



ANNUAL REPORT 2014-15

COMPASS HOUSING SERVICES
'YOUR DIRECTION HOME'



30
1985
2015
YEARS

HIGHLIGHTS

COMPASS PROVIDED
HOUSING ASSISTANCE TO
PEOPLE DURING THE YEAR

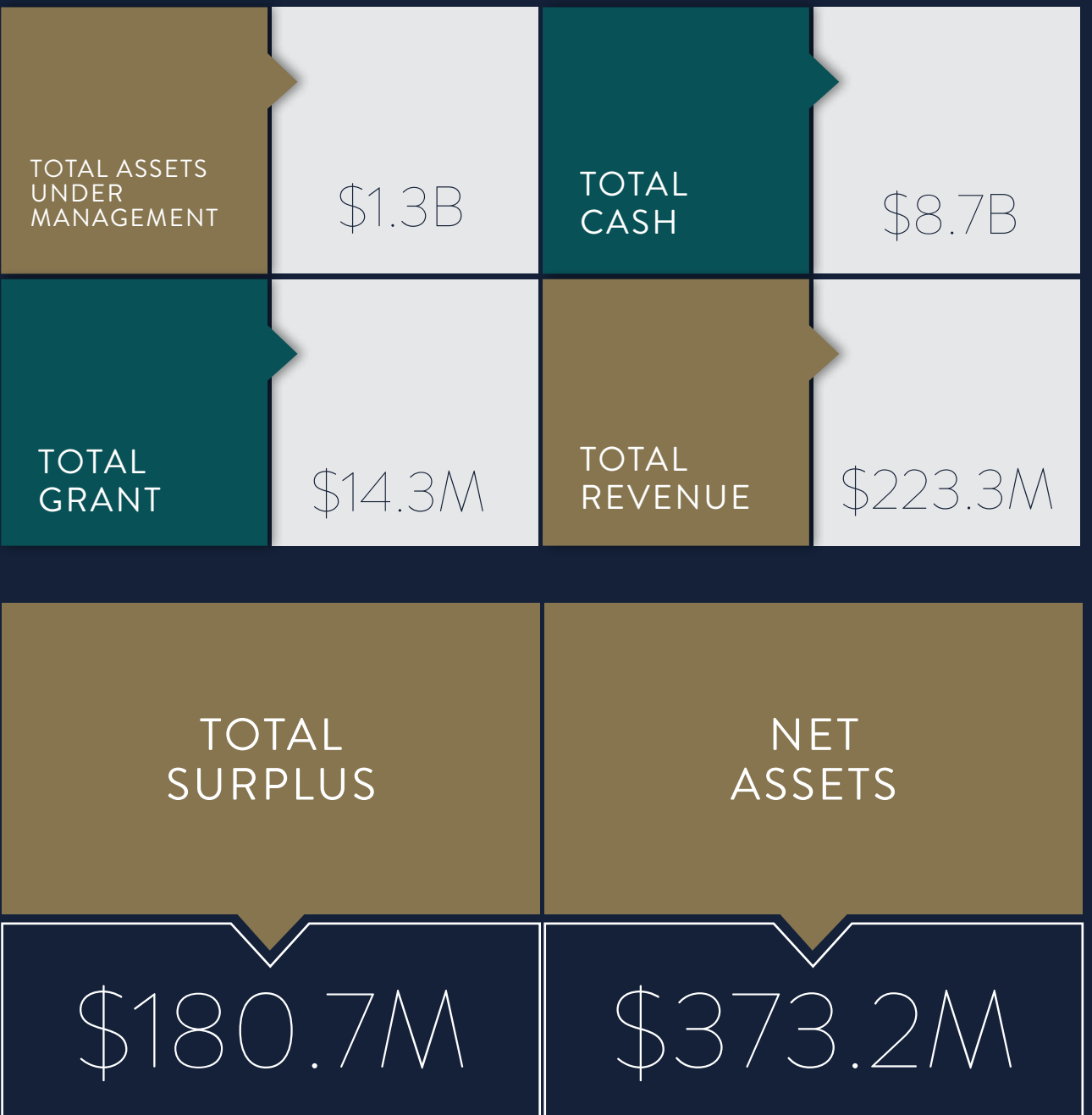
9127

TOTAL PROPERTIES
UNDER MANAGEMENT

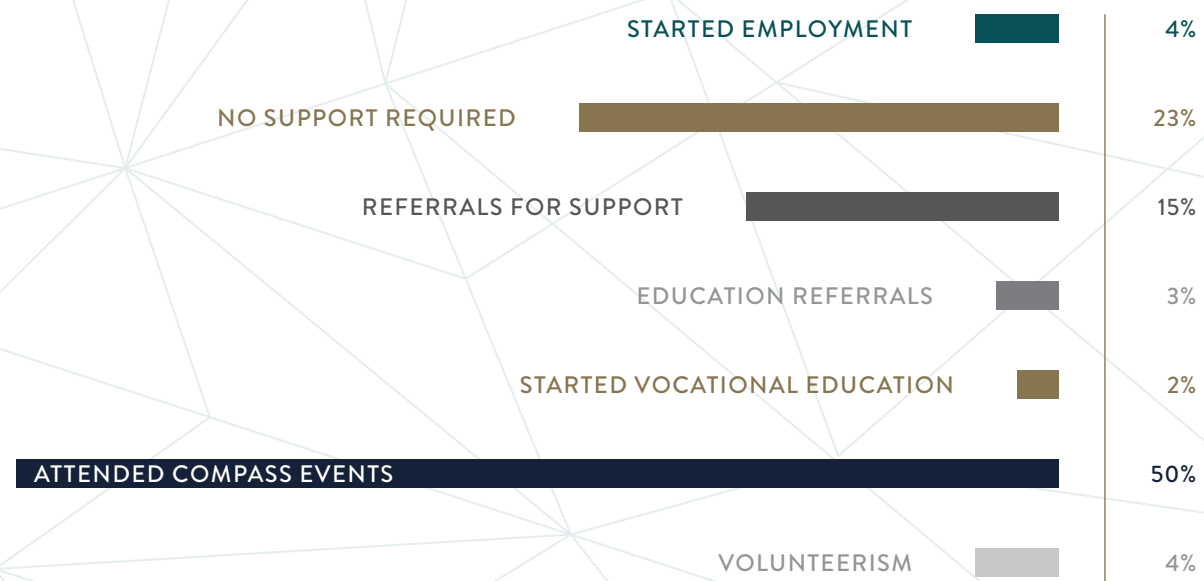
4473

BRAND NEW
PROPERTIES DELIVERED

88



TENANT OUTCOMES



TENANT FEEDBACK

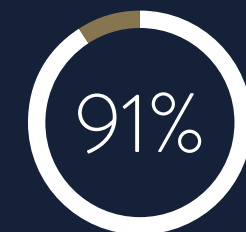
I have always found Compass Housing and all staff very good to speak to and helpful. Living in assisted living enables singles like me to live financially within my means making for a better lifestyle. I appreciate that very much.

Compass Housing is fantastic. The staffs are friendly and very helpful. This is the first time I have rented a home and help has been readily available. Thank you for treating us as people not just a bank number. We really appreciate it.

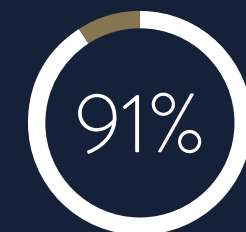
Compass has been amazing to me and my son. I cannot thank you enough. Whenever I've had a problem it was fixed ASAP. Compass has given me and my son a fresh start in life. Thank you!!!!

I would like to compliment your program and workers. I cannot finish without congratulating your workers are very smiling brave and know how to communicate with customers, Continue ahead with your program helping people .

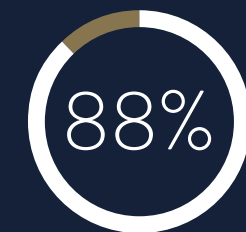
TENANT SATISFACTION DATA



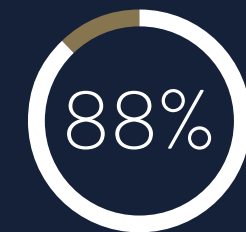
SATISFIED WITH SERVICES THAT COMPASS PROVIDES



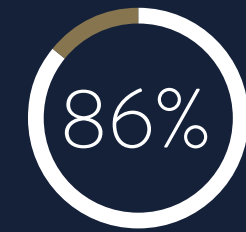
SATISFIED WITH THE OVERALL CONDITION OF THEIR HOME



SATISFIED WITH THE WAY COMPASS INVOLVES TENANTS



SATISFIED WITH THE WAY COMPASS COMMUNICATES WITH YOU AND PROVIDES YOU WITH INFORMATION



SATISFIED THAT THEIR RIGHTS AS A TENANT ARE UPHELD BY COMPASS

WHO WE ARE

COMPASS HOUSING SERVICES IS AUSTRALIA'S LEADING COMMUNITY HOUSING PROVIDER.

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

Compass manages social housing in a similar manner to state government provided social housing, with operations regulated by the national performance-based registration system.

Compass is registered under the National Community Housing Regulatory System (NCHRS) as a Tier 1 provider, and holds a full certificate of accreditation under the National Community Housing Standards.

As at 30 June, Compass managed a total of 4473 properties, across 10 locations throughout New South Wales and Queensland, supported by a head office in Newcastle. In partnership with BlueCHP Compass has also been awarded a contract to manage approximately 4800 public housing properties in the South East Queensland city of Logan under the Queensland Government's Logan Renewal Initiative. Operating under the banner of Logan City Community Housing, Compass is scheduled to assume responsibility for these tenancies in early 2016.

While community housing continues to be our core business, Compass also manages a variety of affordable housing products delivered through programs like the National Rental Affordability Scheme and the Building Better Cities initiative.

We also have a homelessness initiative in Newcastle "This Way Home" and two community hubs; "The Meeting Place" on the New South Wales Central Coast and The 123 Hub in Broken Hill.

The hubs are part of Compass' broader ambition to create sustainable communities. Our view is that community housing is about more than providing shelter, it's also about building communities. To that end Compass offers a range of community development activities designed to foster social inclusion and personal development. This focus on tenant empowerment and support is a major contributor to tenant satisfaction levels remaining at sector leading highs.

Compass continues to work diligently, as it has for the last 30 years of operation, to provide quality community housing services and will continue to work with governments, stakeholders, and support partners to increase housing opportunities for those in need throughout Australia.



COMPASS HOUSING CELEBRATING 30 YEARS

Compass is excited to be celebrating 30 years of providing housing to those in need. Our organisation differs greatly from that one founded 30 years ago and we are pleased to have had Dr Tony Gilmour and Helen Karathomas research and author our 30 year commemorative book “Navigating Change”.

As the title of Dr Gilmour’s book suggests, the history of Compass is a story of innovation and overcoming the odds. That a company founded as a tenant collective by a group of idealists and radicals from regional New South Wales would, 30 years later, find itself on the cusp of becoming the largest non-government provider of subsidised housing in the country, is a testament to the ingenuity, courage and dedication of all those who guided its course over that time.

Up until well into the 1980s, the old state housing commissions were focused almost exclusively on accommodating what today would be called “working families”, that is, traditional nuclear families with at least one parent in full time work. Single people were deemed to be ineligible unless they were elderly and those with limited English language skills or with special needs were largely excluded.

While there had been a handful of community housing organisations in existence in the 1970s, most were dedicated to crisis accommodation or short term transitional tenancies. Community housing only developed as a genuine alternative to public housing following the injection of serious money from the Commonwealth in the 1980s, and, were it not for the pioneering work of reformers like Vivienne Milligan, Brian Elton and Lynden Esdaile within the New South Wales Government, and their creative repurposing of the federal government’s Mortgage and Rent Relief Scheme, it might not have existed at all.



The genius of people like Milligan was to take a federal funding scheme designed to provide short term financial assistance to renters and mortgage payers experiencing difficulty paying their housing costs, and transform it into something altogether different. Instead of subsidising tenants’ incomes, the New South Wales Government’s Community Tenancy Scheme used public funding to increase the supply of housing that could then be rented to eligible tenants at a discounted rate. It was during this period of reform that the organisation that would become Compass Housing started its life as the Newmacq Community Housing Company.

Like many of the community housing schemes of the time, in the early days Newmacq operated more like a tenant collective than a recognisable business. The professionalisation of the sector over the years is a reflection of the heightened level of accountability and business acumen necessitated by more targeted government allocations policies.

In the mid 1980s, despite having 92 tenancies under management, six of the eight company directors were tenants and promotional material was often produced by hand. By the mid-90s, Newmacq’s portfolio had increased to 128 tenancies. Despite this relatively impressive roster of properties under management, the organisation still had just three staff, none of whom worked full time.

In 1997, Newmacq took a major step into the future with the appointment of Kelyvn Enright as company secretary. Born in New Zealand, Enright was a town planner by profession and prior to joining Newmacq had been the Chief Executive of an organisation providing crisis accommodation to homeless men in Canberra.

Enright was somewhat unique for the organisation in that he brought senior executive experience to the role. While there had always been a more senior member of staff at Newmacq, the cooperative/collectivist philosophy that underpinned the organisation from its founding in 1985 throughout much of the 1990s meant that the notion of someone being “the boss” was something of an alien concept.

Between 1990 and 1996 Newmacq’s property portfolio remained steady at 128. However during the late 90s, Newmacq entered a period of rapid growth due largely to its involvement in the Building Better Cities program and a successful tender under the 1999-2000 Community Housing Program. By 2001, Newmacq managed around 500 properties in the Newcastle and Lake Macquarie areas.

In the early 2000s the Government implemented additional accreditation requirements that revealed certain internal controls and processes were below what was necessary under the new regime. Attempts by the management to right the ship were unsuccessful and in April 2004, Kelyvn Enright vacated his position at the helm and MGI Wamstekers Chartered Accountants were appointed as interim managers with administrative control of the organisation passing to staff seconded from the New South Wales Federation of Housing Associations. Three months later, Greg Budworth was appointed as General Manager. It was an unexpected choice given Budworth’s background was certainly not overflowing with experience in the social housing sector. Yet the appointment of this former police detective, banker and pastor who also had CEO and executive experience in for-profit human service organisations would see the organisation

now known as Compass embark on an expansion project that, within a decade, would see it transition from the brink of collapse to the verge of becoming the largest community housing organisation in the country.

Throughout 2005, Newmacq began to expand beyond its traditional heartland of Newcastle and Lake Macquarie. Small parcels of stock were taken up in the Port Stephens, Cessnock and Maitland Council areas. Around the same time a decision was made to scrap the Newmacq name in favour of something more reflective of the company's newfound expansionist vision. In August 2007 Newmacq officially became Compass Housing Services.

In the years between 2007 and 2010, Compass embarked on an ambitious program of expansion. Many of the original community tenancy schemes originally set up in the 1980s were struggling for survival under the new performance based registration system. Mergers were the logical answer for many. Compass' first action during this period was to acquire the Upper Hunter community tenancy schemes. In 2008 Compass won a New South Wales Government tender to take on social housing provision in the remote Western New South Wales town of Broken Hill. As part of this "whole of area" transfer process, Compass acquired 109 units of formerly state run public housing along with 40 community housing properties originally managed by the Broken Hill Community Tenancy Scheme. In September 2010 Compass consolidated its presence in Western New South Wales by acquiring 60 tenancies from the Western Plains Housing Scheme based in Dubbo and later was chosen as an amalgamation partner by the Central Coast Community Tenancy Scheme. In addition to these acquisitions, Compass was awarded more than a thousand additional dwellings under the Commonwealth Government's Nation Building Economic Stimulus Package. Compass was able to leverage off these properties to deliver an additional 127 dwellings, which, along with properties obtained through other capital funding programs like the National Rental Affordability Scheme, has brought the number of properties Compass owns to 1392.

In 2014, Compass became one of the first community housing providers to venture beyond its home state thanks to a merger with the Brisbane based 4Walls. The merger added roughly 950 properties across South East

Queensland to the Compass portfolio. Based out of the heritage listed post and telegraph office at Woolloongabba, the Queensland team provides a variety of affordable, transitional and long-term housing programs including the Community Rent Scheme, Youth Housing and Reintegration Service and National Rental Affordability Scheme.

Compass' holdings in Queensland received an enormous boost when Compass was announced as the winning bidder for a major stock transfer initiative in Logan City. Known as the Logan Renewal Initiative, the project will be delivered in partnership with not-for-profit developer BlueCHP under the banner of Logan City Community Housing (LCCH). The Logan Renewal Initiative will see LCCH take on the tenancy management of approximately 4800 public housing tenancies, making it the largest single provider of social housing services in Australia.

Throughout the previous decade of growth and professionalisation Compass has never lost focus of the importance of tenant empowerment. Thanks to an impressive array of services promoting personal, professional and social development, Compass tenant satisfaction levels remain at sector leading levels.

The story of Compass Housing is, in many ways, the story of the community housing sector in Australia. Characterised in its early years by a collectivist management style, Compass nevertheless managed its way through a period of early expansion, attempted to modernise yet struggled to adapt to the challenges of a more rigorous accreditation process and came within striking distance of being disbanded altogether before ultimately emerging triumphant as the leading community housing provider in Australia. Yet while the Compass of today would be almost unrecognisable to the early directors of Newmacq, it is noteworthy that throughout the previous 30 years the one thing that has remained constant is the organisation's dedication to empowering its tenants.

At the end of the day the success of a community housing provider is not measured on how many tenancies are managed, but on the number of lives transformed. On that score, sound foundations have been laid for Compass' next three decades.



Over the past 30 years, the demographic of social housing tenants has undergone a complete transformation. Whereas in the past the old state housing commissions provided accommodation for low income working families, these days almost 90 per cent of social housing tenants in both public and community housing are reliant on social security with many having extremely high or complex needs. For this reason community housing organisations have begun to broaden their mission and offer additional services beyond the direct provision of housing. At Compass, that process has been realised under the banner of the GROW program. GROW combines a concern with environmental sustainability, with a concern for how people can achieve personal or community sustainability.

At their most basic level, Compass community programs are about changing lives and places for the better. This ambition is realised most profoundly through the Compass Grow a Star program. Grow a Star empowers young people to reach their full potential in social, academic, sporting and musical pursuits by helping families overcome the financial or generational challenges that prevent young people from following their dreams.

Compass also encourages tenants to pursue personal or community sustainability through the Compass Connect program – a place making initiative that promotes social inclusion and personal development by encouraging tenants to put forward plans for projects that enhance the amenity of communities, the capacity of people or the performance of assets. Compass Connect has led to the creation of numerous

shared spaces and social inclusion activities including community gardens, new BBQ areas, an internet café, computer literacy classes and the installation of solar security lighting.

Compass has also tapped in to the benefits of providing local communities with a central place where they can access a variety of social, educational and support services. In 2010 Compass took on the management of the KBT Hub on the New South Wales Central Coast. Under Compass management the previously government run facility was renamed The Meeting Place and dramatically expanded its activities to include market days, a community garden, free internet access and a weekly fruit box program offering fresh produce to local residents. In 2015, inspired by the success of The Meeting Place, Compass established a new community hub known as The 123 Hub in Broken Hill.

In 2015, Compass took its dedication to building communities to the next level with the appointment of Professor Dave Adamson OBE, an Emeritus Professor with the University of South Wales who is internationally recognised for his expertise in economic and community regeneration.

Professor Adamson's Deep Place method has been successfully implemented in parts of the UK and involved linking community development with economic development in which social housing tenants are the focus of new employment opportunities. Compass will initially pilot the Deep Place method in Newcastle and Logan.

OUR TEAM

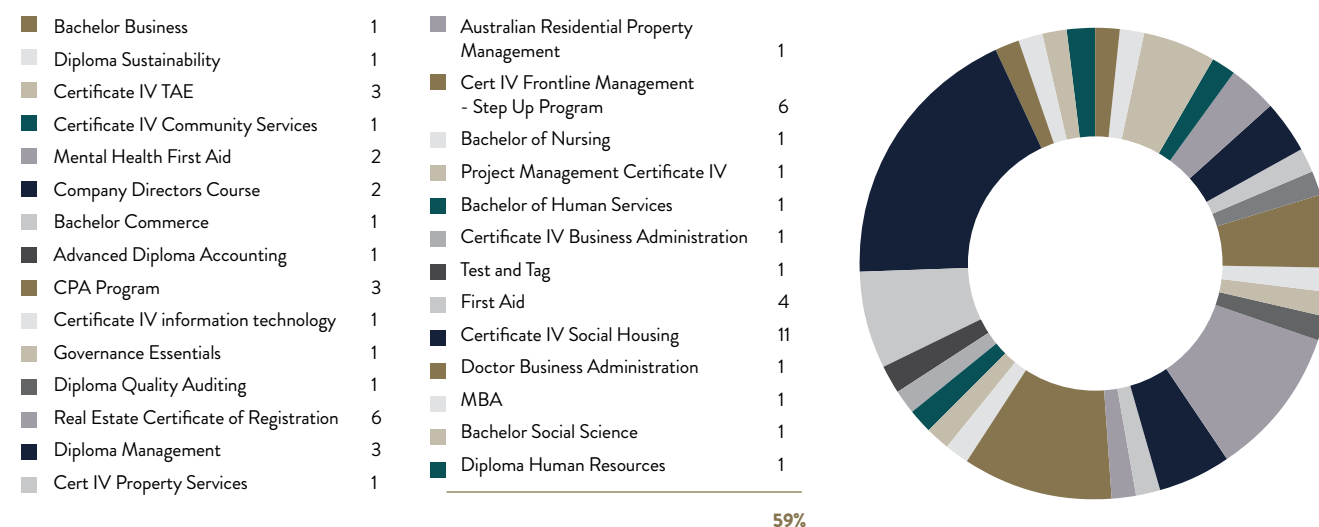
Compass recognises that employees can develop in the workplace from a range of factors including an effective operational structure, sound organisation policies and procedure, clear and frequent communication and inspiring leadership. These factors have led to Compass achieving an overall employee engagement result of 72 per cent in 2014-15 through the AON Hewitt Employer of Choice Engagement Survey. This is the second consecutive year where our employee engagement score has placed us in the top quartile of all organisations surveyed for overall employee engagement.

Compass views education and training as a critical component for successful workforce succession planning and key to sustained employee engagement so we continually scan the external environment for innovative ways to further support learning and development opportunities for our employees. With this objective in mind Compass continues to provide an annual training budget and paid study leave to encourage learning opportunities.

In September 2015 Compass was awarded the Employer of Choice through the Australian Business Awards in recognition of “outstanding achievement through effective employee recruitment, engagement and retention”.



% OF STAFF UNDERTAKING FORMAL QUALIFICATIONS IN 2015



ENGAGEMENT SURVEY



TRAINING EXPENDITURE

\$108,840

NO. OF STAFF UNDERTOOK PROFESSIONAL DEVELOPMENT %

62%

FEMALE TO MALE RATIO %

62.5%  

37.5%  

FEMALE % SENIOR MANAGEMENT

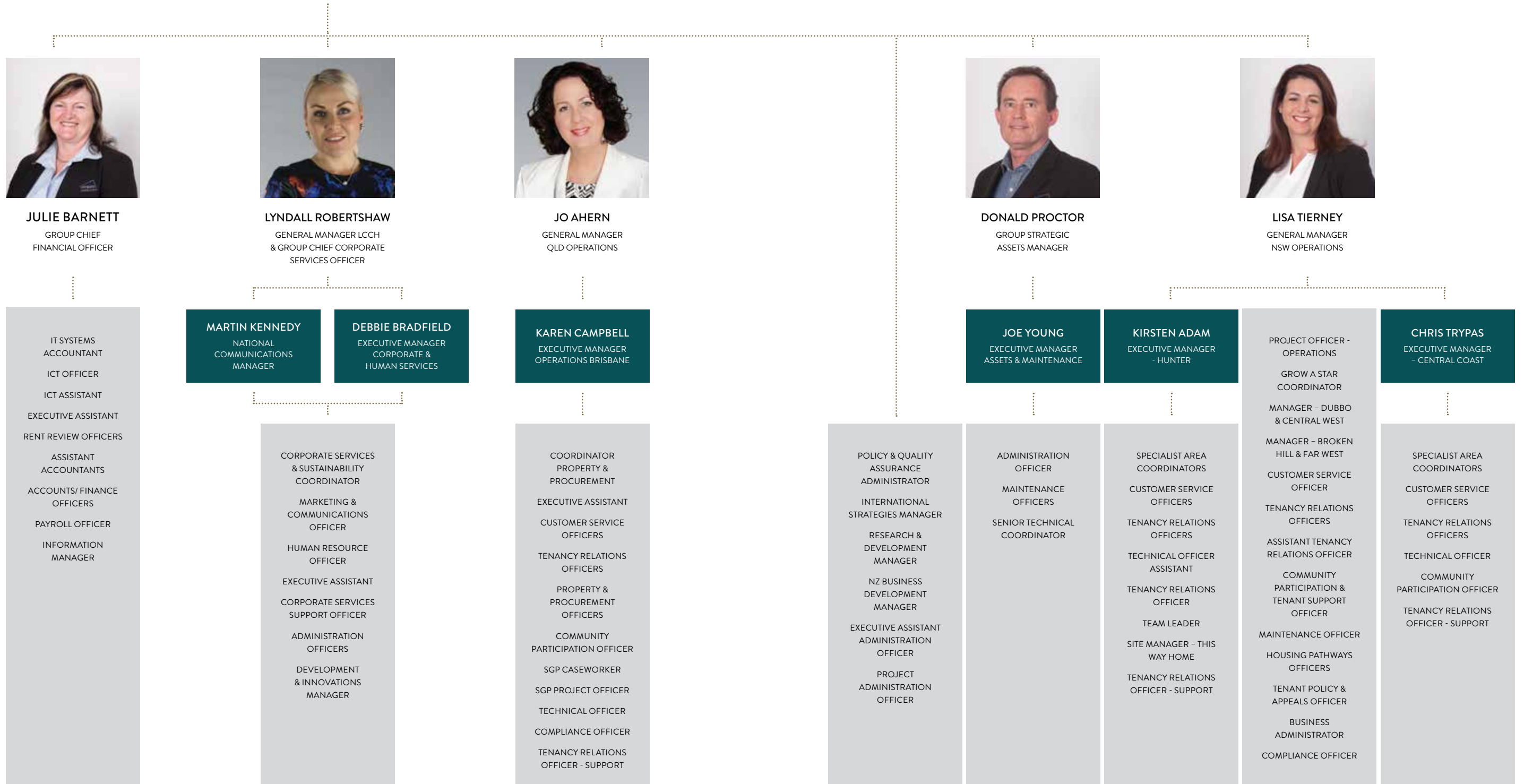
57.16%  

BOARD OF DIRECTORS



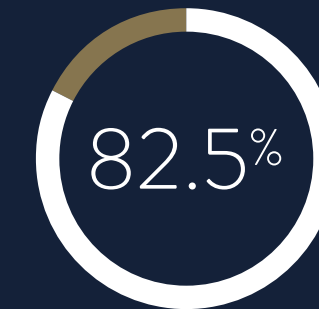
GREG BUDWORTH
GROUP MANAGING DIRECTOR

OUR ORGANISATION

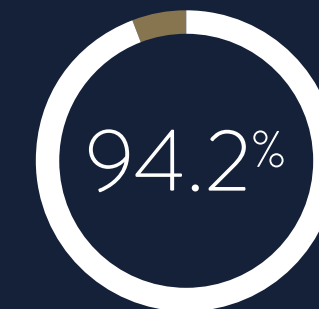


FROM THE CHAIR

PAUL JOHNSON
CHAIR



INCREASE IN
TOTAL ASSETS
**TO \$418M FROM
\$229M IN 2014**



INCREASE IN
NET ASSETS
**TO \$373M FROM
\$192M IN 2014**

COMPASS HAS HAD
ANOTHER SUCCESSFUL
FINANCIAL YEAR
WITH THIS REPORT
HIGHLIGHTING A
NUMBER OF THE MORE
SIGNIFICANT FIGURES.

My report is written in another milestone year for Compass, in this its 30th year of operation. To celebrate this achievement Compass has produced a 30 year anniversary book which was launched at functions in Newcastle and Brisbane in November.

The book chronicles the path that Compass Housing has followed from humble beginnings in 1985 to the preeminent position it now holds in the Australian Community Housing Sector. The Compass of today is forever indebted to those early pioneers who became the initial Members, Board and staff of the fledgling organisation as without their unselfish commitment we would not have the Compass of today, a vibrant, innovative, strong and secure Community Housing Provider continuing to pursue its vision and mission to provide an increased supply of affordable housing and other community services to its current and future tenants and clients.

I am sure that those early pioneers would be surprised and very proud of what their efforts have created.

Compass has had another successful financial year with this report highlighting a number of the more significant figures; these items include a 82.5 per cent increase in total assets to \$418M from \$229M in 2014 while net assets have increased by 94.2 per cent to \$373M from \$192M in 2014. Compass has 4473 houses under management with the majority provided by state and Commonwealth governments under various programs and the remainder provided directly by Compass itself by leveraging the value of vested assets from the New South Wales Government.

On the 1st July 2014 Compass amalgamated with the Brisbane based 4Walls, which is now known as Compass Housing Services Queensland Ltd. This amalgamation has been very successful and has contributed significantly to Compass' entry into the Queensland community housing sector. The former chair of 4Walls Brian Wrice has since been appointed to the Compass Board.

Compass also continued to develop its joint venture with the not-for-profit community housing developer BlueCHP. The joint venture company Logan City Community Housing will undertake the Logan Renewal Initiative contract from the Queensland Government. This contract to manage the existing 4800 properties in Logan will run over 20 years and during that time will develop an additional 1600 properties of which 1000 will be for affordable housing. Compass is also currently pursuing opportunities in New Zealand and is in the process of setting up operations there through the use of a subsidiary company.

The Board has continued the process of renewal and regeneration of itself and the governance structure of Compass which it started at a special general meeting in October last year. This saw the Board reduced in number to a maximum of nine with currently seven directors in place with four from New South Wales and three from Queensland. Three new directors were elected to the Board

last year after an independent panel interviewed a number of possible candidates and recommended three to the Board. I want to thank the previous Directors who unselfishly voted for this renewal to occur even though it meant that they lost their positions on the Board.

This process was designed to enhance the combined skills of the Board and subsequently the Board endorsed the three recommended candidates for consideration and election by the members. This has allowed new ideas and thinking to be introduced to the Board and has worked very well in its first year.

Part of this new Governance structure was to have local Advisory Committees appointed by the Compass Board for each jurisdiction that Compass operates in. As a result, in December 2014 the Compass Board appointed a New South Wales State Advisory Committee that is to advise the Board on matters pertaining to New South Wales that it believes the Board need to consider. These Advisory Committees operate under their own Terms of Reference document and provide the opportunity for local matters to be brought directly to the Board, these can be matters relating to the tenants or from a wider perspective. The New South Wales Advisory Committee has also taken on the duties that were previously performed by the Compass Tenant Panel with the Advisory Committee containing tenant representation to allow direct tenant views to be considered. The Board is currently in the process of structuring the first Queensland State Advisory Committee.

The Board continued to be remunerated as agreed by the members at the last Annual General Meeting. The total amount approved by the members is also used to remunerate the various Board Committees, State Advisory Committees and any possible subsidiary Board structures in the future. The members will consider the maximum amount that can be paid in any one year at each Annual General Meeting for the following year in total for all groups within the Compass governance structure. The amount actually paid in total for all groups and individually for each Director will be advised to members as part of the Directors Report within the Annual Report.

The Compass Board also has the following Board Committees in place, Audit Risk and Compliance, Nominations and Governance, Remuneration and an Appeals Committee. I believe that the new structure is working well and will enable Compass to respond to any corporate governance challenges that may arise in the future.

Compass wishes to thank the New South Wales and Queensland State Governments and the Federal Government for the contracts that they have awarded to Compass during this year and in previous years.

I would like to thank the Board for its continued commitment to the sound governance of the organisation and for its ability to keep a focus on making decisions that will benefit the tenants, while addressing the many complex matters that arise in the community housing sector. I also want to thank them for their continued efforts on behalf of Compass in the many forums in which they represent it.

On behalf of the Board I also want to thank the Group Managing Director, and all the Executive team for leading Compass through another busy and challenging year. Also on behalf of the Board I wish to thank all the other Compass staff that work tirelessly to provide excellent service to all our stakeholders. This was highlighted by the outstanding efforts made by all staff involved to assist tenants impacted by the severe storms that hit the Hunter and Central Coast areas in April this year.

Compass continues to enhance its position as a strong, secure and innovative community housing provider and is in a strong position to take advantage of opportunities as they arise now and in the future. I am confident that it will continue to provide sector leading community housing across Australia and beyond in the years ahead and will also continue to provide its many tenants with excellent service.

I am honoured to have been the Chair of Compass Housing for another year.

PAUL JOHNSON
CHAIR



GROUP MANAGING DIRECTOR'S REPORT

GREG BUDWORTH
GROUP MANAGING DIRECTOR



I am very pleased to write to you of our progress in several areas in 2014-15 and I would like to thank the current Board and outgoing directors from 2014, my senior executive team and all our high performing staff for their diligent governance and outstanding and caring management.

I also would like to thank our tenant and client community for their earnest responsibility and commitment to their communities. Our many support partners, contractors and consultants demonstrate care and responsibility in our relationships of a very high order and our thanks must also go to the Commonwealth, New South Wales and Queensland governments for the sound public administration they exhibit on behalf of the people they serve.

The year has had some very interesting highlights. First among them has been the successful amalgamation of 4Walls Housing into the Compass family. Queensland now accounts for almost a quarter of our properties under management. The adoption of Compass systems and processes has driven a large spike in tenant satisfaction in Queensland with 90 per cent of tenants now happy with the service they receive, an increase of more than 10 per cent. Tenant satisfaction in New South Wales was also up slightly this year with 91 per cent satisfied, a bump of two per cent on the year before.

Compass also achieved historic high staff engagement at 72 per cent and was recognised as an Employer of Choice at the Australian Business Awards.

2014-2015 was another year of solid financial operational performance which saw Compass within the 8-12 per cent industry benchmark. Last financial year also saw the

completion of vesting of the remaining \$140.5 million in property titles from the New South Wales Government.

Compass also attained accreditation as a Tier 1 provider under the National Community Housing Standard for the third year running and, in a first for an Australian community housing provider, was provided with special accreditation with the United Nations Habitat Committee.

Also on the international front, the past 12 months has seen the initial implementation of the Compass International Strategy. The strategy commenced with the appointment of a New Zealand Business Development Manager, and engagement with government and non-government stakeholders in Vanuatu as well as the raising of funds, purchase of materials and donation of equipment to aid the people of Vanuatu following the devastation of Tropical Cyclone Pam in March 2015.

I would also like to thank and congratulate the New South Wales Operations staff, our contractors and insurer AON for going above and beyond the call of duty in the aftermath of the severe storm which caused such extensive damage throughout the Hunter and Central Coast regions in April 2015.

The Hunter Homeless Connect event was another success this year, thanks in no small part to the extraordinary work of Compass staff, in particular Lucy Andrews. Compass' commitment to place making remains as solid as ever and earlier this year we saw the latest example of that commitment with the launch of the 123 Community Hub in Broken Hill. The Hub will promote social cohesion in the community through the delivery of lifestyle, education and support services in partnership with other service providers.

The Compass Grow a Star program is one of our most successful community engagement and development programs, which is why earlier this year we were delighted to receive an additional \$30,000 from the Newcastle Permanent Building Society for youth scholarships.

While Compass offers a variety of community development programs in different locations, they are all underpinned by the same philosophy—to promote social inclusion, economic opportunity and community cohesion. That's why it's so pleasing to see 176 tenants last year participating in new employment, training or volunteering opportunities.

The last year has also seen great progress in the Logan Renewal Initiative; Australia's largest ever transfer of social housing management to the community housing sector. Over the past 12 months Compass has begun to employ Logan based staff with the existing government staff expected to transfer across shortly prior to the commencement of services in early 2016.

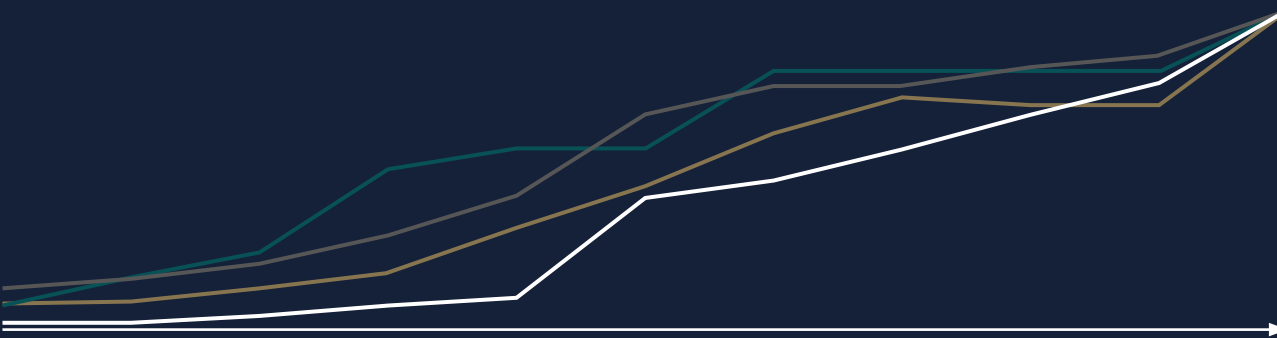
Compass has performed significant customisation and improvement of the Greentree IT system, a project which saw Compass awarded the Greentree International Don Bowman Award for Initiative. Other awards received throughout the year included a big win at the Australasian Housing Institute Awards for Leading Housing Development for a supported youth accommodation development in Islington, and Central Coast Tenancy Relations Officers Jo McGuire and Jo Knight being recognised by the New South Wales Federation of Housing Associations for Excellence in Frontline Services.

2015 also saw the launch of the Compass Research Unit under the stewardship of Professor David Adamson OBE, Emeritus Professor with the University of South Wales and internationally recognised expert on community regeneration. Professor Adamson is developing a "Third Wave" conceptual framework – amalgamating Compass' existing People, Place and Performance approach with his own "Deep Place" approach, and broader housing service options which have underpinned our submissions to New South Wales Government for the Premier's Innovation, Social Housing Discussion, Social Bonds and Commonwealth Senate Economics Committee.

IT HAS BEEN SOME RIDE OVER THE LAST 10 YEARS AS YOU CAN SEE FROM THE GRAPHS AND STATISTICS BELOW.

COMPASS GROWTH OVER 10 YEARS

● Staff ● Offices ● Managed Properties ● Net Assets



FACTS & FIGURES	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Staff	9	13	23	39	53	85	97	95	95	135
Offices	1	2	3	6	7	7	10	10	10	12
Managed Properties	521	700	944	1130	1740	3100	3298	3245	3317	4473
Income (\$m)	4.4	5.9	7.9	21.2	27.2	138.9	45.9	34.7	53.1	223.3
Net Surplus (\$m)	0.5	0.7	0.8	11.3	13	116.8	19.1	4.9	21.9	180.7
Net Assets (\$m)	2	3	3.5	14.8	28.9	146.1	170.1	199	229.9	373.2

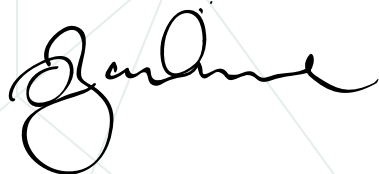
COMPASS HAS HAD ANOTHER SUCCESSFUL FINANCIAL YEAR WITH THIS REPORT HIGHLIGHTING A NUMBER OF THE MORE SIGNIFICANT FIGURES.

While Compass, and the community housing sector more broadly has achieved a great deal over the past decade, homelessness and poverty remain at unacceptable levels in Australia and New Zealand and our system of governance, economy and community interrelatedness appears to be generating even more of both, despite attempts to address these and other issues within our society. However, review and reform is current in many areas of government and non-government sectors. The commencement of the National Disability Insurance Scheme in Australia is a particularly positive step while recent commitments of the New Zealand national government and large regional councils to transfer a significant portion of their housing portfolios to the NGO sector will likely make a significant and positive impact. The further backdrop to our issues in Australia and New Zealand are the currents that are both sweeping some to great wealth and others to destitution in many areas of the world as humanity embraces global economic, political and environmental upheaval and rapid and volatile technological changes.

For an organisation that strives for a world in which all people have appropriate and affordable shelter and are engaged in sustainable communities, the task is not getting any easier, but in this our 30th year and with the growth that has lifted us:

THE HIGHER WE CLIMB, THE MORE WE SEE WHAT CAN BE DONE AND THE OLDER WE GET, THE MORE WE BELIEVE WE CAN DO IT.

GREG BUDWORTH
FOR AND ON BEHALF OF COMPASS
MANAGEMENT TEAM



2015 REPORT CARD

KEY PERFORMANCE INDICATORS	2015	2014	2013
TENANT SATISFACTION			
Overall satisfaction with the organisation	91%	89%	88%
Satisfaction with ways in which Compass involve tenants	88%	90%	89%
Satisfaction with ways in which Compass communicate with tenants	88%	87%	87%
SERVICE DEVELOPMENT			
Total Properties managed as at 30 June	4473	3317	3245
Total properties managed under Housing NSW programs	2900	2881	2882
FINANCIAL MANAGEMENT			
Cash at end of year	\$8.7M	\$23.9M	\$11.8 M
Net Profit	\$180.7M	\$21.9M	\$4.9 M
Net Operating Profit (ex Capital Grants / Contributions)	\$3.5M	\$8.4M	\$4.9 M
Retained Profit	\$373.2M	\$192.4M	\$170.5 M
HOUSING MANAGEMENT			
Arrears	1.5%	2.00%	2.00%
Market Rent loss via void/vacancy	\$120.000	\$78.645	\$99.554
HUMAN RESOURCES			
Number of full time equivalent staff	130.49	85.94	87.47
Training Spend	\$108K	\$116K	\$109K
MAINTENANCE			
Combined Maintenance expenditure	\$6.5M	\$5.4M	\$6.2 M
REPAIRS AND MAINTENANCE COMPLETIONS			
No service requests raised	21,192.00	15,040.00	14,614.00
No service requests completed	20,208.00	14,457.00	17,980.00



OUR ASSETS

PROPERTIES MANAGED

4473

TOTAL NO. OWNED

1400

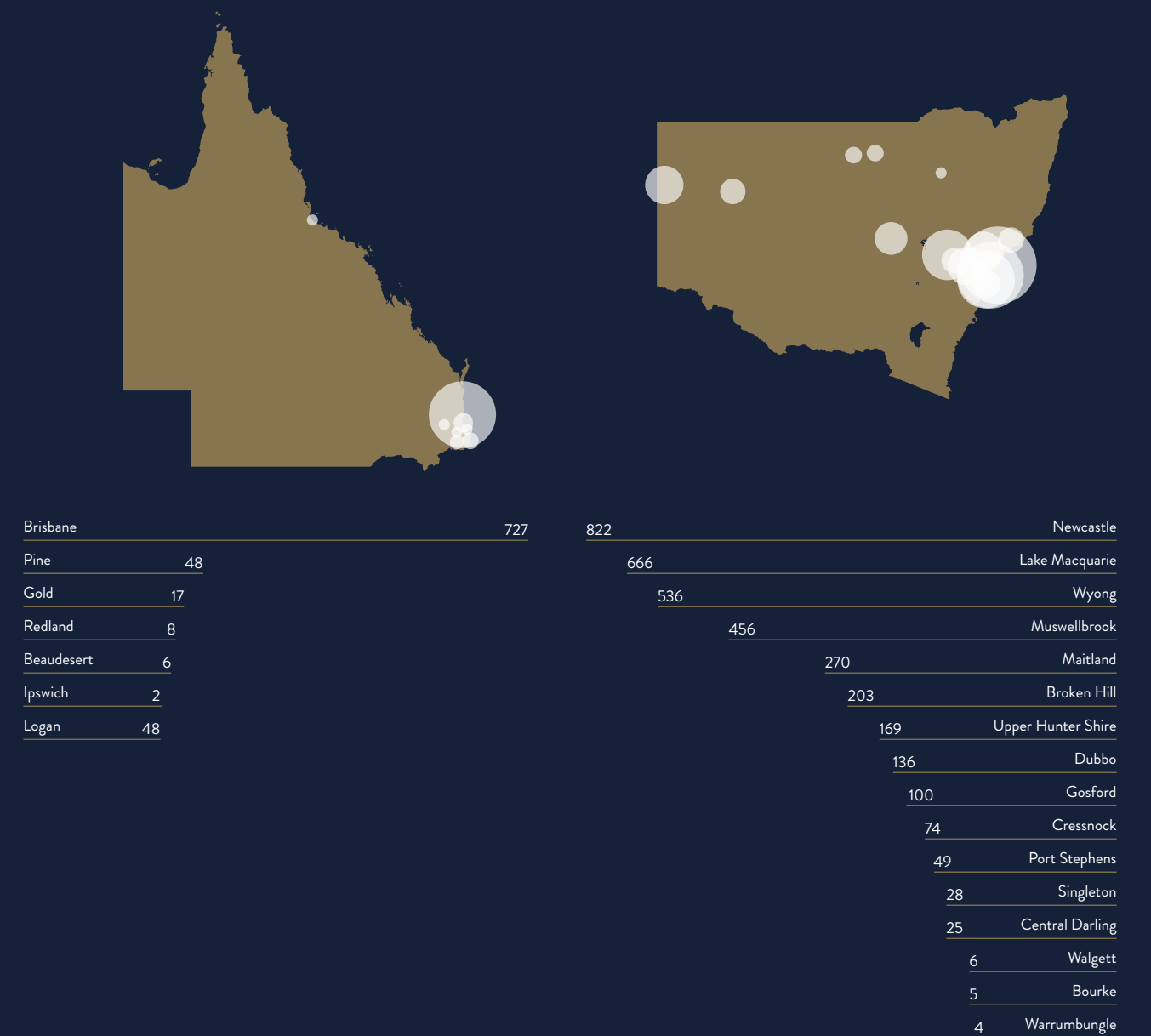
SERVICE CENTRES

10

LOCAL GOVERNMENT AREAS

24

QLD & NSW PROPERTY NUMBERS



QLD & NSW PROPERTIES

BY TYPE	QLD	NSW
Capital	469	1469
Fee for Service	263	276
Leasehold	184	412
Owned	8	1392

BY ASSISTANCE TYPE	QLD	NSW
Affordable Housing	-	480
General Housing	460	2705
Transitional Housing	160	71
Other FaCS		8
Fee for Service	263	276
Crisis Accommodation	-	9



ASSET PORTFOLIO

NO. OF PROPERTIES OWNED IN NSW	1400
Equity ownership	8
SHGF and NRAS government initiatives	229
Vested title from Housing NSW	1018
Leveraging	127
Boarding House New Generation	18
NO. PROPERTIES MANAGED ON BEHALF OTHER ORGS	3073
FFS (Private & AHO)	539
Headlease	596
CAPMH	1469
DHPW	469
PROPERTIES WITH TITLE VESTED IN 2014/2015	457
Vested Assets (Title received 11/7/2015)	457

NEW PROPERTIES PURCHASED & AVAILABLE FOR RENT DURING 2014/2015	88
Vested Leveraging Properties	70
Affordable dwellings targeted to General Social Housing	50
Affordable dwellings targeted to Affordable Housing	20
OTHER PROPERTY PURCHASES & AVAILABLE FOR RENT DURING 2014/2015	18
Boarding House New Generation (funded by Centre for Affordable Housing) (Affordable dwellings with NRAS incentive entitlement also received)	18

ACQUISITIONS & DEVELOPMENTS

This financial year Compass added another 88 homes through acquisition and development to its asset portfolio through a variety of programs providing much needed additional housing for those in need.

From 2009 through to 30 June 2015, Compass has delivered an additional 374 affordable and social housing dwellings, with a further 32 dwellings currently in the pipeline, creating a total of 406 dwellings due for completion by the end of 2017.

This additional housing 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.

These dwellings have been delivered through various government funding schemes including the Federal Government's Nation Building Economic Stimulus Plan, the joint State and Federal National Rental Affordability Scheme, the Australian Government's Supported Accommodation Innovation Fund and earlier schemes such as the Debt Equity Scheme and the Affordable Housing Innovation Fund.

2015 also saw Compass take out the prize for Leading Housing Development at the New South Wales Australasian Housing Institute Awards. The supported accommodation project for at-risk youth was delivered in 2014 and has previously won a number of other awards including Housing Industry Association (HIA) awards for Special Purpose Housing and Apartment Complex of the Year.

PROVIDING MUCH
NEEDED ADDITIONAL
HOUSING FOR THOSE
IN NEED.

EAST MAITLAND, HUNTER

Compass worked with local developer Bamreta to deliver this well designed and functional unit complex of 36 one and two bedroom units, of which Compass acquired 19. The development is contemporary in design, complete with environmental fittings and finishes and is located within a vibrant community at the city centre of East Maitland CBD which a convenient location offering a myriad of employment opportunities, services and shopping options. These dwellings were delivered through the Commonwealth and State Government's National Rental Affordability Scheme.



CANTON BEACH, CENTRAL COAST

This year Compass completed the delivery of all projects under the Supported Accommodation Innovation Fund (SAIF) contract which was awarded to Compass in 2012 by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to build 20 new two bedroom homes for people with a severe or profound disability. All homes under this project are architecturally designed and have attained platinum level under the Australian Liveable Housing Design guideline. These homes also include features to make living easier and safer and provide good access and functionality. These homes have made a huge impact in the lives of the people who live in them by allowing them to live independently.

OUR HOUSING & OUR PEOPLE

Compass Housing Services is Australia's largest community housing provider with more than 4473 properties under management across New South Wales and Queensland.

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 programs.

Compass has extensive experience in providing tailored tenancy services, and we specialise in managing the specific needs of our different residents, cultures and housing programs.

COMMUNITY HOUSING

Community housing is subsidised rental housing provided by not-for-profit, community based organisations, for low income households or those who would otherwise struggle to find accommodation. It is an integral part of Compass operations and accounts for 77 per cent of our housing portfolio.

Compass' community housing provides a safe, secure and affordable accommodation to people listed on the social housing register in Queensland and New South Wales. However, Compass aims to be much more than just a tenancy manager. We're also dedicated to making sure our tenants have a voice, and are actively engaged in their communities. That's why we place a strong emphasis on the delivery of additional wraparound services and activities that help foster social inclusion and community development.

Compass is registered under the National Community Housing Regulatory System as a Tier 1 provider and holds a full accreditation under the National Community Housing Standards.



GEORGE KNIGHT
WINDALE, NEWCASTLE

THE PLACE IS NICE AND SPACIOUS. WHEN I FIRST MOVED IN THE GARDEN NEEDED A BIT OF WORK BUT I TOOK MY TIME FIXING THE LAWN AND ESTABLISHING ALL THE GARDENS. NOW IT REALLY FEELS LIKE MY LITTLE PATCH OF HOME

His journey so far has seen him travel around the world with the navy, brought him within 22kms of a nuclear test site and in more recent years overcome a debilitating case of Post-Traumatic Stress Disorder through the discovery of a hidden talent for art. “I applied to the Navy in 1967 when I was fifteen years old,” George said.

“I was accepted and travelled to Fremantle W.A. for my training in seamanship and more scholastic lessons. One year later I was in HMAS Sydney. We sailed for Vietnam 12 days after my 17th birthday.”

As you would expect, George’s service in Vietnam left its mark, but he looks back fondly on much of his navy career which included stints in exotic locales throughout South East Asia including Japan, Singapore, Hong Kong and the Philippines as well as trips to the United States, Africa and the South Pacific.

“Getting paid to travel the world was a great experience for a young bloke,” he said. “Unfortunately, because we were young blokes we probably spent a bit too much time in the bars and not enough time sightseeing!”

“In the mid-70s I was part of a supply run to two New Zealand frigates in the South Pacific that were there protesting against French nuclear bomb tests at Moruroa Atoll.

“We got within 22 kilometres of the test site which was quite an experience. They told us we didn’t need to worry about exposure but most of the guys were a bit nervous because there was no protective equipment, just a few wetting stations like you see after a chemical spill, and we didn’t really know what might happen.”

George’s navy career came to an end in 1975, not long after the trip to Moruroa.

“At around that time a lot of things changed, including the pay rates, so lots of guys decided it was time to get out.

“Back then you had to give a year’s notice when you wanted to leave and there were so many guys trying to leave at the same time that the navy started offering \$1000 cheques to anyone who was willing to stick around for an extra couple of years.

“Some of the older guys with families took the cash but I decided I’d had enough and it was time to move on.”

Like many veterans, George found the transition back to civilian life difficult. In recent years he has been diagnosed with Post Traumatic Stress Disorder, a condition he attributes to a combination of his experiences in Vietnam and the poor treatment veterans received on their return.

“All sorts of different things happened up there which were tough enough to deal with on their own without the rubbish we copped when we came back,” he said.

“Like a lot of blokes going through that I struggled with panic attacks and anxiety. I never had a name for it until more recently.”

After leaving the navy, George worked briefly in the Royal Newcastle Hospital before taking up a job with the Newcastle Wire Rope Works, where he stayed for the next 22 years.

“After that I did a couple of years driving limousines, but the crowds in Sydney weren’t good for my PTSD so I had to give it away.

Since retiring, George has discovered a talent and a passion for visual art – a talent discovered almost by accident, and one that has provided him with far more than just pictures for the wall.

“Back in 2008 I was staying at the St John of God Hospital in Richmond getting some treatment for the PTSD and a few other things. I was staring out the window at an enormous tree in the yard and without really thinking about it, I started drawing a picture of it on a notepad I had sitting there.

“When I was finished I took it up to the arts and craft centre at the hospital and they told me it was pretty good so I sat down to paint it.

“It turned out OK so I decided to have a go at another one, and it just flowed from there. I do mainly landscapes and a few other things. I find it incredibly therapeutic. You can get lost in a painting. I like it a lot.

“I donated all the paintings I did while I was at the hospital to their annual Veterans Day event. Whenever one gets sold the money goes towards buying more supplies for the art room.”

In late 2012, George was having difficulty finding somewhere affordable to live when an old navy friend suggested he contact Compass.

“I put in an application and a while later I got a call saying ‘we’ve got a place’ for you in Windale’. I checked it out with my daughter and decided on the spot I’d take it.”

“It feels good to have come full circle. Where I live now is probably less than half a mile from where I grew up back in the 50s and 60s. I’ve still got some of the same mates from school and we get together at the local club pretty often. My kids live nearby as well so I’m on babysitting duty with the grandkids all the time.

“The place is nice and spacious. When I first moved in the garden needed a bit of work but I took my time fixing the lawn and establishing all the gardens. Now it really feels like my little patch of home.”



DAVID HURDING
TRANSITIONAL HOUSING - YERONGA, BRISBANE

David became a Compass Housing tenant after a perfect storm of bad luck left him teetering on the brink of homelessness.

“Back in 2011, I developed serious medical problems which meant I couldn’t work,” David said.

“Around the same time I went through a break-up, then had to move out of my place because I couldn’t afford it anymore, and ended up couch surfing with friends and family.

“My health improved but without stable accommodation it’s hard to hold down a job and when you stop being part of the working class, you stop feeling good about yourself and it takes you to your lowest level of self-worth.”

David said since obtaining secure housing through Compass, he had been able to resume his career and concentrate on his future.

“Having stable housing is everything,” he said.

“Since living in my new place I’ve got a job doing furniture delivery and am currently studying towards a degree through Centacare’s Clemente program.

“Although it hasn’t been easy over the past few years, I feel like I now have some good neighbours and am starting to get ahead.”

“Looking to the future, I really want to start my own event hire business and build a home on a small piece of land that is my own.”

HAVING STABLE HOUSING
IS EVERYTHING. SINCE
LIVING IN MY NEW PLACE
I’VE GOT A JOB DOING
FURNITURE DELIVERY AND
AM CURRENTLY STUDYING
TOWARDS A DEGREE
THROUGH CENTACARE’S
CLEMENTE PROGRAM

SUPPORTED HOUSING

Tenants housed in supported accommodation are the most vulnerable and require varying levels of support to live independently. Compass partners with many support agencies to ensure our people have the services and support they need to help them live independently and to address their needs.

Compass has extensive and well-developed partnerships with a variety of support service providers across Queensland and New South Wales who provide a wide range of services that enable our tenants to live independently. These services are provided to a wide range of tenants including those with physical or intellectual disabilities, people with mental health issues, people escaping domestic or family violence, indigenous people, young parents, people experiencing or at risk of homelessness and those exiting the criminal justice system.

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.

YOUTH ACCOMMODATION ISLINGTON, NEWCASTLE

The Compass Housing Youth Accommodation project provides supported housing for people aged 16-25. The program operates from a brand new complex of studio and one bedroom apartments at Islington and is targeted towards youth and young adults who are studying or working and require the services of a support provider to assist them to sustain their tenancy, improve their living skills and to sustain their study or employment.

The project is Compass' response to the recent closure of a number of shelters and refuges in the Newcastle area and the attendant gap in services available to at-risk youth.

Tenants at the Islington complex must be engaged with a support partner and either working or studying throughout their tenancy. Tenants are supported by a local service provider who works in partnership with Compass to sustain the tenancy. While the bulk of tenants are in the 16-25 age bracket, the complex also features two modified apartments on each floor which are reserved for older tenants with disabilities or complex needs.

While still in its infancy, the project is already delivering some great results. Of the 32 people housed so far, two of these have transitioned into long term housing, ten are currently undertaking study and nine people have gained employment.

The Islington project was designed by Mark Lawler Architects and delivered through the National Rental Affordability Scheme. Since its completion the complex has won numerous awards including Special Purpose Housing of the Year and Apartment Complex of the Year at the 2014 Housing Industry Association awards and Leading Housing Development at the New South Wales Australasian Housing Institute Awards.

YOUTH ACCOMMODATION ISLINGTON, NEWCASTLE

32
CLIENTS
HOUSED

2
TRANSITIONED
INTO LONG TERM
ACCOMMODATION

9
GAINED OR
EMPLOYMENT

10
TENANTS
STUDYING

2
TENANTS
VOLUNTEERING



SUPPORTED DISABILITY HOUSING ADAMSTOWN, NEWCASTLE

During the year Compass delivered a brand new boarding house in Adamstown funded under the New South Wales Government's New Generation Boarding House Program. This boarding house provides a home to people with a disability and operates through a partnership agreement between Compass and disability support agency The House with No Steps.

The program is designed to provide stable accommodation for people with a disability as they work with House with No Steps to learn the skills required to move towards independent living.

COMPASS TENANCY SPECIALIST MODEL

Under Compass' Tenancy Specialist Model, support officers work in collaboration with our tenancy management staff as well as referral and support agencies to help vulnerable tenants sustain their tenancies.

14 months ago in an open trial pilot on the Central Coast, two Compass support and property specialists started doing what they felt Compass tenants needed, offering two person visits that simultaneously offered tenant support and property inspections.

In the social housing sector, a lot of time is spent working with tenants who are at risk of losing a tenancy or responding to crisis situations. Compass tenancy specialist model adopts a more proactive approach to achieving sustainable tenancies by utilising the access obtained through property inspections as a vehicle to assess the wellbeing of tenants and providing a framework to report on the success and achievements of certain tenants, while offering an opportunity for early intervention for those at risk.

Support specialists are all highly trained welfare professionals, and can identify potential barriers or risks to tenants that a property officer may not notice. The results can range from identifying children at risk, to providing appropriate support referrals for elderly or disabled clients who may be experiencing difficulty sustaining their tenancy.

DISABILITY HOUSING

Compass continues to work with our support partners to provide independent living and community participation for people with a disability.

With many of our clients living with a disability the continued growth and strength of these relationships is of great importance.

The evolving demographic of social housing clients has created greater demand for housing suitable for people with a disability. To meet this need Compass not only undertakes modification works on existing homes but ensures any new acquisitions or developments include adaptable and accessible housing options to enable people with a disability to have choice and flexibility.

Last year Compass completed the delivery of 20 new homes in the Hunter and Central Coast regions under the Australian Government's Supported Accommodation Innovation Fund (SAIF). This program is delivered in partnership with Ability Options and provides housing and support to people with a severe or profound disability in a safe and supported environment.

The homes are modern architecturally designed duplexes that include assistive technology, with each duplex tailored to support individual needs.



SCOTT FOTHERINGHAM
SAIF ACCOMMODATION – WALLSEND NSW

Scott was born with Duchenne Muscular Dystrophy, a degenerative neuromuscular disorder which affects walking and general mobility.

Now living in one of the brand new disability housing properties delivered by Compass under the Australian Government's Supported Accommodation Innovation Fund, Scott is experiencing a level of independence and freedom he had never believed possible.

"Before I got the place, I had been living at home with my mum and dad and two sisters for my entire life," Scott said.

"Ever since I was a kid I have always wanted my own space and my own freedom. We found out about these properties and I put in an application but I never really thought I'd be successful.

"I just figured there would be someone out there who would need a place like this more than me.

"Mum and Dad actually found out I had been successful about a week beforehand but they hid the letter and gave it to me on my 23rd birthday. Without a doubt it was the absolute best birthday present I've ever had."

Scott describes his first day in his new home as the happiest of his life, but said the process was more difficult for his mother who, up until that point, had been his primary carer for almost 23 years.

"When I first moved in I thought I was going to have a heart attack. I couldn't believe I had my own place and was going to be able to start a new journey in my life.

"I had been looking forward to having my freedom but Mum announced she was moving in with me for the first week, which wasn't really part of my plan. I think we lasted about four nights before I said "Mum, you have to go!"

These days Scott lives a full life supported by a team of carers from Ability Options who help with things

like showering and food preparation. He also receives support from Castle Personnel who drive him to and from various appointments. In addition to frequent gym and hydrotherapy sessions for his condition, Scott's newly minted independence gives him more time to pursue his interest in music.

"When I was in Year 6 my dream was to be a sound engineer. I stuck to that throughout high school and went to TAFE but I didn't really enjoy the business management side of it so I decided to focus on DJing.

"I started out doing local backyard parties, and then I went to a DJ school in Newcastle to learn a few new skills. Eventually I went and bought some proper gear, big speakers and the biggest subwoofer I've ever seen.

"I've done a few more gigs at parties since then and later in the year I'll be playing to the biggest crowd I've ever had at the Compass Christmas party.

"Moving into this Compass property has completely opened up my world. Just simple things like being able to have mates around without having to worry about inconveniencing anyone makes so much difference.

"Having my own place has allowed me to start becoming who I want to be."

HAVING MY OWN PLACE
HAS ALLOWED ME TO
START BECOMING WHO
I WANT TO BE.



HOMELESSNESS INITIATIVES

The lack of a safe and affordable place to call home can have appalling consequences for a person’s physical and mental health, their access to education, not to mention their job prospects. In fact, without one, it’s next to impossible to make a go of things in any other part of your life.

Sadly, while there have been a number of promising announcements from state and federal governments over the years, the number of people receiving support from homelessness services has continued to rise. According to the Australian Institute of Health and Welfare, in 2013-14 - 254,001 people sought assistance from homelessness services. Perhaps even more alarming however, is the number of people services could not assist. Last year, on average, 423 people were turned away from support services each and every day. In 2013-14, specialist homelessness services intervened to prevent about 70,000 (16,500 more than two years ago) from losing their housing (AIHW, 2014).

The 2012 National Social Housing Survey found that one in 10 public housing tenants and one in five community housing tenants had experienced homelessness at least once in the past five years. Of these, one quarter had slept rough (2012 National Social Housing Survey (NSHS)).

THIS WAY HOME PROJECT

This Way Home Project continues to operate as a specialised supported housing model, providing assistance to people experiencing or at risk of homelessness.

The This Way Home Project collaborates with a number of support providers including The Samaritans Foundation, Mission Australia, the Salvation Army, Nova Women’s Accommodation and Support, Baptist Community Services, Catholic Care Hunter Manning and Wesley Mission.

Since commencement four years ago ‘This Way Home’ has assisted almost 307 people experiencing or at risk of homelessness.

The objective of the program is to increase the likelihood of these tenants being able to gain and sustain a tenancy in the private, social or public housing market, with the majority of those transitioning from temporary or medium term accommodation into long term public, affordable or private housing.

WARATAH, NEWCASTLE

Compass operates a boarding house in Waratah catering for men experiencing or at risk of homelessness including those experiencing mental health issues and people exiting the criminal justice system.

The complex is managed in a similar manner to the This Way Home project. Lease terms are for a maximum two years and are reviewed every three months, at which time tenants must demonstrate that they are actively engaged with their service provider.

THIS WAY HOME : 2014-15



WARATAH, NEWCASTLE





HUNTER HOMELESS CONNECT DAY

Compass was proud to once again sponsor the Hunter Homeless Connect Day held on Tuesday 4 August.

Over 10 staff members from Compass volunteered their time to help coordinate and run the event this year. With just over 900 in attendance, we experienced a greater increase in the number of attendees in greater need and older people accessing services.

Compass was also on the ground throughout the day to help attendees with applications for housing and referrals to support services.

This year's event saw a record number of organisations with 81 service providers in attendance linking people experiencing homelessness with a range of services including legal and financial advice, family programs and services, crisis and long term accommodation options, health information, indigenous services, as well as youth study and employment options.

The event would not have been possible without the work of Compass' Housing Pathways Coordinator, Lucy Andrews, who served as the event's coordinator for the second year in a row.

OUTREACH SERVICES

Once a fortnight, one of our Housing Pathways officers attends Soul Café located in Newcastle and provides information to people who need help applying for social housing. Soul Cafe, which is run by Life Church, has become a one-stop-shop, serving approximately 800 free hot meals a week, offering a GP clinic as well as Centrelink and Legal Aid services to highly disadvantaged members of our community.

RENT IT KEEP IT

Our Housing Pathways team run quarterly sessions for people who are homeless or in transitional properties with little experience in the private rental market or who have had problems sustaining tenancies in the past. The sessions are designed to educate people about all aspects of the rental process and cover topics including applying for housing, property care and cleaning and managing expenses.



JASON DRUMGOLD TRANSITIONAL HOUSING - HOLLAND PARK, BRISBANE

Before being housed with Compass, Jason had been sleeping rough for over two years.

"Becoming homeless for the first time at the age of 40 isn't something you see coming," he said.

"Things at my previous rental weren't working out and everything just snowballed and fell apart from there. I lost my job and my house. I had no support network and all of a sudden I was on the street. It's not a situation I ever expected to be in."

Jason's health deteriorated during his time on the street and he was hospitalised multiple times.

"Over the two years I was homeless, I probably ended up in hospital three times due to chronic asthma and other health problems," he said.

As well as suffering ill health, Jason said his biggest concerns on the street were the lack of security and electricity.

"I had a tent and a few things but you never feel completely safe and I was always worried about stuff getting stolen.

"Simple things like charging your phone or getting a shower start to become hard. I was using bottles of water I'd heated up in the sun just to have a shower."

Jason's fortunes began to turn around after being connected with Partners in Recovery who referred him on to Compass.

Compass was able to provide me with an affordable apartment in a good area and I haven't looked back since," he said.

"The first night in the new unit was surreal. I remember having a 45 minute shower and cooking myself a hot meal. These are things people take for granted but after two years being homeless it was absolute heaven for me."

AFFORDABLE HOUSING

With public and community housing increasingly reserved for the most vulnerable members of society, affordable housing has evolved as an alternative for low to moderate income workers who generally don't meet the eligibility criteria for public housing, but still struggle with cost of private rental.

Compass' affordable housing portfolio currently accounts for 11 per cent of Compass total housing portfolio and is funded under various programs by commonwealth and state government grants, including the National Rental Affordability Scheme (NRAS), Debt Equity Funding and the Social Housing Growth Fund (SHGF) grant. It is also funded by Compass through debt finance and through leveraging from our current assets.

In Queensland, Compass also manages 90 affordable units on Ferry Road in the inner city suburb of West End. The complex of studio, one and two bedroom apartments is unique for the sector in that it was entirely privately funded, with investors receiving a discount on the purchase price in exchange for offering subsidised rents for a period of 10 years. Rents at Ferry Road are capped at 74.9 per cent of market rent as defined by the Department of Housing and Public Works.

Compass also manages approximately 20 affordable properties on the New South Wales Central Coast for Housing New South Wales Centre for Affordable Housing, and around 90 properties in the Newcastle area under the Building Better Cities program.

Compass' Building Better Cities properties are managed out of our commercial real estate office My Place Property (MPP). MPP is a division of Compass Housing Services and currently manages almost 300 properties under the Building Better Cities program and National Rental Affordability Scheme.

As well as providing stable accommodation for moderate income earners and key workers, affordable housing programs can serve as a springboard into the property market by allowing tenants the financial freedom to save a deposit instead of seeing the bulk of their income soaked up by high rents.



MAZIN GORGEES
SETTLEMENT GRANTS PROGRAM - WEST END, BRISBANE

In July 2007, at the height of the second Iraq War, Mazin was struck down by gunfire while standing outside the Catholic Church where he studied theology.

He suffered serious injuries to his liver, spleen, diaphragm and lung, spent 12 days in hospital and was lucky to escape with his life.

Incredibly, the shooting wasn't his first near death experience. In 1987, during the Iran-Iraq War, Mazin lost the lower part of his left arm in an explosion as he and his fellow conscripts patrolled the mountainous border region separating Iraq and Iran.

Shortly after being released from hospital after the church shooting, Mazin and his family fled Iraq for Syria, where they spent the next six years living as refugees in Damascus.

"When we first arrived, Syria was OK, but as time went by it became very dangerous.

"I had applied for refugee status but without family in a host country, it takes a long time. A nice lady from the UN was helping arrange my paperwork and then one day with no warning I got a call from the Australian Embassy in Jordan, telling me that we could go to Australia."

"When we first arrived here I spent a year living in Woodridge, but then went through a family breakdown and had to move. I lived in a share house for a while but I didn't like it. I had nowhere else to go and was expecting to be homeless when I was put in touch with Compass."

"They helped find me an affordable apartment, and put me in touch with people who could help with things like furniture and a fridge.

Since linking up with the Compass Settlement Grants Program (SGP) Mazin has not only secured stable accommodation in a Compass housing complex, but also reconnected with the Church, joined a local choir and is now focused on improving his English skills at TAFE. He worries about his family in Baghdad, and tries to stay in contact on Skype.

"I miss my country, my family and my friends," he said.

"I worry about their safety, because Iraq is very dangerous, but they tell me to be happy."

For a man who has experienced so much tragedy, happiness comes remarkably easily to Mazin. Despite having experienced great suffering, his sunny disposition remains undefeated.

"I go to church on Sundays in South Brisbane or West End. Both are very good. I like them very much. Here, everyone is nice. When I arrived I had just some clothes in a bag, now I have a safe home, have met some very nice people and feel like part of the community."

WORKING IN REMOTE COMMUNITIES

Compass manages Indigenous housing under various programs for the Aboriginal Housing Office (AHO), and Housing New South Wales under stock transfer and the New South Wales Department of Family & Community Services. The properties have been located in various regional and remote locations including Broken Hill, Wilcannia, Menindee, Balranald, Dareton, Dubbo, East Maitland and Newcastle. We also manage AHO Domestic Violence Safe Houses properties at Wilcannia, Lightning Ridge, Brewarrina, Bourke and Walgett. Compass continues to support the AHO's Employment Relation Accommodation (ERA) program as part of the Remote Indigenous Housing National Partnership Agreement.



SAFE HOUSES

Compass manages five SAFE houses in the areas of Wilcannia, Bourke, Brewarrina, Walgett and Lightning Ridge, with each consisting of two crisis units. These 10 units provide short stay accommodation for women escaping homelessness or domestic violence. Each of the SAFE houses also include two transitional dwellings offering three to 12 month transitional stays to help families to find their feet by working with the agency running the SAFE house to build tenancy skills and a rental history. Bourke, Walgett and Lightning Ridge also have an exit house each attached to their programs, for people to move into after being in transitional housing.

COMPASS PROUD TO SUPPORT INDIGENOUS POLICE TRAINING PROGRAM

Compass is pleased to continue to partner with AHO, TAFE Western and the New South Wales Police Force in delivering the Indigenous Police Recruiting Our Way (IPROWD) program which was launched in Dubbo in 2008 as a specialist training program for Aboriginal people to enter the New South Wales Police Force Academy.

IRPOWD offers an industry focussed program that provides Aboriginal school students with a Certificate II in Government Services, customised for the New South Wales Police Force and offered as part of the HSC program.

Students are housed by Compass in properties provided by the New South Wales Aboriginal Housing Office's Employment Related Accommodation Program and funded under the National Partnership on Remote Indigenous Housing.

HERE ARE SOME HIGHLIGHTS FROM
SOME OF LAST YEAR'S GRADUATES.



IPROWD 2015 GRADUATION

Compass congratulates our tenants Rikka Lamb, Heidi Marlow, Tennille Campbell-Carr, Brendan Beauchamp, Kathleen Milgate, Damon Bell, Talisha Kuras, Michael Sutton, Laura Marlow, and Shania McDonald on their recent graduation in June 2015 from the IPROWD program.



TALISHA KURAS

Having grown up in the small town of Coonabarabran, Talisha moved to Dubbo to pursue her dream of joining the police force.

Talisha lived in a share house managed by Compass along with three other IPROWD students and is still there while she completes her Diploma in Aboriginal studies.

“Without this housing, it would have been near on impossible to complete the IPROWD program” she said.

“Having this roof over our heads meant that we could finish our training.”

Talisha said that once she becomes a police officer, she wants to specialise in youth work across Indigenous communities.

“I decided I wanted to become a police officer so that I could be a role model for Indigenous people. A lot of Indigenous people have negative views of the police, so that’s something I want to change.”



RIKKA LAMB

Rikka was living in Goolooga when she took the opportunity to move to Dubbo to enter the IPROWD program. Rikka said that she applied for the program so that she could work in Indigenous communities.

“I want to change people’s perceptions of police and to better the community” she said.

“Working with people from your own culture means that you can relate to them and what they might be experiencing.”

Rikka said that the housing provided by the New South Wales Aboriginal Housing Office and managed through Compass meant that she could complete her training.

“I was able to live independently from my family, which gave me privacy and let me concentrate on study without having anything else to worry about.”

Rikka is completing her Diploma in Aboriginal Studies while awaiting entry into the New South Wales Police Force Academy.



HEIDI MARLOW

Heidi decided she wanted to use her Aboriginal background to help Indigenous communities, and moved to Dubbo this year to train in the IPROWD program.

Heidi shared a three bedroom house that was managed by Compass along with her sister and another IPROWD student.

“I wouldn’t have been able to complete IPROWD without this housing” she said.

“Although I managed to pick up some weekend work, there is no way I would have been able to meet my study commitments if I had to pay full rent.”

Heidi said that she would like to return to Dubbo and serve as a local police officer.

“Dubbo is great place and has a terrific community - people really go out of their way to support each other, from Aboriginal Elders through to the wider community.”



“BROKEN HILL IS ABOUT LOYALTY, TRUST AND KINSHIP. PEOPLE IN BROKEN HILL SHARE A SPECIAL KIND OF BOND—A BOND WHERE IF YOU ARE NOT TRAVELLING SO WELL YOU KNOW THE WHOLE TOWN WILL RALLY AROUND YOU TO PICK YOU BACK UP. WHEN ONE PERSON HURTS HERE THE WHOLE TOWN DOES.”

JORDAN TONKIN
ASSISTANT TENANCY
RELATIONS OFFICER

The roles of our staff members in remote areas are integral to the success of our operations. These staff members are usually locals with a keen interest and passion for serving the community and seeing it thrive. Michael Westley, Team leader and Jordan Tonkin, Assistant Tenancy Relations Officer, located at our Broken Hill branch exemplify those attributes with a demonstrated passion for their local community.

This year Michael and Jordan become white ribbon ambassadors and are featured on Lifeline poster promoted throughout the town raising awareness about suicide prevention. They have joined forces with a group of like-minded men, to form a group called DVAT (Domestic Violence Action Team); they are currently working on sourcing funding for this group.

As well as their community work, Michael and Jordan are both keen sportsmen and coach the under 18's at the local football club.

Jordan is also a volunteer for the SAM (Save A Mate) annual seminars that are held at the Broken Hill high schools educating students on drug and alcohol intake and throughout the last year Jordan also organised a fundraiser for prostate cancer and for funding of a bus that takes cancer patients to and from appointments in Adelaide.

BROKEN HILL HUB 123

Three years ago Compass Managing Director Greg Budworth presented Compass branches with an idea – to identify a street that would benefit from some extra attention and come up with projects that would improve the quality of life for tenants and make it the street everyone wants to live in.

Staff in the remote New South Wales town of Broken Hill identified Creedon Street as a suitable location due to its distance from facilities, and relatively high concentration of social housing.

At the time the Compass managed property at 123 Creedon Street was vacant so an application was submitted to Housing New South Wales to allow the property to be converted into a community hub. After 12 months approval was granted and Compass employed the services of local Broken Hill building company Carthew Builders to bring the project to life.

RENOVATIONS INCLUDED:

- A disability ramp & disability access door;
- Complete kitchen upgrade;
- Complete bathroom renovation to accommodate wheelchair access;
- A new roof;
- Installation of solar panels;
- Painting both internal and external;
- Reverse cycle air conditioning;
- Installation of CCTV security system;
- New vinyl flooring;
- Building signage and
- A lockable garden shed.

The \$100,000 renovation was funded entirely by Compass with ongoing funding to be provided at no cost to the government.

The project is aimed at reducing anti-social activity by providing a facility where services can run outreach and programs, as well as a place for locals to engage in self-managed positive activities.

In anticipation of the opening celebrations, Compass engaged Thankakali painters and Compass tenants Johnny, Warren, and Feona to create a mural. Feona (an artist from the Barkindji people) designed the mural in two parts to be erected on the walls of the Creedon Street units opposite the 123 Hub. The final product is an amazing, colourful and meaningful representation of the totems of both the Wilyakali and Barkindji people.

The official opening ceremony held earlier this year brought together representatives from the Land Council, Mission Australia, the Department of Family and Community Services, as well as more than 100 local residents.

"COMPASS HAS KICKED OFF A NEW BEGINNING IN THIS COMMUNITY, THE PAST IS THE PAST, LET'S ALL GET ON BOARD".

WINCEN CUY
BROKEN HILL MAYOR

"I THINK IT IS VERY IMPORTANT THAT COMPASS CONTINUES TO PLAY A ROLE WITHIN BROKEN HILL BECAUSE WE ARE THE ONLY SOCIAL HOUSING PROVIDER IN TOWN AND THE ONLY PROVIDER OF HOUSING SERVICES LIKE BOND LOANS. THE PEOPLE OF BROKEN HILL ARE USED TO TALK BUT NO ACTION, BUT THROUGH THINGS LIKE THE 123 HUB, COMPASS HAS BEEN ABLE TO DELIVER."

MICHAEL WESTLEY
TEAM LEADER

The 123 Hub currently has the following partnerships and linkages with more to come:

- Mission Australia has donated four computers and have signed a Service agreement to use the hub for outreach and run their programs;
- Community Restorative Centre facilitate their men's group;
- Youth Group runs every afternoon and is self-guided;
- Toy Library running fortnightly;
- Aboriginal Housing provided approval and funding of the mural for the Creedon Street units which are directly across the road from the 123 Hub;
- Maari Ma Aboriginal Health Service are launching their Fetal Alcohol Syndrome Program from the Hub and
- Mission Australia will run their Mental Health Day at the Hub.

A local residents' Advisory Workgroup has been established to shape the activities that will take place at the hub.



THE THIRD WAVE APPROACH TO COMMUNITY HOUSING

Compass aims to be more than a housing manager and as such has been evolving its approach to tenancy management, tenant participation and community development for some time. Our view is that community housing is about more than providing shelter, it's also about building communities. In 2015 we reached an important stage in the development of a comprehensive approach to sustainable housing and communities. We have termed this approach the 'Third Wave' to mark its development beyond the approaches we have inherited from the past. The first wave model provided affordable housing to workers and their families and the second wave had a more direct focus on vulnerable people, low income families and those with high levels of need. The Third Wave model responds to changing needs in the housing market and to changing housing policy at state and commonwealth level.

WHAT IS THE THIRD WAVE APPROACH

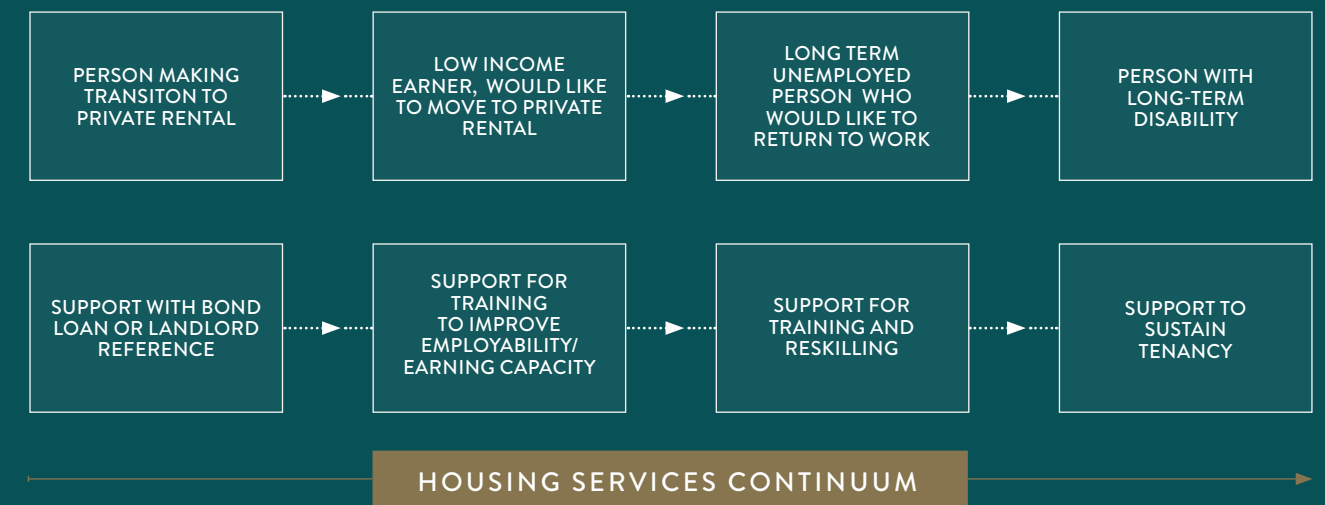
Compass has a long history of delivering a level of service that goes beyond simply providing a roof over the heads of our tenants. Third Wave is not a departure from our programmes such as GROW and our People, Place and Performance framework that have all contributed to our support model for tenants. Rather it is a development that moves us to a supportive approach to tenancy management and provides assistance to our tenants to sustain their

tenancy and develop their potential to achieve new housing pathways. We won't be abandoning our prized programmes such as Grow a Star or our Community Hubs. Instead we are looking at ways to develop and extend them and their reach to our clients, to ensure that we support their wider needs. We want to contribute to the economic life of our communities and help ensure that our residents are able to take employment opportunities when they become available.

FROM HOUSING PROVIDER TO HOUSING SERVICES PROVIDER

We see this as a transition from simply providing housing to the provision of a range of related services to help clients meet their present and future housing needs. We recognise that everyone who comes to Compass for housing assistance will have unique needs, as well as differing personal capacity to maintain safe and secure accommodation for themselves

and their families. We will respond with a range of housing services that meet the needs of the client to find the solution that best meets their requirements at that time. We see this as a support continuum ranging from low level assistance to maintain or take on a private sector tenancy to very high level support.



CREATING WORKER: CREATING JOBS

Compass will work with our tenants to provide as much opportunity as possible to improve their employment prospects. Will also work within our organisation and with partners to develop local employment opportunities. We have a method to achieve this we call Deep Place. It builds on experience from the UK and aims to create local jobs. Methods include the development of social enterprises within Compass and working with existing social enterprises to provide routes to work for our residents. We will use social clauses in our contracts to identify training and employment opportunities for tenants and apprenticeships for the younger community members. We will encourage all our partners and stakeholders to join us in this approach to maximize the impact of spending on housing and related services on the enhancement of the local economy. We will develop volunteering opportunities as pre-work experience which encourages the development of the soft and transferable skills that are needed for the modern workplace. Joining this up with the targeted recruitment of our tenants will bring the demand for and the supply of labour together at a local level.

COMPASS AND OUR PARTNERS

Our Third Wave ambitions can't be achieved on our own and we need the specialist experience of many partners. Often tenant needs are complex and require organisational experience and expertise that fully meets their individual requirements. Compass cannot achieve a comprehensive housing services model in isolation from the wide range of partner organisations we currently work with, and those we will forge partnerships with in the future. We want to be part of a 'coalition for change' that fosters collaboration and integration of services to achieve maximum impact. Compass has extensive tenancy management experience backed up by specialist IT systems and most critically expert staff. We can identify our tenants' needs but we require partners who will work with us to meet those needs in a wide range of human services.



OUR COMMUNITY

Compass is more than just a tenancy manager. We're dedicated to making sure our tenants have a voice and are actively engaged in their communities. That's why we place a strong emphasis on the delivery of additional wraparound services and activities that help foster social inclusion and community development.

We understand that the best outcomes will be achieved through an integrated service, which understands and respects the people, place, potential, and possibilities for the potential clients of these projects.

These goals are realised through a variety of community development programs, some of which are highlighted here.



GROW A STAR

The Compass Grow a Star program empowers young people to reach their full potential in social, academic, sporting and musical pursuits by helping families overcome the financial or generational challenges that prevent young people from following their dreams.

Since its launch in 2012 Grow a Star has provided financial assistance to 99 talented young people to help cover the costs of everything from school tutoring to swimming lessons.

This year Grow a Star expanded to include two \$2000 scholarships specifically for Compass tenants. Applications were up by almost 100 per cent on the previous year with 47 talented youngsters receiving a share of almost \$20,000.

Apart from the fantastic outcomes for the kids involved, perhaps the most impressive aspect of Grow a Star has been the extent to which the program continues to be supported by Compass employees. Staff sponsorship of the program was up by 600 per cent on the previous year which has been instrumental in helping more young people to chase their dreams.

Next year the program is set to expand its horizons even further. Earlier this year, Grow a Star was awarded a grant for \$30,000 from the Newcastle Permanent Charitable Foundation. This funding will form a 2016 scholarship program with a focus on education, sport and the arts for young people who fit the Grow a Star criteria in the Hunter and Central Coast regions.

GROW A STAR IS ALSO SCHEDULED TO COMMENCE IN BRISBANE AND LOGAN IN THE FIRST HALF OF 2016.



SHELLEE – COMPASS TENANT

It wasn't that long ago that Shellee had hit rock bottom following a tumultuous past dotted with a trail of volatile relationships, substance abuse and teen homelessness.

A few short years with some help from the Compass Grow a Star program, she has been crowned the New South Wales Young Achiever for Leadership and Innovation thanks to her tireless work with the Shine program – an initiative that helps empower young women to overcome personal battles and sets them on the path to success.

"A few years ago, I didn't want to get up and face the world - but now I wake up and think about how great my day is going to be," Shellee said.

"My focus is on the personal growth that comes from the things that shake us and shape us in life, and I can now say I have a positive outlook for the future".

"I wanted to thank Compass for their support – particularly Shane for helping me in drafting my application, as well as James Cameron who has always believed in me."



EMILY

Emily is a determined young woman who is battling a number of physical and mental health issues. She is also a strong swimmer who dreams of competing at Olympics.

Grow a Star stepped in when Emily's family was struggling to cover the costs of the squad training sessions.

"My favourite thing in the whole wide world is swimming. It makes me feel happy. I would like to swim in the Olympics and be a star, but I know I have to train very hard.

"We were going to drop swimming because of the cost, but Grow a Star helped us. That makes me feel happy and excited."

Swimming has been of enormous benefit to Emily's confidence and fitness and now, thanks to Grow a Star, her Olympic dream remains alive and well.



ZOE

A talented athlete, Zoe is currently finishing Year 11 at Hunter Sports High School in their targeted sports program.

Earlier this year she was selected to represent the New South Wales Schoolgirls netball team at the Australian Championships and has been named on the Indigenous Women's Aus-tag team which will compete in the world cup to be hosted on the Gold Coast in December 2015.

Through the Grow a Star program, Zoe was nominated for a Santos Indigenous Young Achievers Award where she was a top 10 finalist.

Sporting dreams aside Zoe is the President of her school's Aboriginal Education Consultative Group and plans to study law at university.



KALEB

Kaleb started going to Rosie's School of Rock as a way to help overcome his social anxiety and build self-confidence.

"I started out with group lessons then moved to one on one. I really liked the drums best because I'm shy and didn't like being out in front," Kaleb said.

Grow a Star has helped me a lot to stay here. My family has had trouble with money. It really makes me happy to come here."

Kaleb's grandmother Carolyn said the School of Rock had been incredibly important to Kaleb as it was the one part of his life that was completely his own.

"Both Kaleb and his older brother live with autism. With his older brother being quite unwell, a lot of the family's energy is focused on him," Carolyn said.

"It was really important that Kaleb had something just for him, to make him the focus of attention.

"He has a love of music and Rosie's was the obvious place to come. Rosie's has helped develop Kaleb's confidence and his feeling of self-worth has improved. None of it would have been possible without the assistance of Grow a Star."

Thanks to Grow a Star and Rosie's School of Rock, Kaleb's self-confidence has grown to the point that he has joined a band and is now comfortable performing in public.

THE MEETING PLACE

THE SHACK SHOP
OPENED FOR
BUSINESS IN
FEBRUARY 2015
& BY THE END OF
JUNE HAD ALREADY
REGISTERED 127
MEMBERS & MADE
298 SALES

The Meeting Place is a community hub managed by Compass on the New South Wales Central Coast. It is a central place for the local community that offers local residents access to a range of outreach services and community development activities that boost social cohesion and participation. The Meeting Place and all services delivered there are accessible by not only Compass tenants but the broader community.

Since commencing operations in 2010, The Meeting Place has expanded the number of services on offer with the highlight this year being the introduction of the Shack Shop.

The Shack Shop aims to provide emergency relief and low cost goods to community members facing hardship. As well as providing emergency relief, the Shack Shop also serves to link customers, tenants, and community members with some of the great services and activities undertaken for the community at The Meeting Place.

The idea for the initiative was developed by members of our local tenancy team in response to funding reforms that resulted in the closure of a number of other neighbourhood centres and emergency relief outreach centres that had previously offered low cost goods.

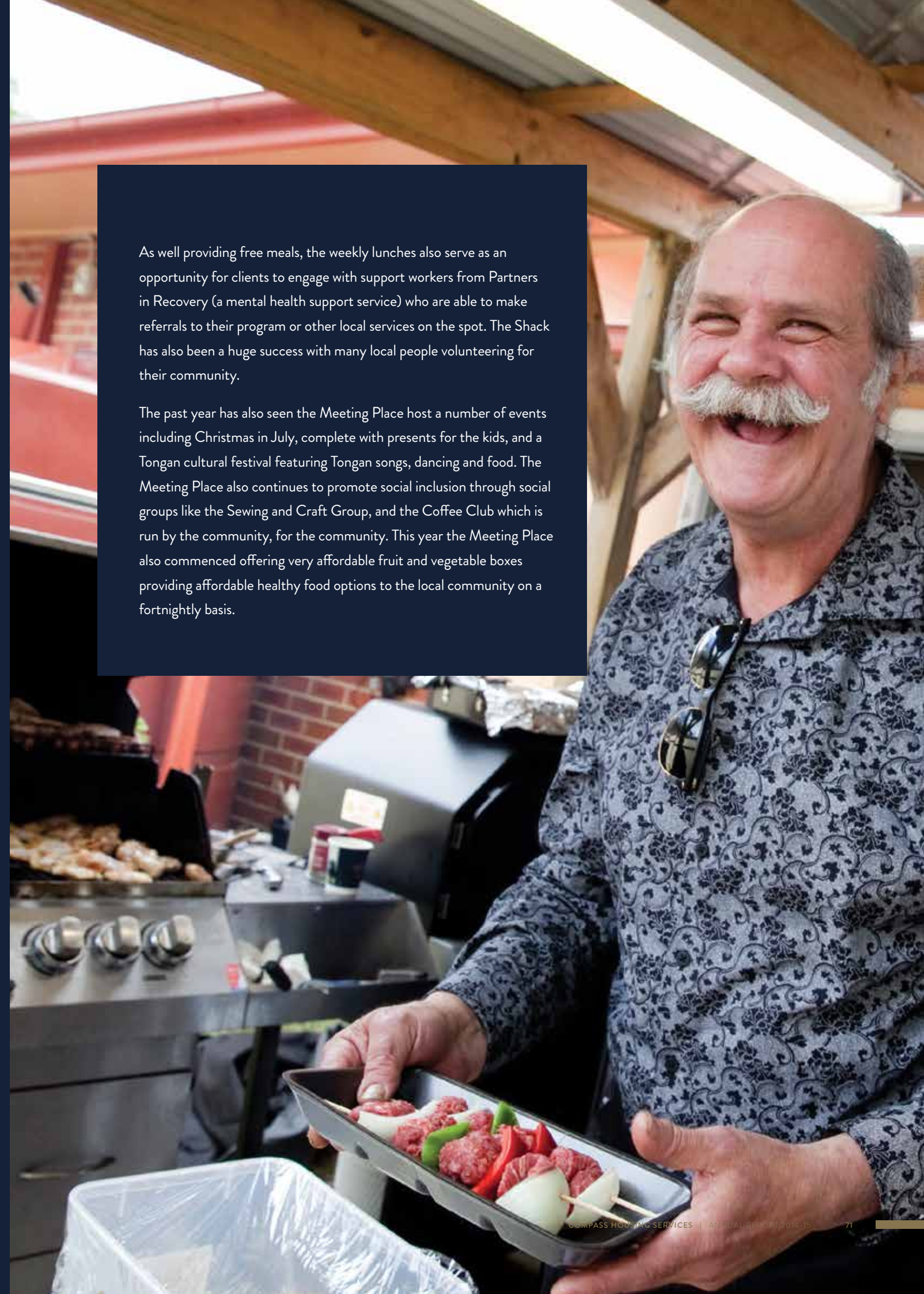
The food is sourced from Foodbank New South Wales and kind donations from local businesses including Bakers Delight. The Shack Shop is completely operated by our Meeting Place volunteers, with all funds going straight back into further food purchases from Foodbank, making this program completely self-sufficient.

The Shack Shop opened for business in February 2015 and by the end of June had already registered 127 members and made 298 sales. Over the same period The Shack Shop provided several emergency food parcels to people in need.

The Shack is part of the Shack Shop which provides free lunch every Wednesday and free morning tea every Thursday and Friday for people in need.

As well providing free meals, the weekly lunches also serve as an opportunity for clients to engage with support workers from Partners in Recovery (a mental health support service) who are able to make referrals to their program or other local services on the spot. The Shack has also been a huge success with many local people volunteering for their community.

The past year has also seen the Meeting Place host a number of events including Christmas in July, complete with presents for the kids, and a Tongan cultural festival featuring Tongan songs, dancing and food. The Meeting Place also continues to promote social inclusion through social groups like the Sewing and Craft Group, and the Coffee Club which is run by the community, for the community. This year the Meeting Place also commenced offering very affordable fruit and vegetable boxes providing affordable healthy food options to the local community on a fortnightly basis.





WORKING FOR THE COMMUNITY

Maryanne Hawson is Compass' Community Participation Officer responsible for coordinating the operations and services at The Meeting Place.

Since starting at the Meeting Place Maryanne has overseen an increase in attendance at community events and has been instrumental in establishing and maintaining relationships with key community groups.

"One of the best things about The Meeting Place is the family friendly philosophy of the place," she said.

"Being Tongan I was raised in a strong community. The links that this community has with one another and their skills are an asset. Plus I enjoy the links with the indigenous locals, their willingness to share and to take on the role of aunty, cousin or mum."

Looking to the future Maryanne is looking to implement language classes and literacy skills programmes to help address gaps in these areas within the local community.

ONE OF THE BEST THINGS ABOUT THE MEETING PLACE IS THE FAMILY FRIENDLY PHILOSOPHY OF THE PLACE...

IN THE HOUSE

The 'In the House' program was designed by Compass' Tenancy Relations Support Coordinator, James Cameron as part of the overall strategy to combat anti-social behaviour issues and disengagement issues.

'In the House' was developed as an early intervention engagement practice and designed to complement the tenancy specialist model of customer service implemented by Compass throughout 2014. The program provides a facilitated environment where tenants are able to demonstrate an interest in different types of community engagement through artistic expression and/or by participating in discussions with Compass staff, the art facilitator, support providers and each other. Compass provides follow up referrals to tenants interested in accessing training, volunteering opportunities or necessary supports.

Originally conceived as a one off event, the success of the first session resulted in the initiative becoming an ongoing program, embedded within the support functions of Compass' service delivery model in the Hunter region.

Sessions are held once a fortnight with each session aiming to encourage our tenants and neighbours to discuss the issues impacting their community and to break down the barriers of communication within a complex.

'In the House' events are facilitated by Shane Kennedy from Up and Up. Earlier this year Shane was named Youth Worker of the Year for his continued commitment to mentoring young people in the region.

In its first 12 months 'In the House' has produced some great outcomes including 48 tenants being referred to support agencies and 34 being referred to accredited training programs.



IN THE HOUSE OUTCOMES

460

TENANTS ENGAGED
(ATTENDED)

48

REFERRALS FOR
SUPPORT SERVICES

9

TENANTS SUCCESSFUL
IN NDIS FUNDING DUE
TO SUPPORT LINKS

34

REFERRALS FOR
ACCREDITED
TRAINING

9

TENANTS BECOME
INVOLVED & COMPLETED
ACCREDITED TRAINING

260

TENANTS LEARNING
A NEW SKILL IN
WORK SHOP





COMPASS IN VANUATU

Compass aspires to a world in which all people have access to safe and affordable housing and are engaged in their communities. In pursuit of that goal Compass is intent on establishing an international presence in developed and developing countries alike.

The first step on this path was to identify Pacific Island locations where Compass' model of service provision would be able to add value. As a result of this work, the island nation of Vanuatu was selected as the focus of Compass first international efforts and work began on identifying ways to assist with the delivery of shelter, education, vocational training and employment.

In the middle of this planning work, Compass' role in Vanuatu got a little more "hands-on" sooner than expected as a result of the devastation wrought by Tropical Cyclone Pam, a category 5 storm that ripped through Vanuatu in March of this year exacerbating what were already unacceptably high levels of disadvantage, particularly in urban areas.

As the tiny island nation set about the massive clean-up task, Compass launched an emergency relief effort with partners Liberty for the Nations to determine what was needed and to transport donated items including food, clothing, cookware and bedding to people impacted by the tragedy.

As the nation rebuilds itself following its worst ever natural disaster, Compass staff are formulating plans for projects that will help disadvantaged communities gain easier access to early childhood education, vocational training and employment.

COMPASS ASPIRES TO A WORLD IN WHICH ALL PEOPLE HAVE ACCESS TO SAFE AND AFFORDABLE HOUSING AND ARE ENGAGED IN THEIR COMMUNITIES.



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

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

A copy of the company's 2015 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

DIRECTORS' REPORT

YOUR DIRECTORS PRESENT THEIR REPORT, TOGETHER WITH THE FINANCIAL STATEMENTS OF THE COMPANY, BEING COMPASS HOUSING SERVICES CO LTD AND ITS CONTROLLED ENTITIES, FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015.

INFORMATION ON DIRECTORS

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

PAUL JOHNSON

QUALIFICATIONS

Retired CEO of a Financial Institution. He is also a qualified accountant and CPA. Graduate Member of the Australian Institute of Company Directors.

EXPERIENCE

Board Member since 2010

SPECIAL RESPONSIBILITIES

Chair of Board, Member of Finance Audit & Risk Committee, Member of Community Engagement & Development Committee, Member of Appeals Committee, Member of Remuneration Committee, Member of Board Nomination and Governance Committee, Member of Board Audit Risk & Compliance Committee, Member of New South Wales State Advisory Committee



KWESI ADDO

QUALIFICATIONS

Legal Counsel for URS Australia Pty Ltd, Master of Construction Law, Bachelor of Laws, MBA (Hons), Master of International Relations. Graduate Member of the Australian Institute of Company Directors.

EXPERIENCE

Board Member since 2005

SPECIAL RESPONSIBILITIES

Board Member & Deputy Chair.



GREG BUDWORTH

QUALIFICATIONS

Group Managing Director of Compass Housing. Master's Degree in Business, and other tertiary qualifications in Business Management, Project Management, Workplace Safety and Workplace Training. Graduate Member of the Australian Institute of Company Directors.

EXPERIENCE

Board Member since 2012

SPECIAL RESPONSIBILITIES

Executive Board Member, Group Managing Director, Company Secretary



GEOFFREY KIEL

QUALIFICATIONS

Appointed 27 October 2014

Doctorate in Philosophy, and a Bachelor of Commerce majoring in Marketing; Fellow, Australia and New Zealand Marketing Academy; Fellow, Australian Institute of Company Directors; Fellow, Australian Marketing Institute; Fellow, Australian Institute of Management; Member, Strategic Management Society; and Member, American Academy of Management.

EXPERIENCE

Board Member since 2014

SPECIAL RESPONSIBILITIES

Board Member, Chair of the Remuneration Committee, Member of the Nominations Committee



SUSAN WILLIAMS

QUALIFICATIONS

Appointed 27 October 2014

Director of The Junction Works; Fellow of CPA; Fellow of The Governance Institute of Australia; MBA (International Business); Grad Dip Applied Corporate Governance; BA Accounting

EXPERIENCE

Board Member since 2014

SPECIAL RESPONSIBILITIES

Board member, Chair of Audit, Risk and Compliance Committee, Member of Remuneration Committee



KERRY SKELLERN

QUALIFICATIONS

Appointed 27 October 2014

Non Executive Director of the Whiddon Group and Non Executive Director (Acting Chair / Treasurer) of Hornsby Ku ring gai Community Transport; Graduate Diploma in Business Administration, Bachelor of Engineering, and Bachelor of Science

EXPERIENCE

Board Member since 2014

SPECIAL RESPONSIBILITIES

Board Member, Member of Audit, Risk & Compliance Committee, Chair of the Nominations Committee



BRIAN WRICE

QUALIFICATIONS

Appointed 17 February 2015

Post Graduate Diploma in Financial Service Management

EXPERIENCE

Board Member since 2015

SPECIAL RESPONSIBILITIES

Board Member, Member of Nominations and Governance Committee



TIM WILLIAMS

QUALIFICATIONS

Resigned 13 September 2015

Currently CEO of Committee for Sydney. International experience in community housing having advised governments in the UK and Australia. Barrister at Law. Was Special Advisor in UK and Welsh Government and associate of Blair's Prime Minister's Delivery unit.

EXPERIENCE

Board member since 2013

SPECIAL RESPONSIBILITIES

Board Member

STEPHEN BARR

QUALIFICATIONS

Removed 27 October 2014

Director of Barr Property and Planning. Qualified Surveyor and Town Planner. Masters in Planning, Bachelor of Surveying (Hons). Graduate Member of the Australian Institute of Company Directors.

EXPERIENCE

Board Member since 2009

SPECIAL RESPONSIBILITIES

Board member & Deputy Chair, Member of Community Engagement & Development Committee, Member of Finance Audit & Risk Committee, Member of Remuneration Committee

SANDRA CALLAND

QUALIFICATIONS

Removed 27 October 2014

Tenant advocate of Hunter and Central Coast Tenants Advisory Council, advisory service. Skills in Housing Policy, Development and Tenant Advocacy.

EXPERIENCE

Board Member since 2001

SPECIAL RESPONSIBILITIES

Board Member, Chair of Community Engagement & Development Committee, Member of Appeals Committee, Member of New South Wales State Advisory Committee.

MARK O'DWYER

QUALIFICATIONS

Removed 27 October 2014

Tenant Member. Retired Regional Manager of Yellow Pages Australia. Member of Central Coast Local Health District Community Engagement Committee 2007 to 2013. Member of N.S.W Housing Federation Tenant Network. Affiliate Member of the Australian Institute of Company Directors.

EXPERIENCE

Board Member since 2011

SPECIAL RESPONSIBILITIES

Board Member, Member of Community Engagement & Development Committee, Chair of Appeals Committee, Chair of New South Wales State Advisory Committee

BARRY MARTIN

QUALIFICATIONS

Removed 27 October 2014

Currently retired. Has experience in human resource management over a cross section of industry in a career spanning 30 plus years. Also has comprehensive experience in working with the aboriginal community. Member of the Australian Institute of Company Directors.

EXPERIENCE

Board member since 2011

SPECIAL RESPONSIBILITIES

Board Member, Member of Community Engagement & Development Committee, Member of Appeals Committee, Member of Remuneration Committee, Member of New South Wales State Advisory Committee

ROSEANNE CHALMERS

QUALIFICATIONS

Removed 27 October 2014

Retired Registered Nurse & Tenant Member

EXPERIENCE

Board Member since 2012

SPECIAL RESPONSIBILITIES

Board Member

PETER FRANCIS

QUALIFICATIONS

Removed 27 October 2014

Master of Business General Management (Dis), Graduate Diploma of Management, Bachelor of Arts (B.A.), REL, Member of the Australian Institute of Company Directors.

EXPERIENCE

Board Member since 2013

SPECIAL RESPONSIBILITIES

Board member, Member of Remuneration Committee

DIRECTORS HAVE BEEN IN OFFICE SINCE THE START OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT UNLESS OTHERWISE STATED.

During the financial year the Non Executive Directors were paid an aggregate of \$145,275 including superannuation plus all reasonable travelling expenses properly incurred by the Directors in connection with Board activities (including training) and provided access to an Ipad to reduce paper usage. Members had approved an aggregate expenditure of up to \$230,000.

COMPANY SECRETARY

The following persons held the position of Company Secretary at the end of the financial year:

MR GREG BUDWORTH

Mr Budworth has worked for Compass for the past 11 years previous working in other human services agencies and was appointed company secretary on 4 April 2004.

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

MS JULIE BARNETT

Ms Julie Barnett was appointed joint Company Secretary on 16 December 2013. Ms Barnett has a Bachelor of Commerce and a Bachelor of Business and is completing a master's in Business Administration.

PRINCIPAL ACTIVITIES

The principal activities of Compass during the financial year was providing social housing in the areas of Broken Hill, Dubbo, Upper Hunter, Maitland, Central Coast, Newcastle and Lake Macquarie for New South Wales and in Queensland in the Local Government Areas of Logan and Greater Brisbane.

No significant change in the nature of these activities occurred during the year.

SHORT & LONG TERM OBJECTIVES

The objectives of Compass as defined in the organisation's constitution are as follows:

- to take over the funds and other assets and liabilities of the previously unincorporated association known as the Newcastle Lake Macquarie Community Housing Trust;
- to relieve poverty, sickness, destitution, helplessness and distress of persons regardless of race, creed, colour or gender;
- to obtain secure, affordable and sensitively managed housing for poor, needy and underprivileged people;
- to encourage the self management of properties by involving the tenants in the management functions of the Company;
- to purchase real estate;
- to liaise with and complement existing housing provision and housing support services;
- to compile, print and publish newspapers, periodicals, books, leaflets or other materials; and
- to arrange, provide or assist in holding conferences, exhibitions, or other meetings as necessary.

THE CURRENT STRATEGIC OBJECTIVES OF THE ORGANISATION HAVE BEEN DRAWN FROM THOSE DEFINED IN THE CONSTITUTION AND ARE AS FOLLOWS:

GROWTH:

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

QUALITY:

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

DIVERSITY:

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

REACH:

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

STRATEGY FOR ACHIEVING THE OBJECTIVES

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

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

MEMBERS GUARANTEE

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

At 30 June 2015 the collective liability of members was \$81 (2014: \$ 73).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 1 July 2014 Compass became the sole member of 4Walls Limited, a CHP located in Brisbane managing approximately 900 properties.

The New South Wales government gazetted on 11 July 2014 to transfer title to 457 properties to Compass which resulted in a property contribution at fair value of \$140,586,316 to Compass.

There have been no other significant changes in the state of affairs of entities in the Company during the year.

AFTER BALANCE DATE EVENTS

LOGAN RENEWAL INITIATIVE

Compass was successful in the Logan Renewal Initiative, which is a Queensland government tender. The initiative involves Compass and BlueCHP establishing an entity, Logan City Community Housing Limited to manage approx. 5,000 tenancies and be responsible for the redevelopment of Logan city, delivering an additional 1,500 properties over 20 years. Compass will be responsible for the delivery of tenancy management services. During FY15 and FY16 Compass has been working with key stakeholders through an agreed transition plan and it is expected that the transfer of management of these properties will be completed by the second quarter of the 2016 calendar year.

Compass has incorporated a subsidiary company Compass Housing Services Co (New Zealand) Limited 5753427 NZBN: 9429041870273 under the *New Zealand Companies Act 1993* on the 31 July 2015. This subsidiary will apply for registration as a community housing provider under New Zealand regulations.

Except for the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

MEETINGS OF DIRECTORS

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

	BOARD MEETING	SPECIAL BOARD MEETING	APPEALS COMMITTEE	REMUNERATIONS COMMITTEE	FAR/CGR COMMITTEE	NOMINATION & GOVERNANCE COMMITTEE	ARC COMMITTEE	NSW STATE ADVISORY COMMITTEE	STRATEGIC MEETING	ATTENDED/ ELIGIBLE TO ATTEND
Kwesi Addo	8	4							1	13/13
Greg Budworth	8	3	2	2	2	2	3	1	1	24/30
Paul Johnson	8	4	5	3	2	4	3	1	1	31/32
Geoffrey Kiel	4	1		3		2				10/13
Kerry Skellern	5	2				2	4		1	14/14
Susan Williams	5	2		3			4		1	15/15
Tim Williams	2									2/13
Brian Wrice	2					2			1	5/5
Stephen Barr	3	2			2			1		8/10
Sandra Calland	3	3	5					2		13/13
Rosanne Chalmers	2									2/5
Peter Francis	3									3/5
Barry Martin	3	2	5		2			2		14/14
Mark O'Dwyer	3	2	4					2		11/12

INDEMNIFYING OFFICERS OR AUDITORS

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

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

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

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2015 has been received and can be found on page 86 of the financial report.

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



PAUL JOHNSON
DIRECTOR




KERRY SKELLERN
DIRECTOR

AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF COMPASS HOUSING SERVICES CO LTD AND CONTROLLED ENTITIES

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**INDEPENDENT AUDITOR'S DECLARATION
TO THE MEMBERS OF COMPASS HOUSING SERVICES CO LTD**

We hereby declare that to the best of our knowledge and belief during the year ended 30 June 2015, there have been:

(i)

no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

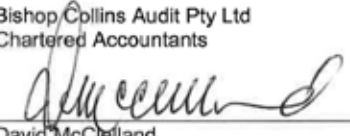
(ii)

no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor


David McClelland


Auditor's Registration No.

431227

Address


Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated 22nd October 2015



CHARTERED ACCOUNTANTS
AUSTRALIA & NEW ZEALAND

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Wingcoast Rescue Helicopter Service
Community Partner

Registered Company Auditors: David A McClelland FCA

Glenn A Harris CA

Martin Le Marchant CA

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

KEY PERFORMANCE INDICATORS	2015 \$	2014 \$
Potential tenant revenue	66,378,918	45,387,223
Less: rent lost through vacancies	(721,504)	(711,192)
Less: rental subsidies and rebates	(29,415,918)	(14,674,958)
Tenant income	36,241,496	30,001,073
Fair value adjustment to investment property	26,751,770	30,001,073
Grant funded revenue	9,082,604	5,038,711
Other revenue and income	151,272,332	14,995,866
	223,348,202	53,095,660
Profit on amalgamation	2,529,610	-
Administration expenses	(17,328,809)	(11,754,376)
Tenancy and property management expenses	(26,249,942)	(18,382,364)
Finance costs	(1,557,691)	(1,067,436)
SURPLUS BEFORE INCOME TAX	180,741,370	21,891,484
Income tax expense	-	-
SURPLUS AFTER INCOME TAX	180,741,370	21,891,484
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	180,741,370	21,891,484

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COMPASS HOUSING SERVICES

COMPASS HOUSING SERVICES | ANNUAL REPORT 2014-15

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

ASSETS	2015 \$	2014 \$
CURRENT ASSETS		
Cash and cash equivalents	8,651,889	17,759,553
Trade and other receivables	8,853,131	6,543,065
Other assets	1,139,316	594,838
Other financial assets	10,941,100	9,821,268
Non current assets held for sale	-	
TOTAL CURRENT ASSETS	29,585,436	34,958,724
NON CURRENT ASSETS		
Other assets	1,650	1,250
Other financial assets	125,504	124,141
Property, plant and equipment	2,844,786	647,382
Investment property	385,193,547	194,045,234
Intangible assets	310,324	109,505
TOTAL NON CURRENT ASSETS	388,475,811	194,927,512
TOTAL ASSETS	418,061,247	229,886,236
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	3,080,238	2,357,247
Borrowings	4,222,006	1,269,372
Short term provisions	972,176	698,755
Other liabilities	3,444,434	11,038,895
TOTAL CURRENT LIABILITIES	11,718,854	15,364,269
NON CURRENT LIABILITIES		
Borrowings	33,044,782	21,984,153
Long term provisions	133,927	115,500
TOTAL NON CURRENT LIABILITIES	33,178,709	22,099,653
TOTAL LIABILITIES	44,897,563	37,463,922
NET ASSETS	373,163,684	192,422,314
EQUITY		
Reserves	115,089,886	115,089,886
Accumulated surpluses	258,073,798	77,332,428
TOTAL EQUITY	373,163,684	192,422,314

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	ACCUMULATED SURPLUSES \$	ASSET REVALUATION RESERVE \$	VESTED CAPITAL ASSETS RESERVE \$	VESTED SURPLUS RESERVE \$	TOTAL \$
BALANCE AT 1 JULY 2014	77,332,428	75,000	110,101,451	4,913,435	192,422,314
Total comprehensive income	180,741,370	-	-	-	180,741,370
BALANCE AT 30 JUNE 2015	258,073,798	75,000	110,101,451	4,913,435	373,163,684

	ACCUMULATED SURPLUSES \$	ASSET REVALUATION RESERVE \$	VESTED CAPITAL ASSETS RESERVE \$	VESTED SURPLUS RESERVE \$	TOTAL \$
BALANCE AT 1 JULY 2013	55,440,944	75,000	110,101,451	4,913,435	170,530,830
Total comprehensive income	21,891,484	-	-	-	21,891,484
BALANCE AT 30 JUNE 2014	77,332,428	75,000	110,101,451	4,913,435	192,422,314

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015


CASH FROM OPERATING ACTIVITIES	2015 \$	2014 \$
Receipts from customers	45,223,341	44,418,508
Payments to suppliers and employees	(46,370,552)	(30,955,247)
Interest received	670,998	685,189
Interest and borrowing costs paid	(1,557,691)	(1,067,436)
Receipt from grants	2,168,366	11,999,139
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	134,462	25,080,153
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	3,603	26,232
Proceeds from sale of investment	169,711	1,461,000
Purchase of financial assets	-	(4,295,227)
Proceeds of financial assets	(1,121,195)	-
Purchase of property, plant and equipment	(394,412)	(212,159)
Payment for investment properties and WIP	(23,765,927)	(17,826,686)
Payment for intangible assets	(319,523)	(113,626)
NET CASH USED BY INVESTING ACTIVITIES	(25,427,743)	(20,960,466)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	13,569,689	3,230,256
Repayment of borrowings	-	(1,366,487)
Payment for subsidiary, net of cash acquired	2,615,928	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	16,185,617	1,863,769
Net increase (decrease) in cash and cash equivalents held	(9,107,664)	5,983,456
Cash and cash equivalents at beginning of year	17,759,553	11,776,097
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	8,651,889	17,759,553

DIRECTORS' DECLARATION

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

1. The financial statements and notes, as set out on pages 78-90, are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Compass Housing Services Co Ltd and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the Compass Housing Services Co Ltd will be able to pay its debts as and when they become due and payable.

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



PAUL JOHNSON
DIRECTOR




KERRY SKELLERN
DIRECTOR

Declared Opinion Pursuant to the Charitable Fundraising Act 1991

I, Paul Johnson, Chair of Compass Housing Services Co Limited, in my opinion:

- a. the financial statements give a true and fair view of all income and expenditure of Compass Housing Services Co Limited with respect to fundraising appeals;
- b. the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals;
- c. the provision of the Charitable Fundraising Act 1991 and the regulations under the Act and the conditions attached to the authority have been complied with for the year ended 30 June 2015; and
- d. the internal controls exercised by Compass Housing Services Co Limited are appropriate and effective in



PAUL JOHNSON
DIRECTOR



KERRY SKELLERN
DIRECTOR

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COMPASS HOUSING SERVICES CO LTD

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

Report on the Financial Report

We have audited the accompanying financial report of Compass Housing Services Co Ltd and controlled entities which comprises the statement of financial position as at 30 June 2015, statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the responsible entities declaration.

Responsible Persons' Responsibility for the Financial Report

The responsible persons of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*.



CHARTERED ACCOUNTANTS
AUSTRALIA & NEW ZEALAND

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Registered Company Auditors: David A McClelland FCA

Glenn A Harris CA

Martin Le Marchant CA



Auditors' Opinion

In our opinion:

- (a) the financial report of Compass Housing Services Co Ltd and controlled entities is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance and cash flows for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Other Matter – Charitable Fundraising Act 1991

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

- (a) a true and fair view of the financial results of fundraising appeals conducted during the year; and
- (b) the accounting and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and its regulations; and
- (c) monies received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and its regulations; and
- (d) as at the date of this report there are reasonable grounds to believe that the organisation will be able to meet its debts as and when they become due and payable.

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor

David McClelland

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated 22nd October 2015

