big Ideas Homelessness Network.
- Our international collaborative efforts include active participation in the 9th World Urban Forum, UN Habitat General Assembly of Partners, UN ESCAP (Friend of Ocean City Advisory Group), Guangzhou International Awards for Urban Innovation, and Eastern Regional Organisation for Planning and Human Settlement (EAROPH).



4. QUALITY EDUCATION

- Our Grow a Star youth mentoring and scholarship program helps young people from vulnerable backgrounds to overcome financial and generational obstacles and follow their academic, sporting, or cultural dreams.
- Our support and referrals services can help tenants gain access to education and vocational training.
- Our employee study program promotes opportunities for lifelong learning and training in technical and vocational skills.



5. GENDER EQUALITY

- We run domestic violence awareness raising activities across all our office locations.
- We are represented on a number of community workgroups that advocate for DV services and programs.
- All operational staff undertake DV awareness training to understand the complexities and provide specialised assistance to tenants.
- We are an equal opportunity employer with 45% of our Executive Team and 33% of our Board of Directors represented by women.



7. AFFORDABLE AND CLEAN ENERGY

- Our solar energy pilot project, which launched in 2019, increases access to affordable and renewable energy for tenants in 40 of the properties we manage.



11. SUSTAINABLE CITIES AND COMMUNITIES

- We create and manage social and affordable housing and access to basic services.
- We participate in national and regional development planning.
- We established the Big Ideas Homelessness Network and fund a coordinator for Hunter Homeless Connect Day, an annual event for those experiencing homelessness to access essential services.
- We advocate locally, regionally, nationally and internationally for sustainable development and for all people to have adequate and sustainable housing.



12. RESPONSIBLE PRODUCTION AND CONSUMPTION

- We have several improvement programs regarding fleet management to reduce emissions.
- We have waste management practices and soft plastics recycling, aiming for zero waste, and we're investigating sustainable energy options across all office locations.
- We encourage our major contractors to adopt sustainable practices and are reviewing our procurement policy and processes to include more sustainable development related criteria.



13. CLIMATE ACTION

- Since 2012 Compass has continued to achieve a carbon footprint reduction of 10% every three years and has committed to being carbon neutral by 2030.
- All employees have a carbon reduction key performance indicator to raise awareness of our organisational target and to stimulate impact reduction.

WHO WE ARE

Compass Housing Services Co Limited (Compass) is an enterprising and socially committed international NGO that provides social and affordable housing for low to moderate income households. With almost 6900 properties under management, Compass is one of the largest non-government providers of subsidised housing in Australia.

But community housing is about much more than providing accommodation. It's also about building communities. Our vision is for a world in which all people have access to safe, affordable and adequate housing and are actively engaged in their communities.

In pursuit of that goal, Compass has developed an approach to service delivery which integrates tenancy and property management within a broader network of services and maximises opportunities for tenants to increase their economic and social participation.

While providing housing is our core business, Compass is also an increasingly powerful advocate for structural reform to Australia's housing system. Underpinning our company vision is a belief that safe and adequate housing is a basic human right. As promoters of the right to housing, we produce innovative research papers and participate in cross-sectoral campaigns and lobbying to help bring about a more equitable housing system that meets the needs of all Australians.

OUR TEAM

Compass fosters a positive and engaging work environment while identifying and responding to the changing needs of our organisation. This year has seen an emphasis on succession planning and leadership development with Human Resources working with leaders across key areas of the business. As part of this strategy, Compass is committed to identifying future leaders and providing them with opportunities to develop their leadership skills through training and mentoring. As the organisation continues to expand there has been a focus on creating a flexible work environment that fosters excellence and innovation where there is mutual trust and staff are recognised for their valuable contributions.



Employee Engagement and Recognition

Compass has been endorsed by AON Hewitt as an accredited Best Employer following another set of outstanding results from this year's employee engagement survey. The overall engagement score of 75% places Compass in the top 100 employers across Australia and New Zealand.

The Australian Business Awards recognised Compass in several categories in 2019.

- Awarded Employer of Choice
- Training Excellence
- HR Management

Our Employees Say

"Keep encouraging the fresh ideas from within"

"I am extremely happy in this workplace and believe it is an amazing place to work"

"Keep doing what you are doing Compass!"

"My experience so far has been exceptional"

"Compass overall is a great place to work and interaction between staff is friendly and positive"



Service Recognition Awards

Compass believes in acknowledging the professionalism, dedication and productivity of its employees by presenting them with Certificates of Service for their corresponding years of service to the organisation.

52 Employees received service recognition awards in 2018-19.



Learning and Development

Compass views education and training as a critical component to develop our future leaders, to achieve successful workforce succession planning, and as a key element to sustain our high employee engagement.

In partnership with local training provider Forsythes Training, Compass developed the 'Emerging Leaders Program' which comprised of six units from the Certificate IV Leadership and Management program, to provide employees with the skills required to step into leadership roles. The units selected focused on developing an employee's skills in the areas of:

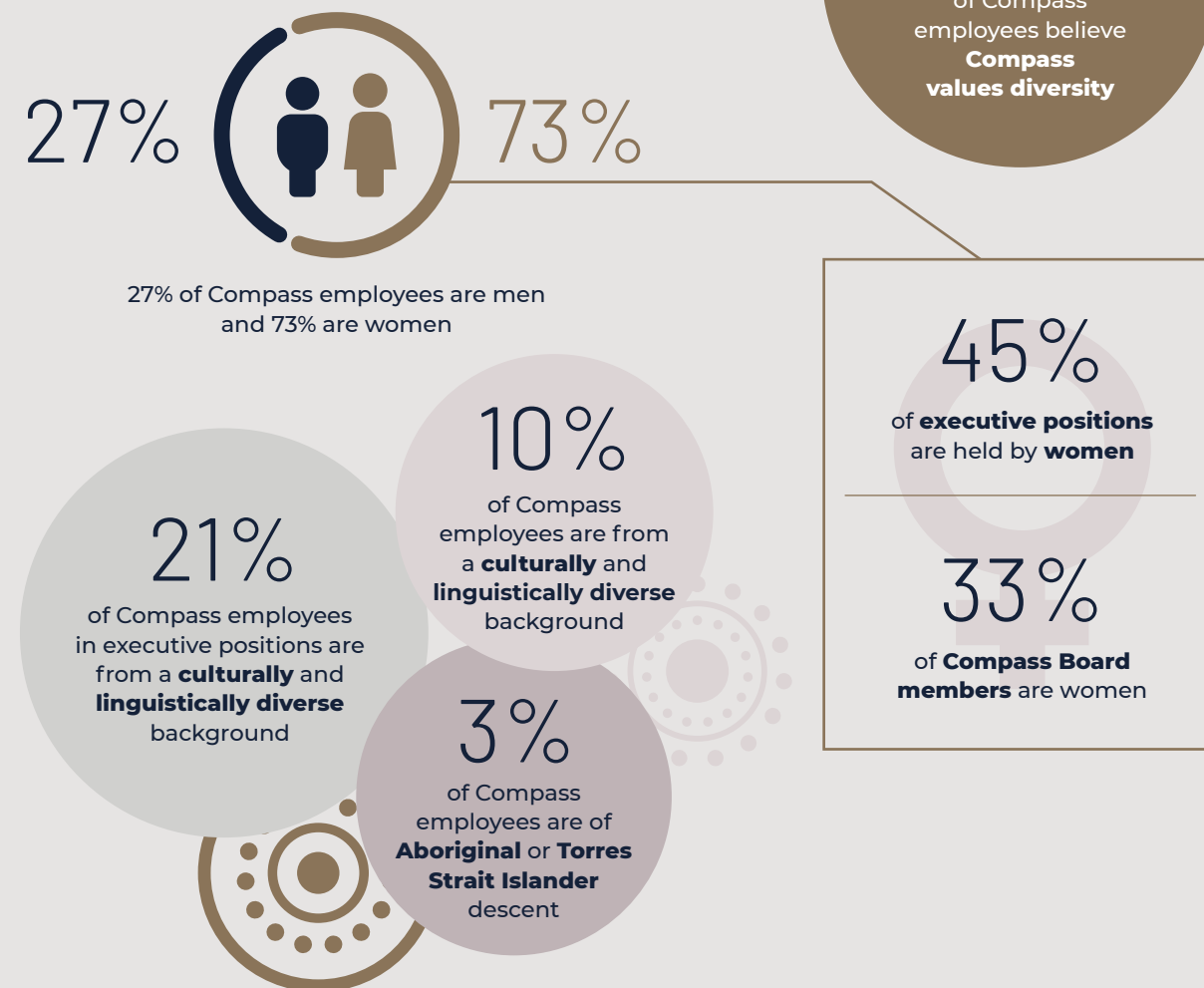
- Communication
- Leadership
- Developing work priorities
- Emotional Intelligence

Compass supports the professional development of its staff through an annual training budget, various scholarships and access to study leave.

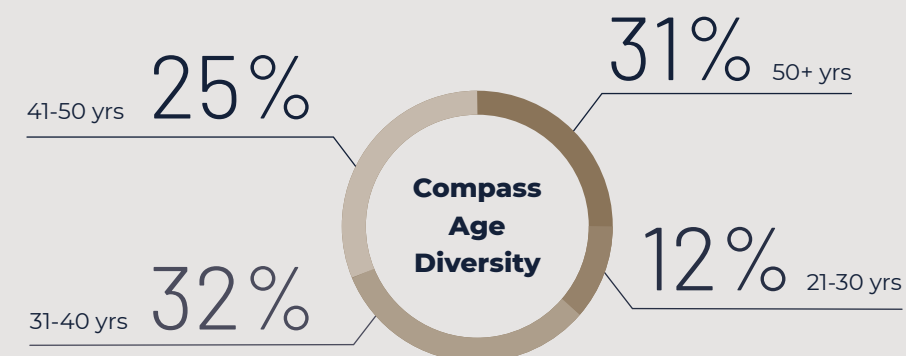
41 Qualifications **352** Short Courses
4 Conferences & Seminars

Diversity and Inclusion

Compass is proud of its workplace diversity and understands that diversity matters.



Age Profile



OUR ORGANISATION

EXECUTIVE TEAM

BOARD OF DIRECTORS



Greg Budworth

Group Managing Director



Professor Dave Adamson

Knowledge Manager



Ian Rennie

Group Chief Financial Officer



Kent Chalmers

Group Chief Technology Officer



Lyndall Robertshaw

Group Chief Corporate Services Officer



Julie Barnett

Group Chief Governance Officer



Lisa Tierney

Group Chief Operating Officer



Dr Bernadette Pinnell

General Manager Operations
Compass NZ

STAFF BOARDS & COMMITTEES

Greg Budworth

Group Managing Director

- Vice President, UN Habitat General Assembly of Partners
- Director Compass Housing Services Co (Queensland) Ltd
- Director Compass Housing Services Co (New Zealand) Ltd
- Director Logan City Community Housing Limited
- Director Home4Life Limited (from 1 July 2018 to 30 June 2019)

Lyndall Robertshaw

Group Chief Corporate Services Officer

- Director CHIA NSW
- Director PowerHousing Australia
- Director Logan City Community Housing Limited
- Member PowerHousing Australia CEO Committee
- Member City of Newcastle Building Better Cities Committee
- Member Property Council Australia Hunter Chapter

Ian Rennie

Group Chief Financial Officer

- Chair of PowerHousing CFO Roundtable
- Director Logan City Community Housing Limited

Professor David Adamson

Knowledge Manager

- Chair, Big Ideas Homelessness Network

Donald Proctor

Executive Manager Strategic Assets

- Australasian Housing Institute, NSW Branch Committee.

Julie Barnett

Group Chief Governance Officer

- Chair PowerHousing Australia Community of Practice – Compliance Management

Lisa Tierney

Group Chief Operating Officer

- Director, Home4Life Limited

Larry O'Brien

Manager International Strategies and Special Projects Advisor

- Co-chair, UN Habitat General Assembly of Partners
- Member, Australian Institute of Company Directors

Chris Trypas

Executive Manager Sydney, Central Coast & Lower Hunter

- Central Coast District Homelessness Implementation Committee
- Hunter Local District Implementation Committee – Opportunity Pathways
- Lower Hunter Mental Health District Committee

Kirsten Adam

Executive Manager, Operations Northern

- PowerHousing Australia – Operations Roundtable Leadership Group



FROM THE CHAIR

2018-19 was a year of substantial growth, and a year of bold planning. It also marked the final year of the 2017-2020 strategic plan, making it an opportune time to reflect on our performance over that period, and turn our attention to future opportunities.

Over the past three years Compass has expanded its portfolio from approximately 4500 properties, to more than 6800, become an important member of a number of international bodies including the United Nations Habitat Program and the World Urban Campaign, and grown its profile as a thought leader and advocate on housing policy through in-house research and as a leading contributor to national campaigns like Everybody's Home.

We have entered new markets in Sydney and Auckland, expanded our humanitarian work in the Pacific Islands and moved into completely new service areas like Specialist Disability Accommodation (SDA) in the Hunter Valley and South East Queensland.

Over the last 12 months in particular, perhaps the largest achievement was the seamless transfer of around 1800 new tenancies as part of the NSW Government's Social Housing Management Transfer initiative. This project was several years in the making and represented growth of approximately 40%, a staggering achievement by any measure. Transferring 1800 properties and their corresponding tenancies at one time is an enormously complex undertaking so both my thanks and my congratulations go to the dedicated team who made it happen.

Last year also saw significant progress in our Social and Affordable Housing Fund developments which will see hundreds of

new social and affordable housing dwellings delivered across the Hunter and Central Coast regions. It was also a year of strong growth in Compass' Specialist Disability Accommodation portfolio with the number of properties under management growing by approximately 20% from 110 to 131. Further growth is projected over the coming year with the portfolio scheduled to expand to 1080 tenancies by the middle of 2020. Significantly, this growth will include expanding into the Queensland market through a partnership with BlueCHP and Logan City Council.

In 2018 Compass welcomed the Australian Government's creation of the National Housing Finance and Investment Corporation (NHFIC), a new body that offers loans to CHP's which are financed by the issue of bonds on the wholesale market. In April 2019 Compass was one of the first recipients of funding from NHFIC, with a \$140 million loan enabling 330 homes in NSW to be developed as freehold rather than leased.

After three years of strong growth, Compass is now one of the largest, not-for-profit housing providers in the country. It is remarkable to consider that in the space of a decade, the company has gone from a small, regionally focused community housing provider with around 1000 properties under management, to a diversified international NGO with roughly seven times that number of properties and interests across Australia, New Zealand and the Asia Pacific region more broadly.

This growth and diversification has produced a curious state of affairs in which the customary title "community housing provider" no longer adequately defines our business. The more one comes to understand the scope of Compass' activities, the more one begins to realise that housing is only part of the story.



As Chair of this organisation I am often asked to describe what it does. Answering isn't always straightforward because although providing housing is still our core business, it's really only the first step in a much more ambitious project.

Compass' Vision is for a world in which all people have appropriate and affordable shelter and are engaged in sustainable communities.

Our Mission Statement commits us to providing homes, empowering people, connecting communities, and influencing the future. If we are to achieve our Vision, then providing homes is absolutely necessary, but definitely not sufficient. Sustainable communities require empowered people. That's why our community development work is such a vital part of what we do and it's why we embed tenant engagement as an integral part of our tenancy management protocols. That in turn is a major contributor to our tenant satisfaction levels remaining comfortably above 90% last financial year. This is a tremendous accomplishment and highlights the positive effect our dedicated and compassionate staff have on the lives of our tenants.

Also over the last financial year, Compass continued to grow its profile and influence on the international stage, working closely with United Nations' organisations in a range of partnerships and activities including the World Urban Campaign and the UN Global Compact. These memberships are an important part of our advocacy for the Sustainable Development Goals (SDGs). More information about Compass' international activities can be found on page 72 of this report.

The final part of the Compass Mission Statement commits us to influencing the future. While I'm not in the habit of making predictions, I feel confident to say that the company's future will be a bright one. In recent months my fellow directors and I have considered the organisation's Vision, Mission Statement and Strategic Goals for the next 10 years as we prepare our 2020-2030 strategic plan. This process has provided the Board with a timely opportunity to benchmark the company's achievements against the objectives of the previous strategic plan and give careful consideration to how we can maximise our impact as we move forward. Anyone familiar with the history of Compass will not be surprised to learn that our strategic goals for the next 10 years are bold, and they are ambitious. That my fellow directors and I are confident to endorse these goals is testament to the strength of the foundations on which we are planning to build.

In closing, on behalf of the Board, I offer my congratulations to management and staff for another outstanding year, and my thanks to my fellow directors for their support and ongoing commitment.

Kwesi Addo
Chair

GROUP MANAGING DIRECTOR'S REPORT

I would firstly like to thank the Boards of Directors of all the Compass Group's parent, subsidiary and joint venture boards and governing committees for their stewardship and erudition; my Group Executive and General Executive management teams for their good leadership; our dedicated frontline and support teams; our partners, consultants and contractors; the excellent residents of our many programs and the responsible governments for whom we deliver many of our services.

During my working life, I have had the privilege of visiting urban and rural human settlements across most continents; from small villages of rudimentary bush huts, to informal settlements in the developing world, to advanced megacities in some of the wealthiest countries on earth. In my travels I have seen a great deal of homelessness, but none of it was in the villages. In those communities, everyone had a home, albeit a modest one. In fact, excluding the millions in refugee camps in various parts of the world, almost all the homelessness I have witnessed has been concentrated in major urban centres. As our communities have become more modern and urbanised, the proportion of citizens living on the margins has grown, as though improvements in the quality of our housing, are inversely related to our sense of social obligation. As the developing world becomes more urbanised, this phenomenon is likely to present a major challenge. Air, water, food and shelter are existence-level human needs. If countries as wealthy as Australia and New Zealand are not able to resolve the levels of homelessness and inadequate

housing in their urban environments, it is difficult to imagine that poorer countries could do better as they become more and more urbanised. But adequate housing is both an integral component of the United Nations Sustainable Development Goals, and a declared fundamental human right. It's absence compromises outcomes against almost every marker of human well-being. Health, employment prospects, relationship stability, educational attainment... all of these suffer when people do not have adequate and affordable housing.

However, these problems are not insurmountable. My time at Compass has taught me that the world is well supplied with good people and, as Margaret Mead taught us, small groups of thoughtful and committed citizens are all that is necessary to change the world. It is not a coincidence that so many thoughtful and committed individuals have found their way into the ranks at Compass and it gives me a sense of pride, and perhaps more importantly a sense of great optimism about the future of our organisation, to be able to lead such a remarkable group of people.

It is because of the efforts of those people I am confident to say that we are making progress towards our vision of a world in which all people have appropriate and affordable shelter and are engaged in sustainable communities. The previous 12 months saw Compass hit some major milestones in our strategic plan with the end result being that we are now in what I believe is the strongest position in our 34-year history.

We grew the size of our community housing portfolio by a staggering 40% thanks to the transition of more than 1800 properties from the NSW Government as part of the Social Housing Management Transfer. The amount of work that goes into making a transfer like this happen without incident is substantial and it is a credit to the entire transition team, but particularly to the team leader Sam Gorman, that the transfer went off without a hitch.

Last year also saw impressive growth in our Specialist Disability Accommodation (SDA) portfolio who achieved high registration status as well. There are few people in this world for whom safe and secure housing has a more profound impact than those experiencing severe physical and intellectual disabilities. Over the past two years, Compass SDA has grown from commencing management of NSW government group homes to now developing strong partnerships in the disability care sector who have also engaged Compass services. This has caused us to become the single largest provider of SDA in Australia. Over the next 12 months we will see even more growth, as the Home4Life company of which Compass is a joint venture member, completes the delivery of 69 new group homes across NSW. At the completion of this process Compass will be responsible for more than 1,000 SDA placements.

In last year's annual report, I wrote of Compass being awarded a contract to deliver hundreds of additional social and affordable housing properties throughout the Newcastle and Central Coast

regions as part of the NSW Government's Social and Affordable Housing Fund (SAHF) initiative. I'm pleased to report that the first two developments are now complete, with many more scheduled for completion over the coming 12 months.

This growth in Compass' operational scale, while substantial in relative terms, is a drop in the ocean when compared to the magnitude of Australia's housing crisis which, sadly, shows few signs of abating. In fact, according to in-house research produced by Compass last year, the scale of the social housing shortfall could be substantially higher than official waiting lists suggest. The report, Estimating Current and Future Demand for Housing Assistance, analysed state and territory housing eligibility criteria, and data from the 2016 census, and concluded that if every household in Australia eligible for social housing decided to apply for it, waiting lists across the country would increase by more than 300%. Considering eligibility for social housing is based on the



view that the household in question would be unable to secure appropriate shelter in the private market without having to forego other essentials, the results should serve as a stark warning to policy makers that Australia's housing crisis is far from over. More information about this discussion paper can be found on page 70.

When we work on the frontline of a first world housing crisis it is easy to forget the difference between relative and absolute poverty. Compass' activities in the Pacific Islands have brought us face to face with some alarming examples of the latter. In last year's report, I noted Compass' efforts to construct two community hubs and cyclone shelters in Vanuatu. Following the successful completion of that project, we are now involved in a new project to develop safe and secure overnight accommodation for female vendors at the local market in the community of Freshwater, many of whom have travelled great distances to sell their produce and do not have appropriate accommodation nearby. Work is also underway on a community hub and emergency evacuation facility in the Solomon Islands capital of Honiara. You can read more about these initiatives and Compass' other international activities on page 72.

We are learning, backed by research, that 'hubs' are quite important to the delivery of services and social inclusion of many of our tenants, enabling educational, community building and support to be delivered in a local centre. Hubs are now located in Broken Hill and the Central Coast and are in development for Cessnock, Muswellbrook and Taree.

As well as experiencing substantial growth, last year saw a number of other significant achievements as for many years we have sought to lower our carbon footprint so it was pleasing last year to be awarded Gold Status under the NSW Government's Sustainability Advantage program administered by the Office of Environment and Heritage. Among

the achievements underpinning our new status was a 10% reduction in CO2 emissions over three years and becoming the first community housing organisation to sign up to the Plastic Police® soft plastic recycling program, an initiative of a senior manager who was awarded NSW Sustainability Champion for 2019. Our desire to minimise the environmental impact of our activities is part of a broader commitment to the United Nations Sustainable Development Goals (SDGs) – a set of ambitious targets that seek to join all nations, developed and developing, in a global partnership that, improves health and education, reduce inequality, and spur economic growth.

The nature of our core business inevitably means we are contributing directly to several of the major SDGs. However, we know a thing or two about ambitious goals at Compass, which is why over the year ahead we will be seeking to operate our business in a way that ensures even greater alignment with the SDGs. I look forward to reporting on our progress this time next year.

Our international development credentials have been further enhanced by achieving full membership of the Australian Council for International Development (ACFID), the Global Compact and the Global Market Place.

Over the year we will be seeking the assistance of the entire Compass stakeholder group in several initiatives to further our social mission for the benefit of people at home and abroad.

Greg Budworth

Group Managing Director
For and on behalf of Compass'
Management Team



REPORT CARD

KEY PERFORMANCE INDICATORS	2019	2018	2017	2016	2015	2014
TENANT SATISFACTION						
Overall satisfaction with the organisation	92%	94%	93%	92%	91%	89%
Satisfaction with ways in which Compass involves tenants	93%	93%	92%	91%	90%	90%
Satisfaction with ways in which Compass communicates with tenants	88%	90%	90%	88%	89%	87%
SERVICE DEVELOPMENT						
Total properties managed as at 30 June	5982	4639	4442	4418	4473	3317
Total properties managed under Housing NSW programs	5255	3412	2912	2894	2900	2881
FINANCIAL MANAGEMENT						
Cash at end of year		\$20.9M	\$23.0M	\$20.2M	\$19.7M	\$27.6M
Net Profit		\$16.9M	\$14.2M	\$15.7M	\$159.0M	\$21.9M
Net Operating Profit (ex Capital Grants/Contributions)		\$2.3M	\$1.7M	\$3.0M	\$5.0M	\$5.2M
Retained Profit		\$351.4M	\$334.5M	\$320.6M	\$345.7M	\$192.4M
HOUSING MANAGEMENT & MAINTENANCE						
Arrears		1.3%	1%	2%	2%	2%
Tenant income		\$43.9M	\$39.2M	\$37.8M	\$36.2M	\$30.0M
Combined maintenance expenditure		\$9.6M	\$8.6M	\$6.6 M	\$7.2 M	\$5.4M
REPAIRS AND MAINTENANCE COMPLETIONS						
Number of requests raised	36533	26,687	24,125	24,062	21,192	15,040
Number of requests completed	35259	25,945	23,196	24,441	20,208	14,457
HUMAN RESOURCES						
Number of full-time equivalent staff	183.36	136.6	119.78	131.46	130.49	85.94
Training Spend	\$192,252	\$179,832	\$143,637	\$136,498	108,000	116,000

OUR ASSETS

PROPERTIES BY LOCAL GOVERNMENT AREA

NEW SOUTH WALES

Armidale	3	Lake Macquarie	715
Ballina	2	Lismore	2
Bathurst	2	Liverpool City	26
Blacktown	65	Liverpool Plains	2
Blayney	1	Maitland	252
Bourke	5	Midcoast	738
Brewarrina	4	Muswellbrook	478
Broken Hill	199	Narrabri	1
Burwood	4	Newcastle	794
Byron	1	Orange	14
Campbelltown	61	Penrith	59
Canterbury Bankstown	40	Port Stephens	37
Central Coast	689	Queanbeyan Palerang	4
Central Darling	28	Shellharbour	16
Cessnock	745	Shoalhaven	8
Canada Bay	2	Singleton	434
City of Parramatta	112	Strathfield	1
Clarence Valley	1	Sutherland	10
Sydney	1	Tamworth	4
Dungog	27	Kiama	1
Fairfield	23	Upper Hunter Shire	165
Georges River	15	Walgett	9
Goulburn Mulwaree	11	Warrumbungle	4
Gunnedah	2	Wollongong	15
Inner West	5	Western Plains (formerly Dubbo)	145

TOTAL 5982

NEW ZEALAND

Auckland	90
TOTAL	90

QUEENSLAND

Brisbane	660
Gold Coast	14
Logan	75
Moreton Bay	47
Redland	6
Townsville	17

TOTAL 819

BY PROPERTY SOURCE

	QLD	NSW	NZ
Capital	437	3339	–
Fee for Service	159	724	–
Leasehold (Private owned, Government funded)	215	484	90
Owned	8	1435	–
	819	5982	90

BY ASSISTANCE TYPE

	QLD	NSW	NZ
Affordable Housing	74	837	–
General Housing	192	4706	90
Transitional Housing	467	91	–
Indigenous Housing	0	138	–
Other Government	0	16	–
Crisis Accommodation	0	9	–
Specialist Disability Accommodation	0	131	–
Non rental	86	54	–
	819	5982	90

NUMBER OF PROPERTIES OWNED BY COMPASS

1443

NUMBER OF PROPERTIES OWNED IN NSW

1435

SHGF and NRAS government initiatives	228
Vested title from Housing NSW	1018
Vested leveraging	168
Boarding House New Generation	18
Other affordable housing	3

NUMBER OF PROPERTIES OWNED IN QLD

8

Equity ownership	8
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NUMBER OF PROPERTIES MANAGED ON BEHALF OF OTHER ORGANISATIONS

5448

FFS (Private & AHO)	752
Leasehold	789
NSW LAHC	3339
DHPW	437
Specialist Disability Accommodation	131

6891

ACQUISITIONS AND DEVELOPMENTS

Compass continues to build its asset portfolio through a number of programs. From 2009 through to 30 June 2019 Compass has delivered an additional 417 community and affordable dwellings.

The additional housing provided is a product of the ongoing commitment from state and federal governments to the provision of housing for people in need, along with the strong partnerships between Compass and local developers and builders. New dwellings have been delivered through various government funding schemes including the Federal Government's Nation Building Economic Stimulus Program, the joint state and federal National Rental Affordability Scheme, the Federal Government's Supported Accommodation Innovation Fund and earlier schemes such as the Debt Equity Scheme and the Affordable Housing Innovation Fund.

We have also been awarded a contract to deliver hundreds of additional social and affordable housing properties throughout the Newcastle and Central Coast regions as part of the NSW Government's Social and Affordable Housing Fund (SAHF) initiative. The first two developments are now complete, with many more scheduled for completion over the coming 12 months.

In New Zealand Compass has partnered with the Ted Manson Foundation on two projects to deliver an additional 163 social and affordable dwellings in Auckland CBD and West Auckland in addition to the current Du Val Property projects where we have been managing 90 furnished studio apartments in South Auckland for the past three years. We have also partnered with SOHO Development for projects in the lower north island in the regional Wellington area.

WALLSEND Newcastle

Compass partnered with a local developer to deliver a complex of 6 townhouses comprising of 2 x two bedrooms and 4 x three bedrooms.

The development is contemporary in design, complete with quality environmental fittings which provide energy and water efficiency and help reduce the costs of utilities for the tenants. This development is located within a vibrant community in the Newcastle local government area offering a myriad of employment opportunities, services, shopping and transport options.

These dwellings were recently completed and delivered under the NSW Government's Social and Affordable Housing Fund.



MORISSET Lake Macquarie

Compass is working with a local developer to deliver this quality complex of 26 units and townhouses, comprising of 6 x one bedroom and 20 x two bedrooms.

The development is contemporary in design, complete with high quality environmental fittings and finishes. The development offers a high standard quality of living with all dwellings being generous in size, utilising open plan living. The development is located in a rapidly growing part of the Lake Macquarie local government area offering a myriad of employment options, transport, shopping and services.

These dwellings are being delivered under the NSW Government's Social and Affordable Housing Fund.





MAYFIELD Newcastle

Compass is partnering with Tetris Capital Pty Ltd and Centuria Capital Limited to deliver a quality complex of 36 units comprising of 8 x one bedroom and 28 x two bedrooms.

The development includes quality materials and fittings and is designed to deliver a property filled with natural light and private spaces to enhance the amenity. The development design and construction will improve energy and water efficiency producing lower living costs for our tenants. This development is located within a vibrant community offering a myriad of employment opportunities, services, support, shopping and transport options.

These dwellings are being delivered under the NSW Government's Social and Affordable Housing Fund.

OUR HOUSING & OUR PEOPLE

Compass Housing Services is Australia's leading community housing provider with more than 6800 properties and community development initiatives across New South Wales, Queensland, New Zealand and Vanuatu. We undertake all aspects of tenancy and property management, including allocations and wait-list management, and have a proven track record of managing a wide range of tenancies under a variety of housing programs.

At Compass we place our tenants at the centre of everything we do. We pride ourselves on providing tailored tenancy and support services to accommodate the specific requirements of our tenants.

COMMUNITY HOUSING

Community housing is subsidised rental housing provided by not-for-profit, non-government organisations and is targeted at households on low incomes or who would otherwise struggle to find suitable accommodation.

At Compass we believe community housing is about much more than providing accommodation. It's also about building communities which is why we're dedicated to making sure our tenants have a voice and are actively engaged in their communities. In addition to professional tenancy management, Compass continues to be an industry leader in the provision of additional wraparound services that help sustain tenancies and delivering tenant engagement initiatives that help foster greater economic and social participation.



CREDIT: LEE ILLFIELD PHOTOGRAPHY

CENTRAL COAST

CHRISTINE FAULL

Christine Faull is a 30 year veteran of the aged care industry, a ballroom dancing enthusiast, and an integral member of the Compass Tenant Involvement Panel.

Chris' road hasn't always been an easy one, but she has never been one to let adversity keep her down for too long. Indeed, an innate ability to change directions and seek out new opportunities and new interests was evident from an early age.

"Believe it or not when I was at school my dream was to join the navy," she says. My mum probably would have signed the papers but my father, who was in the air force, wasn't having it."

Having tried and failed to convince her father of the merits of a life at sea, Chris went to secretarial college out of high school, got married, and developed her love of ballroom dancing.

"I think my mother put me into it when I was about 13 just as form of exercise but I loved it. One of my first dancing teachers was actually Baz Lurhmann's mum. Years later I went to see Baz's first film Strictly Ballroom with his parents at Cremorne Cinema. We laughed so much because it was so close to the truth; the costumes, the personalities, the politics... it was all so familiar."

Dancing remained an important part of Chris' life until she moved to the Central Coast decades later.

Yet while the move to the Central Coast marked the end of her dancing career, it also marked the discovery of a new vocation that came to define the second half of her life.

"I moved to the Central Coast in the first place because I was looking for somewhere more affordable to live. The first job I took here was at a real estate agency in Wyong but I really wasn't finding it fulfilling so one day I decided to apply for a job at Glengara Retirement Village.

"They were looking for a sales consultant, and I thought 'well I can do that, I'm in real estate after all.' A while later they gave me the job as the Resident Care Manager which meant I was looking after about 300 residents, and a few years after that I was made Village Manager."

Now retired, Chris says the Central Coast has changed a lot since she first arrived.

"I preferred it when it was slower paced. It's very hustle and bustle these days and the affordability is much worse."

Chris speaks from experience, having seen the drawbacks of the private rental market up close.

"The first place I rented was at Tuggerah, but after a while the rent was too much so I found a place at Gorokan. It was too far from my friends but it was half the rent so I put up with it. Then one day I got a letter saying the owner was selling it and I thought to myself, 'my lord I'm going to be homeless'.

"I went straight down to Compass in a panic and was told something had just become available. I've been here for about 2 years now. The most important thing to me is the feeling of security. It's a secure building and I don't have to worry about it being sold from under me."

Although arthritis and other ailments have curtailed Chris's social activities, she remains an active member of the community and an integral member of Compass' Tenant Involvement Panel (CTIP).

"For me the CTIP meetings were a real eye opener," she says. "I wasn't aware of a lot of the other things Compass was involved in – the youth scholarships, the aid work overseas... I thought it was just housing. It's important to give people the opportunity to get involved in those things. It can make a big difference."



SWANSEA

JACK CARTER

John (Jack) Carter is a legend in Sydney's Northern beachside suburb of Palm Beach. Even now when the 88 year old visits, it takes him hours to get down the street or through the shops.

The local beach pool is named after him and he has an Order of Australia medal for his services to the community. That's because Jack has taught more than 10,000 local kids and adults to swim.

Born and raised in Bondi, Jack has always had a love for the water. A junior lifesaver, he came second in the Australian surf life-saving championships as a 16 year old. He cheekily claims he helped win World War II by saving US servicemen, who got into trouble in the often treacherous surf at Tamarama Beach.

It is no surprise that Jack's first job was as a Beach Inspector at Palm Beach. At 17, he had to lie about his age to get the job. Jack continued in that role for 25 years. One day, not long into the job, a family approached Jack and asked him if he could teach them to swim. Jack enjoyed the experience and knew then that he wanted to be a swim coach. Jack was a good swimmer but he got some advice from Olympic swim coach Seth Prosser on how to teach others.

His rapport with kids and his results meant he was in demand. In his 40's, he became a full-time swim coach. Jack made swimming fun. Outside of lessons, kids were entertained with carnivals and games. Boys vs girls tug of war always saw the girls win with some help from Jack. He had fun nicknames for the kids but then took to calling each boy Jimmy and each girl Maggie so he didn't get names wrong.

The list of well-known Australians that Jack has taught to swim is lengthy. The kids of Kerry and Ros Packer, John Laws, film director Peter Weir and cricket legend Richie Benaud can all swim thanks to Jack.

Jack never asked for much in return for his expert tuition. In his 60's, with his daughter living in the NSW Hunter region, he went onto the social housing waitlist to be nearer to her. After a 10 year wait he was connected with Compass and eight years ago he moved into a new townhouse in the beachside suburb of Swansea in Lake Macquarie.

More than 70 years after he gave his first swim lesson, Jack is hanging up his hat, or rather, his swimmers. His daughter Robey continues to run January swimming lessons at Palm Beach to keep her dad's legacy going. Jack travels down and stays at the surf club where he is a life member but, after several heart attacks and a stroke while undergoing surgery, he has slowed down. He still gets in the water sometimes but leaves the teaching to Robey now.

Unlike on Sydney's Northern beaches, Jack enjoys relative anonymity in his Compass home in the Hunter. He's able to take a swim without people wanting to chat at nearby Blacksmiths Beach. He says he feels very lucky to have gotten a new home close to his daughter.

"I've got really good neighbours and it is quiet," Jack says.



BRISBANE

PAUL BURKE

For Paul Burke, finding secure housing through Compass enabled him to take the first step on a journey he had been planning his whole life.

"I've felt female since I was about six years old," Paul says. "I always knew. I just didn't know what to do about it."

"When I first got the place with Compass I was freaking out. I'd had this thing I'd wanted to do forever, but I didn't know where to start."

"Lauren and Liz from Compass helped me get in touch with the right people so I could get the process started."

Prior to being housed with Compass Paul was living in an overcrowded boarding house, dealing with addiction issues and, in his words, had "pretty much withdrawn from the world."

"My life hasn't always been that secure or great," he says. "Having a place that was secure and permanent made a big difference. Since I've been with Compass I've become more stable, and because of that I have been able to reconnect with family."

"I have a daughter I'm about to meet again. She's 18 and I haven't seen her since she was six months old. If I wasn't feeling good about myself and where I'm at, I wouldn't have reached out to her."

These days Paul is a frequent volunteer for the Salvation Army where he works with people experiencing the consequences of a lack of safe and secure housing.

"So many people are worse off than me. Working with the Salvation Army you see so much poverty and homelessness. The violence in that homeless community... the drugs... the lives of decent people just totally wrecked... stable housing means so much."





SUPPORTED HOUSING

Tenants housed in supported accommodation are the most vulnerable and require varying levels of support to live independently.

As well as housing people with physical and intellectual disabilities, Compass provides supported housing to people escaping domestic and family violence, people experiencing mental health issues as well as those exiting the criminal justice system.

Compass partners with a range of support agencies across Queensland and New South Wales to make sure our tenants have the services and support they need to help them live independently and to address their needs. These partnerships are an integral part of providing the most vulnerable members of our community with the dignity and security that comes from independent living.

THIS WAY HOME

The This Way Home project continues to help people experiencing homelessness to sustain transitional tenancies in order to move into independent accommodation. The specialised program utilises the assistance of partner agencies to provide holistic wraparound services within the Compass tenancy to help tenants with complex needs meet their obligations and achieve their goals.

This Way Home hosts nine temporary accommodation units for people requiring accommodation for up to 28 days. There are 24 medium-term accommodation units where tenants can reside for up to two years.

The Project Facilitation Group includes representatives from Compass Housing, Department of Communities and Justice, NOVA for Women & Children, Jenny's Place, Matthew Talbot Homeless Service (St Vincent de Paul), Samaritans, Baptist Care, Wesley Mission, Mission Australia, Wandiyali and Allambi Care.

SUPPORTED BOARDING HOUSE, WARATAH

Compass works in partnership with Matthew Talbot Homeless Service (St Vincent de Paul) to provide accommodation and support to men experiencing, or at risk of homelessness and those with complex needs.

Tenants are linked up with appropriate support and are actively involved in a case plan as a condition of their ongoing tenancy.

SUPPORTED BOARDING HOUSE, ADAMSTOWN

The Compass Boarding House at Adamstown is made up of 18 units for people who identify as having a disability.

The complex is operated under a transitional housing program with tenants remaining in residence for up to two years during which time they are assisted to build living skills with the goal of transitioning to independent accommodation.

Tenants at the complex are supported by disability support provider Aruma (formerly House with No Steps). As well as receiving tailored day-to-day supports, tenants also have access to group programs like cooking classes to improve living skills, as well as recreational activities to foster a sense of community and inclusion.



DISABILITY HOUSING

As the demography of social housing tenants has evolved over time, the social housing system has seen a marked increase in demand for dwellings suitable for people with a disability.

To meet this need, Compass undertakes modification works on existing dwellings and ensures new stock contains adaptable and accessible options. We work with a range of support partners to ensure our tenants receive services that afford them the greatest possible choice and flexibility, and which empower them to live independent and productive lives.

COMPASS SPECIALIST DISABILITY ACCOMMODATION

Compass has a long and successful history of managing homes for people with a disability. This culminated in 2017 with the formation of a Specialist Disability Accommodation (SDA) team within NSW Operations. This single, multi-function specialist team, achieved best practice status in both NDIS Tenancy Management and Rights & Responsibilities practice standards during our first NDIS Quality & Safeguards Commission audit this year.

Our current reach extends from South East Queensland down to the South Coast of NSW.

Following the successful transfer of over 128 group homes from Department of Communities and Justice (formerly known as FACS) to Compass in late 2017, Compass was successful as part of the Home4Life consortium along with BlueCHP and Lighthouse Infrastructure in winning the Hunter Residences Program to build 69 new homes for 345 people living with a disability. These purpose-built houses are spread across the Hunter, Newcastle and multiple locations throughout New South Wales. They are currently in various stages of construction and will all be complete by the middle of 2020. At the completion of this program, Compass will be managing around 1,080 SDA placements.

Compass Housing is also providing fee-for-service property and tenancy management for Summer Housing's Belle apartments in Belmont, NSW and will be expanding this to soon include The View Apartments in Rockdale, NSW, The Mews in Woolloongabba, QLD and then branching into Victoria.

investLogan

Earlier this year Compass Housing was appointed to operate and manage an innovative new SDA project in Logan. The housing project will be delivered in partnership with NFP developer BlueCHP, which will conduct the design, construction and certification.

The successful partnership will deliver two, three-bedroom dwellings that can be used as National Disability Insurance Scheme (NDIS) housing and also provide facilities for a Supported Independent Living Provider to be present on site. The dwellings will be designed and constructed to the High Physical Support Specialist Disability Accommodation (SDA) Design Category, which is designed to incorporate a high level of physical access provision for people with significant physical impairment and requiring very high levels of support. This standard is equivalent to the Liveable Housing Australia 'Platinum' level.

MORISSET

DAVID AND CHRIS

Chris has just moved in to one of the new Compass managed group homes being built for people transitioning from the NSW Government run Stockton, Tomaree and Kanangra centres for people with intellectual disabilities.

His guardian, David, says Chris is settling in well.

"It is a fabulous house," David says.

"It is modern, spacious and light. I think, for the first time Chris will remember, he is living in a house rather than an institution."

Chris, whose nickname is Casper (after the friendly ghost), has been in care since he was four. The 58 year old is now living with four other men in the special disability accommodation built by BlueCHP and managed by Compass. Another service provider assists with 24-hour care and support.

"Chris makes friends fairly quickly and the staff are very nice and caring," David says.

Chris made friends with David 18 years ago. David saw an advert in the local paper calling for volunteers to spend time with residents.

David and his wife initially took two other residents out for lunch and other outings once a week. One day Chris asked whether he could come too. Initially staff said no because they were concerned that Chris would be too difficult for David. But David dug his heels in and their friendship was born. The formal volunteer program was later axed, but David and Chris continued their outings.

Seven years ago when David took Chris to his mother's funeral in Western NSW, he asked Chris' sister, who also has an intellectual disability, what would happen to Chris now. She said "I don't know". David stayed involved in Chris' life and, recently, successfully applied to become his guardian.

David says being involved in Chris' life has given him a different outlook on life and brought him much joy.

"To see the difficulties Chris and other people with intellectual disabilities face has been eye opening."

"They are people, just like you and me. They didn't choose their situation and they deserve to live a full and happy life."

"I want to make sure Chris continues to have someone looking out for his best interests; to see him happy."



AFFORDABLE HOUSING

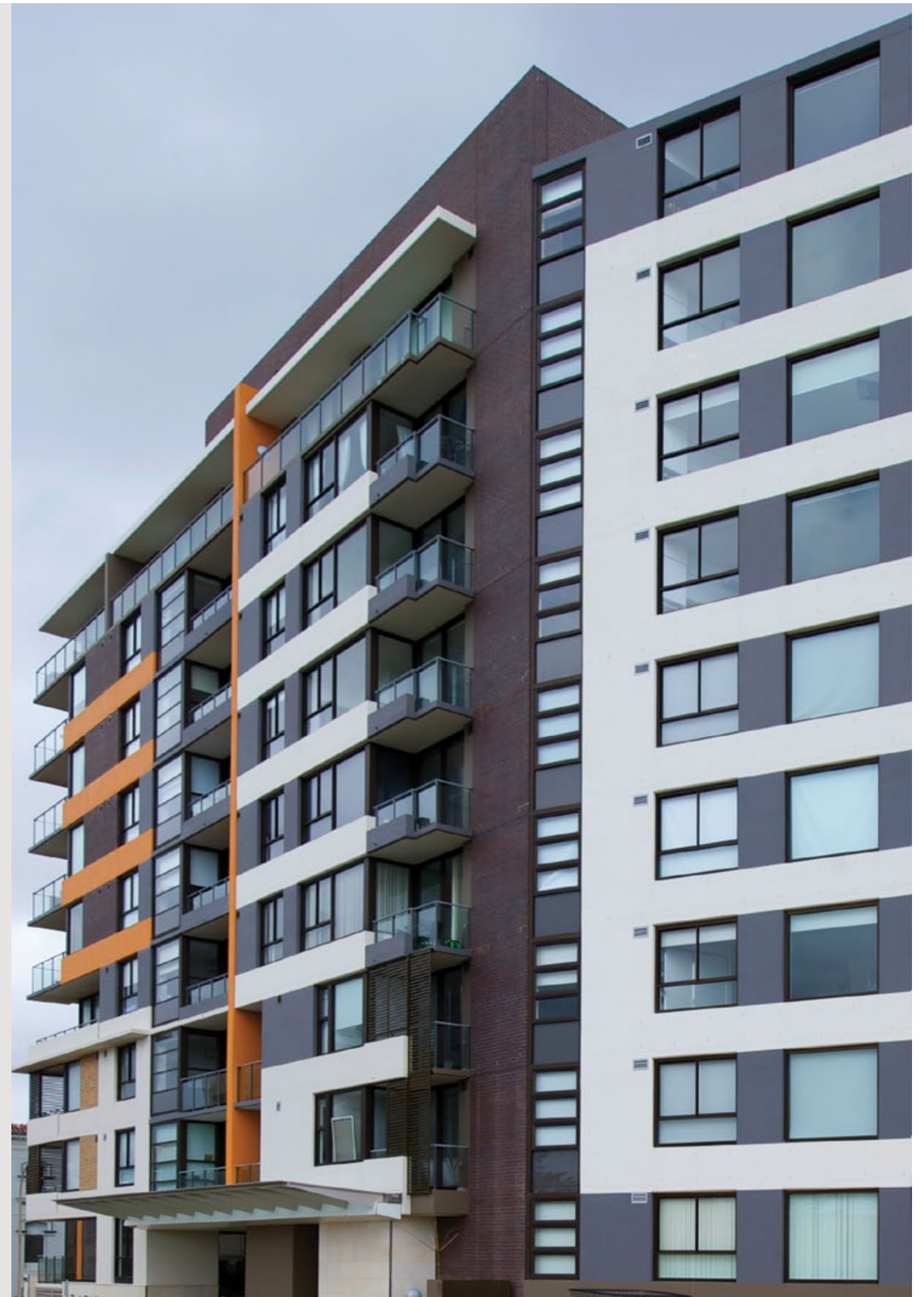
Over the past 30 years Australia has witnessed a profound change in the composition of households accessing housing assistance.

With both public and community housing now almost exclusively reserved for the most vulnerable members of society, affordable housing products have emerged as an alternative for low income workers experiencing housing stress in the private rental market.

With housing stress now a reality for millions of Australians, there is more need than ever for greater investment in dedicated, below market, affordable housing products. By providing stable accommodation for key workers and moderate income earners, affordable housing products serve as an

important midway point between the social housing system and the private rental market. By removing the spectre of rental stress, affordable housing can also help people accumulate the capital to get a foot on the property ladder. The transitional aspect of affordable housing encourages tenants to pursue real property ownership while paying reasonable rent in their present circumstances.

Compass' affordable housing portfolio is funded by federal and state governments under various programs including the National Rental Affordability Scheme, Debt Equity Funding and the Social Housing Growth Fund. It receives additional funding directly from Compass through debt finance and leveraging from our asset portfolio.



SYDNEY

ASHLEIGH

Ashleigh never dreamed she would need to take advantage of affordable housing.

When her marriage broke down, not long after the birth of her first child, she and her husband sold their mortgaged house and she was left to navigate Sydney's hugely expensive private rental market.

She rented a granny flat, then moved back in with her parents, and then moved to a townhouse. But the rent was crippling.

Then Ashleigh saw a property advertised online through Compass. She didn't really know what affordable housing was but decided to apply anyway.

"My Compass house is so much nicer and bigger than the townhouse I was renting," Ashleigh says.

"Having subsidised rent certainly takes some of the pressure off while I get back into the workforce," she says.

"It is nice that my daughter Ella has a little backyard to play in too."

Ashleigh says she is so grateful to have the opportunity to have such a nice place to live while she rebuilds her life. It has opened her eyes to the need for and importance of there being adequate social and affordable housing for people.

She says the application process was simpler than she thought it would be and her Compass property manager, Kayla, made her transition into affordable housing a smooth one.

"Kayla has been so lovely and she even came to me to sign the lease."

Ashleigh's advice to other women who find themselves in the same situation as her is "to be strong and never give up".



ADDRESSING HOMELESSNESS

The Australian Bureau of Statistics estimates around 116,000 Australians are homeless on any given night. Almost 26,000 of these will be children.

Many of Compass' tenants have experienced homelessness in one form or another. Some have fled domestic or family violence. Others have experienced addiction or mental health issues. Some simply cannot afford to rent privately.

Compass works closely with local homelessness support services in all jurisdictions to help people experiencing homelessness transition into stable long-term accommodation. We are also a major contributor to several innovative new projects designed to reduce homelessness in the Hunter region.

Hunter Homeless Connect 2019

2019 saw Hunter Homeless Connect Day celebrate its tenth year of operation. From small beginnings at the PCYC in 2009, the event has grown exponentially over the years and this year it was held again at the Newcastle Showground Exhibition Centre in Broadmeadow with the largest recorded attendance in the history of the event.

Compass' support in providing a coordinator for the event over the past six years, continued with Events & Community Relations Manager, Michelle Faithfull at the helm for the past three.

Six months of planning meetings chaired by Michelle Faithfull, were held at TAFE NSW Hamilton Campus, with volunteers from across the housing and homelessness sectors and other organisations, taking up positions as hub leaders to assist with the planning and management of the 15 hubs that contained the various services on the day. The group consisted of representatives from organisations including TAFE NSW, Hunter New England Health, Matthew Talbot Homeless Service, REACH Homeless Service, Department of Human Services, The Big Issue Street Soccer Program, Department of Communities and Justice, Lake Macquarie City Council, Legal Aid, NSW Sport, Newcastle City Library, Samaritans, Hunter Water, Catholic Diocese, Jenny's Place, Carrie's Place and Path 2 Change.



CREDIT: LEE ILLFIELD PHOTOGRAPHY

Over 125 service providers set up stalls inside the exhibition centre and around the grounds on 5th August 2019 and together with volunteers, committee members, students and guests, approximately 2000 people were estimated to be on the ground throughout the day.

For the fourth straight year women outnumbered men among those seeking assistance. 57% of guests were female, 42% male and 1% non-specified.

The majority of attendees surveyed were currently housed but experiencing housing stress, however 9% identified as not having a safe place to stay that night, a 1% increase from figures taken in 2018. People who were sleeping rough increased from 7% last year to 9%. Couch surfing increased from 8% in 2018 to 22% in 2019.

Guests were also asked what they enjoyed most about the day:

This day is like my Christmas Day. It felt like everyone cares. Opportunity for kids, free haircuts, food and care packages. Hot chocolate, people were nice and welcoming. Free health check and haircut. Calm response from services that attended.

Friendly people who actually care. Assistance from lots of people. Compassion. Yarn.

Being able to access Births, Deaths & Marriages. Speaking to a caring person about housing. The atmosphere and catching up with friends.

Amazing service opportunities. Welcoming atmosphere. Port Stephens Family Centre will get me a counsellor and back on NDIS. Experience and help. Connecting with services. Friendly faces, someone to chat to. Community options available for support.



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THE BIG IDEAS HOMELESSNESS NETWORK

Formed in 2017, the Big Ideas Homelessness Network meets regularly to identify key challenges faced by people experiencing homelessness and the agencies that support them. Compass Housing Services continues to provide secretariat services to the group including the coordination of various projects that support a solution to end homelessness in our region.



CREDIT: LEE ILLFIELD PHOTOGRAPHY

CURRENT PROJECTS

Common Ground: A Regional Strategy for Homelessness

A number of specialist homelessness and housing service providers are active members of the Big Ideas Homelessness Network and have been engaged with the development of the Common Ground initiative from its inception in late 2017.

The identification of a Common Ground response as appropriate for Newcastle and the Hunter region is the result of an extensive two-year research program. The program has examined international evidence from the USA, Finland and the United Kingdom and included formal research, informal conversations and site visits to existing facilities. A range of solutions have been considered and all have been informed by a central commitment to a Housing First Approach.

Consultation with the wider community of service providers has indicated that Common Ground is a facility/service they would engage with and support in the region and conversations with local councils are continuing, to establish a regional strategy to take to State Government in the near future.

Newcastle & Hunter Ending Homelessness Pledge

2018 saw the launch of the Newcastle & Hunter Ending Homelessness Pledge with 20 founding signatories including Compass Housing Services, Newcastle City Council, Lake Macquarie City Council, Singleton Council, Maitland City Council, Cessnock City Council and Port Stephens Council. The Pledge now has over 80 organisations signed up with a collective interest in breaking down stigma associated with homelessness, advocating for change and ultimately ending homelessness in our region.

Digital Vault

The Network has engaged the business community to secure pro-bono development of a safe on-line storage location for critical identity documents for people experiencing homelessness (Digital Vault). A design brief has been completed and submitted to global organisation Pegasus, who are based in the Hunter region, for development and implementation.

OUR COMMUNITY

Compass firmly believes that community housing is about building communities just as much as it is about providing housing. We're dedicated to making sure our tenants have a voice and are actively engaged in their communities.

We offer a wide range of community development activities all of which are underpinned by the same desire to promote social inclusion, economic opportunity and community cohesion.

COMPASS HUBS

Both the 123 Hub in Broken Hill and The Meeting Place on the Central Coast provide a base for local support agencies to offer outreach services as well as providing local residents with a place to meet, socialise and volunteer.

The hubs host several tenant and community events including free lunches, school holiday programs, community garden activities and sporting programs. Importantly the hubs also offer a location for external agencies to meet with our tenants and provide services which meet their needs.

Both the 123 Hub and The Meeting Place offer a unique service to our tenants and their local community by providing a local and welcoming space to participate in community events and access specialist services. Each hub has established programs based on the needs of tenants and the local community.



123 Hub – Broken Hill

The 123 Hub was established in late 2015 after Compass staff in Broken Hill identified the neighbourhood around Creedon Street as a suitable location for a community hub due to its distance from facilities, and high concentration of social housing. The facility is designed to reduce antisocial behaviour by offering positive lifestyle activities for local residents as well as serving as a central point for support agencies to provide outreach services.

Highlights at the 123 Hub last financial year included:

- **Strive 2 Drive**
– a learner driver program that aims to build the capacity of Aboriginal and Torres Strait Islander people by working with them to obtain their learners licence. Of the 21 clients who participated in the program last year, 18 were successful in getting their licence.
- **R U OK? Day**
– suicide is often a taboo subject in the Indigenous community. Compass' R U OK? Day events help eliminate the taboo and make suicide prevention and awareness a community responsibility.
- **NDIS Community Information Day**
– the complexity of the National Disability Insurance Scheme can be intimidating for new users. The NDIS Community Information Day helped demystify the scheme and linked 123 Hub clients with local NDIS providers.

The Meeting Place – Central Coast

The Meeting Place in Tumby Umbi offers local residents access to a range of outreach services and community development activities that boost social cohesion and participation. Importantly, The Meeting Place and all services delivered there are not restricted to Compass tenants but can be accessed by the whole community.

Activities and programs on offer at The Meeting Place are based on tenant and community needs and are designed to support practical life skills and provide access to services, material and support. The Meeting Place also offers a range of social activities for all ages. Below are just some of the successful programs the Meeting Place offers to the community.

The Shack Shop

The Meeting Place's long-standing social enterprise The Shack Shop, continues to go from strength to strength. Created to provide low cost groceries to members of the community, the Shack Shop now has more than 300 registered customers with more joining every week. In addition to providing affordable groceries, the shop last year began to stock clothing, footwear and bric a brac. With an average item cost of \$1.00, the shop nonetheless achieved more than \$20,000 in sales revenue with all proceeds reinvested into subsidising the cost of the groceries on sale.

Continuing the theme of providing high quality nutrition at the lowest possible cost, Compass' Meeting Place staff last year established a new partnership with the Second Bite program. Second Bite is delivered in collaboration with Coles and offers free baked goods and fresh produce to Meeting Place clients.

Education and Training @ The Meeting Place

Compass has continued its partnership with the Central Coast Community College with 52 clients undertaking education and training at The Meeting Place in the 18/19 financial year.

The collaboration aims to improve employment and personal development outcomes through targeted and customised training. To date, participants have undertaken a range of accredited courses including customer service, computer basics, community services, retail and hospitality.



grow a star

Grow a Star is an innovative youth mentoring and scholarship program that helps young people from disadvantaged backgrounds overcome the financial or generational obstacles that are preventing them from following their dreams.

In households where finances are tight, young people often miss out on the sort of extra-curricular activities that play an important role in connecting people to their communities. Grow a Star encourages generational change by empowering young people from disadvantaged backgrounds to follow their academic, sporting or artistic dreams.

By providing motivated young people the opportunity to fulfil their potential, the program is a genuine source for positive change.

By enabling young people to pursue their passions, the program helps foster habits and behaviours that can set young people up for life.

Through their connection with the program, Grow a Star participants generally exhibit improvements in confidence and self-esteem which can have profound positive impacts on their prospects both in terms of their sporting, artistic or academic goals and their roles as members of the community in general.

Grow a Star
applications approved

61

Number of active participants

52

\$741,341

Total spend since 2012



NEW SOUTH WALES

BONNIE

One of Grow a Star's newest participants is 12-year-old netball fanatic Bonnie Hunter.

Bonnie currently lives in Cessnock with her mum Jeannie and her two siblings. In April of 2018, the family's world came crashing down when Bonnie was diagnosed with Hodgkin's Lymphoma. It was the start of a traumatic period that saw Bonnie undergo surgery to remove a cancerous lymph node followed by multiple rounds of chemotherapy. Fortunately, the treatment was successful, and Bonnie is now in remission.

True to form, Bonnie says her biggest disappointment on being told of the cancer was learning she had to stop playing netball whilst she underwent treatment. During this period she would still turn up to training and to game days unless she was doing chemo. On the occasions she couldn't make it, her coach would FaceTime her so she could still watch the games.

Despite being out of action for several months, Bonnie clearly didn't lose a step during her medically enforced layoff. Earlier this year, with some help from Compass' Grow a Star program, she realised a dream of representing Kurri Kurri at the NSW State Netball Finals in Penrith. Bonnie played 19 games over 3 days, and scored an impressive 47 goals.

It will come as a surprise to no one that Bonnie's ambition is to play netball for Australia, but in the event she doesn't quite make it, she has a backup plan... to be a netball umpire. When she's not busy playing or training, Bonnie is completing an umpiring course which, in addition to giving her the qualifications to adjudicate games for younger players, means she gets the chance to teach the younger kids the rules of the game.

Compass and the Grow a Star program are looking forward to continuing to support Bonnie as she pursues her netball dreams.



NEWCASTLE

JAYMIE-LEA

Most teenagers have dreamed of ditching maths class. Very few discover a musical passion in the process. Jaymie-Lea Davidson is one who did.

"I started playing guitar because if you did the music class you didn't have to do maths," she says. "I didn't realise I'd love it."

Like most teenagers, Jaymie-Lea loved music, but prior to picking up the guitar in a Year 7 music class, her musical endeavours had been restricted to plastic toy guitars and ukuleles.

Although she had access to guitars at school, without a guitar at home to practise on, her progress was limited. After joining the Grow a Star program she received a brand-new instrument and these days it's seldom far from reach.

As well as music classes at school, Jaymie-Lea now practises using various mobile phone apps and YouTube clips for support.

"I'm still learning new chords. It takes a while to get them right because you have to teach your hand to bend in new ways."

"I listen to lots of different music. Lately it's people like Melanie Martinez, and Billie Eilish. Before that I listened to a lot of Taylor Swift. I used to love the way she could play the guitar and sing."

"I definitely don't sing but I would like to get to the point where I can play like that."



SHOUT OUT

Shout Out is a Compass initiative helping train Compass tenants and staff to better recognise mental health challenges and suicide risk and to have the confidence to open conversations that lead to support. The Shout Out program is funded by NSW Health under the NSW Suicide Prevention Fund.

In its second year, another 50 Compass staff were trained in 2-day Mental Health First Aid. SafeTALK, a half-day suicide alertness course, became mandatory training for all new staff. 10 suicide prevention courses were held for tenants, with some incredible outcomes shared by attendees.

Shout Out attended all major tenant events this year, as well as R U OK? Day events, and a range of events at complexes, including maintenance days and sustainability initiatives.

At Christmas parties across NSW, we introduced our new Shout Out characters, including Bob, who featured on Facebook for the rest of the year. Bob and his friends gave conversation tips, and got tenants thinking about ways to improve their well-being.

During the year, Shout Out developed and filmed video scenarios aimed at demonstrating some useful strategies and tips for starting a conversation with someone at risk. These videos were shared on social media and received incredible feedback.

As Shout Out heads into its last year, we will be reflecting on what we've learnt, and looking at ways to build these important initiatives into Compass on an ongoing basis.



TENANT EMPOWERMENT STRATEGY

In 2018 Compass revised its Tenant Engagement Strategy to develop a Tenant Empowerment Strategy. This will more effectively provide tenants with the skills and information they need to exercise 'voice and choice' in many aspects of their family and community roles.

A new structure has been developed that sees Tenant's Reference Groups in each branch area reporting to the overarching Compass Tenant Inclusion Panel (CTIP), which reports ultimately to the Compass Board of Directors.

A new booklet issued to tenants called Saving Money and Enjoying Life, provides advice for financial literacy, healthy eating and energy and water saving, with a final section on fire safety in the home. Programs of tenant-based events in our housing communities also reflect these priorities which seek to maximise the income and well-being of Compass tenants.

SUSTAINABILITY

Compass Housing has a long-standing commitment to environmental sustainability both at an organisational level and in delivering outcomes for tenants and stakeholders and to achieving the United Nations Sustainable Development Goals.

Sustainability measures are integrated into our strategic plan, business systems and our People, Place, Performance (PPP) programs to help deliver sustainable tenancies, social regeneration and increase social and economic participation.



GOING FOR GOLD

This year Compass was awarded Gold Partner Status in the NSW Government's Sustainability Advantage Recognition Scheme. NSW Minister for Energy and Environment Minister, Matthew Kean marked the achievement at a ceremony in Sydney in June 2019. Compass' Sustainability Manager, Jandy McCandless, was named 2019 Sustainability Champion at the event for her commitment to engaging staff and tenants in sustainability initiatives.

The Sustainability Advantage Program is a business support service provided by the Office of Environment and Heritage (OEH). The program helps organisations improve their environmental performance, reduce costs and add value to their business.

Compass works with its tenants to help them participate in building resilient, sustainable and inclusive communities. Achievements in this area include:

- a 10 per cent reduction in CO2 emissions over three years;
- delivering a number of community gardens to facilitate social inclusion and health and well-being; and
- implementing a pilot solar project facilitating solar and savings for tenants.

Compass is also the first not-for-profit organisation and first community housing organisation to sign up to the Plastic Police® soft plastics recycling program.



SOLAR PILOT PROJECT

With the ever-rising cost of living, Compass has been looking at options to help tenants access the benefits of renewable energy. Our C3 Solar Pilot Project aims to develop a replicable program that is financially viable.

The Solar Pilot Project supports Compass' commitment to the UN Sustainability Development Goals (the SDGs) and our commitment to empowering tenants.

How it works

Compass pays for the installation of solar panels and inverter and the tenant signs up with the participating electricity retailer. The tenant pays market rate for grid power, and a discounted rate for solar power. The retailer passes on to Compass, the tenant payment for solar, plus the feed in tariff for unused solar power that goes back to the grid. Compass uses income to pay back the initial cost of the installation, plus maintenance / replacement costs over time.

This project has been assisted by the New South Wales Government through its Climate Change Fund.



COMMUNITY GARDENS

This year we installed seven new community gardens in social housing complexes across the country and continued to support the five existing gardens already in place.

The newly installed “Vegepod” community gardens are drought and pest resistant and use minimal water.

Community gardens not only provide tenants with access to fresh fruit and vegetables but create a platform for social inclusion and address good health and well-being on a number of levels.

Compass also used the community garden forums to engage tenants on other sustainability issues, providing information on the environment, energy and water efficiency and savings, and responsible waste management.

PLASTIC POLICE PROGRAM

Compass Housing has joined the local Plastic Police® initiative to redirect soft plastics from landfill.

Plastic Police® is a for-impact recycling and engagement program tackling the issue of soft plastic waste. Soft plastics have low rates of recycling and can't be placed in kerbside recycling bins, meaning it ends up in landfill or as litter where it causes environmental pollution and harms wildlife.

The program collects soft plastics from organisations for recycling into products, such as benches, wheel stops and asphalt, which are purchased by participants to 'close the loop' on what they collect.

Plastic Police® is the only program of its kind in Australia. Its mission is to empower communities to rethink, better manage and ultimately reduce soft plastics, keeping it out of landfill and the environment.

Compass has installed soft plastic collection stations at some offices and our Central Coast Community Hub, and is in the process of establishing similar facilities at Muswellbrook South State School. These programs educate and encourage staff, tenants and our communities to think about how we manage waste and do so in a responsible way.

ADVOCACY AND THOUGHT LEADERSHIP

ESTIMATING CURRENT AND FUTURE DEMAND FOR HOUSING ASSISTANCE

Last year Compass launched the first Affordable Housing Income Gap Report which measured affordability for median income renters. This year we launched a discussion paper entitled Estimating Current and Future Demand for Housing Assistance.

The purpose of the discussion paper was twofold:

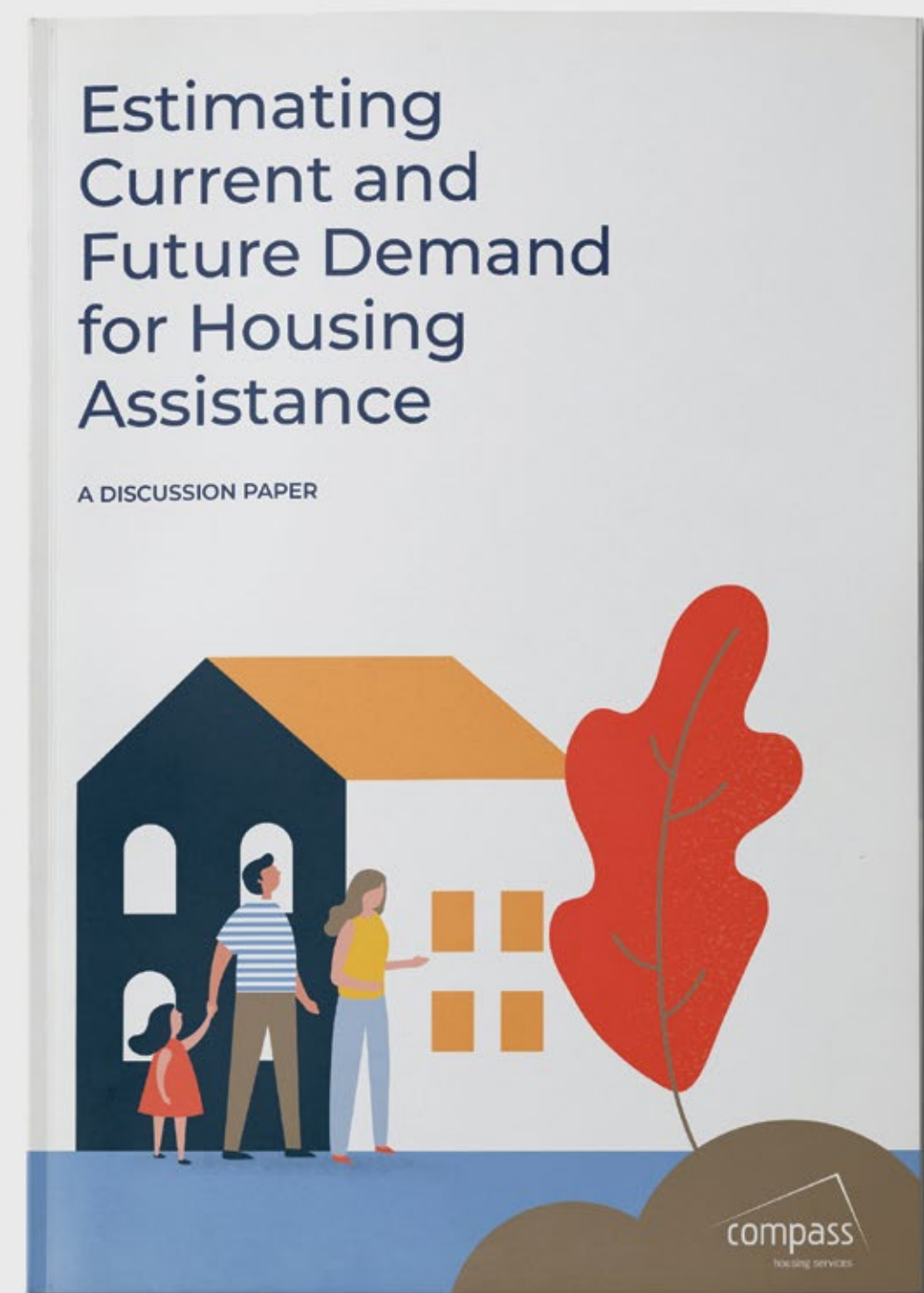
1. To establish if current waiting lists are an accurate measure of the existing need for social housing and;
2. To estimate the potential future demand for social housing arising from structural changes to the labour market due to automation and artificial intelligence.

Measures of existing demand were calculated by estimating the number of households in Australia who meet current eligibility requirements in the state or territory in which they live. These calculations were based on household income data sourced from the 2016 Census which has been indexed by the consumer price index (CPI). The findings demonstrated that current waiting lists are not an accurate record of the true level

of social housing need, and that if every household which met the current eligibility requirements in their state or territory decided to apply, waiting lists across the country would increase by more than 300%.

The coming wave of automation and digital disruption is also likely to significantly add to social housing demand by eroding the wages of affected workers. Experts predict it will be low income workers who are most affected during the initial phase of this fourth industrial revolution. Structural dislocations in the economy often leave affected workers struggling to re-enter the workforce. As many as 20% remain out of work three years later. Those that do re-enter the workforce generally experience wage declines of between 10-20% compared to prior earnings.

Depending on the proportion of the low to moderate income workforce that is ultimately impacted by automation, we estimate there are currently between 21,387 to 44,378 low income households in Australia who are not currently eligible for social housing but would become eligible if they experienced a 10% decline in household income. If impacted households experienced a decline in household income equivalent to 20% of current household income, the number of extra households that would become eligible for social housing would be between 44,802 and 92,964.



INTERNATIONAL ACTIVITIES

Compass continues to develop its international role, working closely with United Nations organisations in a range of partnerships and activities. Group Managing Director, Greg Budworth has continued to serve as Vice President of the UN Habitat General Assembly of Partners (UN GAP) and Manager, Special Projects, Larry O'Brien has served as Co-Chair of the Civil Society Organisation (CSO), a Partner Constituent Group, of UN GAP.

Compass has also maintained its membership of the World Urban Campaign and is joining the UN Global Compact. These memberships are an important part of our advocacy for the Sustainable Development Goals (SDGs) and the New Urban Agenda (NUA). These significant and internationally recognised frameworks place adequate housing for all at the centre of global concerns. This advocacy included organisation of the November 2018 Conference; Equitable Living in Sustainable Cities: Realising the Sustainable Development Goals and the New Urban Agenda. This was held in Newcastle, NSW and attracted 175 delegates from 11 nations.

COMPASS IN THE ASIA PACIFIC

Compass is actively developing its role in the Asia Pacific region, working in partnership with organisations including the UN Habitat Regional Office for Asia Pacific (ROAP) and RMIT University. Compass was a sponsor and organising partner of the Fifth Pacific Urban Forum (PUF5) and contributed workshops and panel contributions to the 200 delegates who attended from across the Pacific region. This support extends to the Seventh Asia Pacific Urban Forum (APUF7) Conference in Penang.

Compass is also continuing its support for the community of Freshwater in Port Vila, Vanuatu. Following the rebuilding of the community stage, we are now developing opportunities to ensure a 'community hub' type provision is enabled at the stage and also supporting the development of overnight accommodation in a nearby women's market. The latter will ensure that female vendors at the market have somewhere safe to stay while they attend market.

Our partnership with RMIT is in the context of implementing a UN-Habitat Urban Resilience Adaptation mitigation strategy for Honiara, Solomon Islands. Currently at the planning and scoping stage, Compass is a member of a project team that is responsible for the construction of a climate resilient multi-purpose facility and emergency evacuation centre to support communities following severe weather events. The facility will be modelled on the Compass Community Hub approach which has been developed in our Australian housing communities.

In January 2019, Compass delivered a one-day workshop in Hanoi on social housing solutions, in partnership with UN Habitat Vietnam and the Academy for Managers of Construction and Cities, Vietnamese Ministry of Construction. Following the success of this event, Compass was invited in September 2019 to make a major contribution to an international housing conference in Ho Chi Minh City. This conference in part explored the social rental model as a potential contribution to resolving the housing crisis in this rapidly urbanising region of Vietnam.



AUSTRALIAN COUNCIL FOR INTERNATIONAL DEVELOPMENT (ACFID) ACCREDITATION

As part of the process for Compass to become a DFAT (Department of Foreign Affairs and Trade) accredited International Development agency, Compass has to be accredited to the ACFID's Code of Conduct

and granted Full Member Status with ACFID. Compass has received Interim Accreditation and this interim status will be endorsed at the 2019 ACFID Annual General Meeting to confirm full membership.

NEW ZEALAND

NEW ZEALAND OPERATIONS

This year was one of preparation for growth for Compass Housing Services NZ.

As a result of our partnership with the Ted Manson Foundation and the Ministry of Housing and Urban Development (HUD), we relocated to a new office in the Life Apartments development in the Auckland CBD which accommodated the first of its 90 residents in September 2019.

The Life Apartments development is a unique partnership between public, private and not-for-profit agencies. It is also one of the first mixed tenure developments in New Zealand to include social and affordable rentals along with privately owned properties. Although well-established internationally as a model to reduce concentration of disadvantage

associated with mono-tenure housing areas, it remains relatively uncommon in New Zealand.

Commencing an operation in the Auckland CBD also enabled Compass to establish new relationships with other community housing organisations and social services agencies. This means we are providing long term secure housing to people who have previously been homeless as well as those who were living in transitional housing.

The mix of one and two bedroom units has also attracted families as well as students and apprentices who are studying and establishing a career. By providing affordable long term secure housing, young people previously not engaged in employment or training can now change their life trajectory.



SOCIALLY SUSTAINABLE COMMUNITIES

An integral component of the Compass Housing Services model is ensuring that we are enabling tenants to be “engaged in sustainable communities.”

The community development domain has been a distinguishing feature of Compass since 2005 and is an integral part of Compass New Zealand’s operations. The Life Apartments development includes a community hub, which is an onsite facility to enable residents and agencies to engage and learn from each other. It’s also a facility that will enable the social integration of tenants into the wider Auckland community and ensure their networks are not insular. Compass New Zealand’s commitment to tenant engagement and empowerment is a major contributor to our high level of tenant satisfaction which reached 92% in the most recent independent survey. A key contributor to this satisfaction level was the provision of training including assistance from one of our tenants Keith who is providing computer training.

ENABLING

This year we established a partnership with Manukau Institute of Technology where we engaged three students as interns. One intern subsequently secured long term employment with us.

The continued role of the Tenancy Advisory Group (TAG) has been productive and as a result of a suggestion from the TAG, fifteen tenants achieved first aid certification via a St John’s first aid course.

PIPELINE OF NEW PROPERTIES

As a result of a partnership with the Ministry of Housing and Urban Development and SOHO Development we have over 100 properties under construction. These properties will open in 2021-2022 and offer new one and two bedroom units to meet the growing demand for housing in regional areas. The Manson Foundation – Firstlight mixed tenure development in Glen Eden, Auckland will open in early 2020 which has 90 new social housing one and two bedroom units.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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ABN 84 002 862 213

Information on Compass Housing Services Co Ltd Concise financial report

This concise financial report is an extract from the Compass Housing Services Co Ltd Annual report for the year ended 30 June 2019.

The financial statements and specific disclosures included in the concise financial report have been derived from this annual report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the annual report. Further financial information can be obtained from the annual report and that the annual report is available, free of charge, on request to the entity.

DIRECTORS' REPORT

Your directors present their concise report on the consolidated entity consisting of Compass Housing Services Co Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2019. Throughout the report, the consolidated entity is referred to as the group.

DIRECTORS

The following persons held office as directors of Compass Housing Services Co Ltd during the whole of the financial year and up to the date of this report, unless otherwise disclosed:

- Paul Johnson
- Kwesi Addo
- Greg Budworth
- Barry Martin
- Paul Hughes
- Michael Page
- Jennifer Roberts
- Susan Williams
- Caroline McMillen (appointed January 2019)

PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the group consisted of providing social and affordable housing in the areas of Broken Hill, Dubbo, Upper Hunter, Maitland, Central Coast, Newcastle, Taree, Cessnock and Lake Macquarie for New South Wales and in the areas of Logan and Greater Brisbane for Queensland and in South Auckland for New Zealand.

Compass Housing Services Co Ltd received funding support from NSW Family and Community Services through grant subsidies for the Community Housing Leasing Program to lease properties from the private market for the provision of community housing.

Compass Housing Services Co Ltd and our wholly owned subsidiary Compass Housing Services Co (Queensland) Ltd received funding support from the Department of Housing and Public Works through grant subsidies for the Community Rent Scheme Program.

DIVIDENDS

The company and its controlled entities (together the Group) is not for profit group and is prevented by its constitution from paying dividends.

REVIEW OF OPERATIONS

The consolidated results from ordinary activities before tax for the year amounted to \$7,277,000 (prior year: \$16,898,000).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 7 September 2017, a controlled entity, Compass Housing Services Co (New Zealand) Limited, established a 100% owned subsidiary, Compass Housing Services Co (Canterbury) Limited to pursue activities consistent with its business.

Compass Housing Services Co (Canterbury) Limited was closed and removed from the New Zealand Companies register on 12 October 2018.

EVENT SINCE THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2019 that has significantly affected the company's operations, results or state of affairs, or may do so in future years.

ENVIRONMENTAL REGULATION

The group is not affected by any significant environmental regulation in respect of its operations.

INFORMATION ON DIRECTORS



Paul Johnson

Qualifications

Certified Practicing Accountant. Graduate member of the Australian Institute of Company Directors. Member of the Australian Computer Society.

Experience

Involved in the Community Housing Sector as a Director since 2008. Paul is a retired Chief Executive of a financial institution with over 27 years' experience as a senior executive in the financial services and not-for-profit sectors in Australia.

Special responsibilities

Parent Board Member. Chair of Compass (NZ). Compass (Qld) Board Member. Chair of Internal Review Committee. Chair of Australian Service Committee. Member of Governance & Remuneration Committee. Member of Audit Risk and Compliance Committee. Chair of Logan City Community Housing Co Ltd. Chair of MyPlace Property Pty Ltd. Director of Home4Life Limited from 1 July 2018 to 27th November 2018.



Kwesi Addo

Qualifications

Fellow of the Australian Institute of Company Directors. Fellow of the Governance Institute of Australia. Bachelor of Laws. Master of Business Administration – International Business (Hons). Master of International Relations. Master of Construction Law.

Experience

Kwesi is an experienced non-executive director. He has nearly 15 years' experience in the community housing sector and also has over 13 years of legal experience in corporate and commercial law across local governance matters and a range of commercial and corporate areas of law including major infrastructure projects, commercial and civil litigation, debt recovery and insolvency, privacy, tax and employment law.

Kwesi has served on the working groups and boards of other not-for-profit organisations and is the author of 3 editions of a NSW legal text on community housing and 1 edition of a QLD legal text on community housing.

Special responsibilities

Chair of Parent Board. Chair of Compass (Qld). Chair of Nominations and Governance Committee. Member of the Appeals Committee. Compass (NZ) Board Member.



Greg Budworth

Qualifications

Master of Business Administration. Master of Business. Other tertiary qualifications in: Project Management, Business Management, Workplace Safety, Workplace Training. Graduate Member of the Australian Institute of Company Directors. Member of the Australasian Housing Institute. Member of Managers and Leaders Australia.

Experience

Group Managing Director of the Compass Group. He is a director of the Australasian Housing Institute and a member of various other related committees and panels. He has previous experience in CEO and senior management roles in for profit human services organisations. He is currently the Vice President of the General Assembly of Partners.

Special responsibilities

Compass Group Managing Director. Executive Director of the Parent Board. Executive Director of Compass (Qld). Executive Director of Compass (NZ). Member of the Internal Review Committee. Logan City Community Housing Co Ltd Board Member. Member of the Australian Services Committee. Member of the International Expansion Committee from 1 July 2018 to 25 February 2019. Director of Home4Life Limited from 1 July 2018 to 30 June 2019.

INFORMATION ON DIRECTORS (CONTINUED)



Susan Williams

Qualifications

Member of the Australian Institute of Company Directors (AICD). Fellow Certified Practicing Accountant. Fellow of the Governance Institute of Australia. Fellow of the Institute of Chartered Secretaries and Administrators. Master of Business Administration (International Business). Graduate Diploma of Applied Corporate Governance, Bachelor of Arts (Accounting). Registered Tax Agent.

Experience

Non-Executive Director with over 10 years' experience in both disability and community housing. Executive career including CFO and Company Secretary roles with ASX, NSX and NASDAQ listed companies, as well as private and not-for-profit organisations across a range of industries.

Special responsibilities

Deputy Chair of the Parent Board. Deputy Chair Compass (Qld). Chair of Audit, Risk and Compliance Committee. Member of Australian Services Committee. Member of the Internal Review Committee. Member of the International Expansion Committee from July 2018 to February 2019.



Barry Martin

Qualifications

Fellow of the Australian Institute of Company Directors. Diploma of Business. Certificate IV in Frontline Management. Qualifications in workplace training and assessment. Qualifications in alcohol and other drug training. Certificate IV Personnel & Industrial Relations.

Experience

Board member 2011 – 2014, 2016 – present. Non-Executive Director with experience in business development, contract management, projects, business planning and relationship management and human resource consultant.

Special responsibilities

Parent Board Member. Compass (Qld) Board Member. Member of the Governance & Remuneration Committee. Member of the Internal Review Committee. Member of the Australian Services Committee.



Paul Hughes

Qualifications

Bachelor of Commerce (Accounting Major). Fellow of the Australian Institute of Company Directors.

Experience

Over 20 years' experience as a non-executive director of unlisted public companies, not-for-profits and government organisations. Paul's leadership roles span over 30 years, with 20 years in local government senior management. As CEO of Newcastle Airport from 2005 – 2015, Paul led its evolution as a major regional economic driver.

Special responsibilities

Parent Board Member. Compass (Qld) Board Member. Member of the Governance & Remuneration Committee. Member of the Audit, Risk and Compliance Committee. Member of the International Expansion Committee from 1 July 2018 to 25 February 2019.



Michael Page

Qualifications

GAICD, Australian Institute of Company Directors. Bachelor of Engineering (Civil).

Experience

Non-executive director with over 8 years' experience in community housing. Executive career for 35 years, including executive director, regional manager and project director roles with ASX listed companies in funds management, finance, development and construction. General manager, chief executive officer and board member of a variety of infrastructure, health and social infrastructure related PPPs and assets and not-for-profit organisations.

Special responsibilities

Parent Board Member. Compass (Qld) Board Member. Member of the Audit, Risk and Compliance Committee. Member of the International Expansion Committee from 1 July 2018 to 25 February 2019. Chairman of Home4Life Limited from November 2019 to present.



Jennifer Roberts

Qualifications

Fellow of the Australian Institute of Company Directors. Bachelor of Economics (Honours First Class).

Diploma of Education. Diploma of Urban and Regional Planning.

Experience

Senior executive in state and local government for 20 years. 10 years as a private consultant in economic, strategy and property. Experience on private and public-sector Boards and advisory groups. Extensive knowledge and skills in public sector strategy and policy development, project management, engagement and stakeholder relations. Strong experience in grant funding, economic impact assessment and project approval pathways.

Special responsibilities

Parent Board Member. Compass (Qld) Board Member. Chair of the International Expansion Committee from 1 July 2018 to 25 February 2019. Member of the Governance & Remuneration Committee.



Professor Caroline McMillen (appointed January 2019)

Qualifications

Fellow of the Australian Academy of Health and Medical Sciences, Honorary Fellow of the Asian College of Knowledge Management, Bragg Member of the Royal Institution Australia, Fellow of the Royal Society of New South Wales, and MAICD. BA (Honours) and Doctor of Philosophy (University of Oxford), MB, B Chir (University of Cambridge) and Honorary Doctorate of Science, University of Adelaide.

Senior academic leadership positions prior to taking up the role as Vice-Chancellor at the University of Newcastle and subsequently as Chief Scientist for South Australia. Experience on Boards, international and national disciplinary bodies, research policy and assessment panels and national and state industry and government leadership groups focused on R&D and innovation.

Special responsibilities

Parent Board member from January 2019. Compass QLD Board Member from January 2019. Member of Australian Services Committee from January 2019.

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2019, and the numbers of meetings attended by each director were:

	TOTAL MEETINGS ATTENDED		NOMINATIONS COMMITTEE		REMUNERATION COMMITTEE		** INTERNAL REVIEW COMMITTEE		ARC COMMITTEE		COMPASS PARENT BOARD		COMPASS NZ BOARD		COMPASS QLD BOARD		COMPASS QLD AGM		ASERC COMMITTEE		GOVERNANCE & REMUNERATION COMMITTEE		INTERNATIONAL EXPANSION COMMITTEE	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Paul Johnson	50	50	4	4	2	2	4	4	7	7	15	15	6	6	6	6	1	1	3	3	2	2	*	*
Kwesi Addo	41	45	4	4	1	2	1	4	*	*	15	15	6	6	6	6	1	1	3	3	2	2	2	2
Greg Budworth	44	50	2	2	2	2	0	4	7	7	14	15	6	6	6	6	1	1	2	3	2	2	2	2
Susan Williams	38	40	1	1	2	2	4	4	7	7	14	15	*	*	5	6	*	*	3	3	*	*	2	2
Barry Martin	35	35	4	4	2	2	4	4	*	*	15	5	*	*	6	6	1	1	1	1	2	2	*	*
Paul Hughes	28	32	*	*	2	2	*	*	4	4	12	15	*	*	6	6	1	1	*	*	1	2	2	2
Michael Page	22	29	*	*	*	*	*	*	4	7	11	14	*	*	6	6	*	*	*	*	*	*	1	2
Jennifer Roberts	27	29	2	3	*	*	*	*	*	*	15	15	*	*	5	6	1	1	*	*	2	2	2	2
Caroline McMillen	8	11	*	*	*	*	*	*	*	*	3	5	*	*	2	3	*	*	3	3	*	*	*	*
Anthony Quirk	6	6	*	*	*	*	*	*	*	*	*	*	6	6	*	*	*	*	*	*	*	*	*	*

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

* Not a member of the relevant committee

** Note that Greg Budworth and Kwesi Addo are members of the internal review committee but only required to attend meetings if required to achieve quorum

REMUNERATION REPORT

The directors are pleased to present your Compass Housing Services Co Ltd's 2019 remuneration report which sets out remuneration information for the company's non-executive directors.

Details of remuneration

The following tables show details of the remuneration received by the directors of the group.

TOTAL REMUNERATION FOR 2018 – 19 INCLUDING SUPERANNUATION	
BOARD	\$'000
Kwesi Addo	93
Susan Williams	61
Paul Johnson	50
Barry Martin	49
Paul Hughes	51
Michael Page	52
Jennifer Roberts	51
Caroline McMillen	24
TOTAL	431

INSURANCE OF OFFICERS

During the financial year, Compass Housing Services Co Ltd paid a premium of \$27,560 (2018: \$22,273) to insure the directors of the company and its Australian-based controlled entities, and the general managers of each of the divisions of the company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 is set out on page 85 and forms part of the Directors' Report.

ROUNDING OF AMOUNTS

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities & Investments Commission, relating to the 'rounding off of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that instrument to the nearest thousand dollars.

AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001. This report is made in accordance with a resolution of directors.



KWESI ADDO
DIRECTOR

Newcastle
5 November 2019



SUSAN WILLIAMS
DIRECTOR

AUDITOR'S INDEPENDENCE DECLARATION



Auditor's Independence Declaration

As lead auditor for the audit of Compass Housing Services Co Ltd for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Compass Housing Services Co Ltd and the entities it controlled during the period.



Caroline Mara
Partner
PricewaterhouseCoopers

Newcastle
5 November 2019

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DISCUSSION AND ANALYSIS

For the year ended 30 June 2019

Income Statement

The company has made a profit of \$7,277 thousand for the year ended 30 June 2019. This is a decrease of 57% from the year ended 30 June 2018 profit of \$16,898 thousand.

The following analysis is noted on the result for the 2019 financial year:

- Revenue from services has increased by 4% as a result of increasing tenant income.
- Other income increased by 22% as a result of management income increasing.
- The fair value adjustment to investment property decreased by 32%.
- Tenancy and management expenses have increased by 9%.
- Administration expenses have increased by 18%.
- Finance expenses have increased by 121% due to the initial finance charges associated with change financiers.

Balance Sheet

Assets

Total assets increased by 8% to \$440,645 thousand, this increase was mainly attributable to the following:

- Cash at bank increased by \$29,204 thousand due primarily to proceeds from financing activities. See further details below under Cash Flow Statement heading.
- A decrease in financial asset at fair value through profit or loss of \$11,022 thousand due to the redemption of these investments.
- Investment Properties increased by \$9,202 thousand largely due to the fair value of increment following the 2019 revaluations.

Liabilities

Total Liabilities increased by \$24,823 thousand. This increase was mainly attributable to the following:

- An increase in trade and other payables of \$5,766 thousand.
- An increase in borrowings of 18,737 thousand.

Equity

The equity of the Group increased by \$7,277 thousand as a result of the profit during the year.

Cash Flow Statement

Cash at bank increased by \$29,204 thousand due primarily to proceeds from financing activities of \$18,737 thousand, as well as an increase in net cash flow from operations of \$4,570 thousand and cash inflow from investing activities of \$5,897 thousand.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2019

Consolidated entity		
	2019 \$'000	2018 \$'000
REVENUE FROM CONTINUING OPERATIONS	59,691	57,231
Other income	9,340	7,628
Fair value adjustment to investment property	9,240	13,675
Tenancy and property management expenses	(41,686)	(38,105)
Administration expenses	(25,994)	(21,939)
Finance expenses	(3,517)	(1,592)
Operating profit	7,074	16,898
Share of net profit of joint ventures accounted for using the equity method	203	-
Profit for the year	7,277	16,898
Total comprehensive income for the year	7,277	16,898

CONSOLIDATED BALANCE SHEET

for the year ended 30 June 2019

	Consolidated entity	
	2019 \$'000	2018 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	38,267	9,063
Trade and other receivables	9,603	10,072
Financial assets at fair value through profit or loss	5	11,744
Other current assets	1,547	1,329
Total current assets	49,422	32,208
Non-current assets		
Financial assets at fair value through profit or loss	804	87
Property, plant and equipment	1,869	1,353
Investment properties	383,497	374,295
Investments accounted for using the equity method	203	-
Intangible assets	1,083	600
Other non-current assets	3,767	2
Total non-current assets	391,223	376,337
TOTAL ASSETS	440,645	408,545
LIABILITIES		
Current liabilities		
Trade and other payables	13,702	7,936
Borrowings	-	2,422
Provisions	831	582
Deferred income	2,736	2,667
Total current liabilities	17,269	13,607
Non-current liabilities		
Borrowings	64,519	43,360
Provisions	140	138
Total non-current liabilities	64,659	43,498
TOTAL LIABILITIES	81,928	57,105
NET ASSETS	358,717	351,440
EQUITY		
Other reserves	115,089	115,089
Retained earnings	243,628	236,351
Total equity	358,717	351,440

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019

	Asset revaluation reserve	Vested capital assets reserve	Vested surplus reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2017	75	110,101	4,913	219,453	334,542
Total comprehensive income for the year	-	-	-	16,898	16,898
Balance at 30 June 2018	75	110,101	4,913	236,351	351,440
Balance at 1 July 2018	75	110,101	4,913	236,351	351,440
Total comprehensive income for the year	-	-	-	7,277	7,277
Balance at 30 June 2019	75	110,101	4,913	243,628	358,717

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2019

	Consolidated entity	
	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	55,329	52,088
Payments to suppliers and employees	(59,676)	(63,179)
Interest income	388	350
Interest paid and finance cost	(3,517)	(1,575)
Receipt from grants	12,046	13,300
Net cash inflow from operating activities	4,570	984
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets	(4,170)	(253)
Payments for property, plant and equipment	(1,099)	(376)
Payments for intangibles	(577)	(392)
Proceeds from sale of property, plant and equipment	5	153
Payments for investment properties	(1)	(6,162)
Proceeds from financial assets	11,739	-
Net cash inflow (outflow) from investing activities	5,897	(7,030)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	60,323	5,180
Repayment of borrowings	(41,586)	(1,518)
Net cash inflow from financing activities	18,737	3,662
Net increase (decrease) in cash and cash equivalents	29,204	(2,384)
Cash and cash equivalents at the beginning of the financial year	9,063	11,447
Cash and cash equivalents at the end of the financial year	38,267	9,063

DIRECTORS' DECLARATION

The directors declare that:

- (a) in the directors' opinion, the attached financial statements and notes thereto comply with Accounting Standard AASB 1039 'Concise Financial Reports'; and
- (b) the attached financial statements and notes thereto have been derived from the full financial report of the company.

Signed in accordance with a resolution of the directors. On behalf of the Directors



KWESI ADDO
DIRECTOR



SUSAN WILLIAMS
DIRECTOR

Newcastle
5 November 2019

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS
OF COMPASS HOUSING SERVICES CO LTD



Independent auditor’s report

To the members of Compass Housing Services Co Ltd

Report on the concise financial report

Our opinion

In our opinion, the accompanying concise financial report including the discussion and analysis, of Compass Housing Services Co Ltd (the Company) and its controlled entities (together the Group) for the year ended 30 June 2019 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

What we have audited

The Group concise financial report derived from the financial report of the Group for the year ended 30 June 2019 comprises:

- the consolidated balance sheet as at 30 June 2019
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the related notes
- the discussion and analysis
- the directors’ declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the concise financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the concise financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Concise financial report

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the financial report. Reading the concise financial report and the auditor’s report thereon, therefore, is not a substitute for reading the financial report and the auditor’s report thereon. The concise financial report and the financial report do not reflect the effects of events that occurred subsequent to the date of our report on the financial report.

The financial report and our report thereon

We expressed an unmodified audit opinion on the financial report in our report dated 21 October 2019.

Responsibilities of the directors for the concise financial report

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

Auditor’s responsibilities for the audit of the concise financial report

Our responsibility is to express an opinion on whether the concise financial report, complies in all material respects, with AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complied with AAS 1039 *Concise Financial Reports* based on our procedures which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers

PricewaterhouseCoopers

C. Mara

Caroline Mara
Partner

Newcastle
5 November 2019

