



NORTH COAST COMMUNITY HOUSING COMPANY

ANNUAL REPORT 2010 – 2011



HOUSING our local communities

**NSW
REGISTERED**
Community
Housing Provider

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VISION, PURPOSE, MISSION & VALUES

Vision

The North Coast Community Housing Company Ltd (NCCHC) is the premier provider of affordable and social housing within its areas of operation. The organisation is respected as a viable and valued community service provider making a real difference to people in housing stress.

Statement of purpose

The purpose of the North Coast Community Housing Company is to:

- provide secure, affordable and appropriate housing to people on low to moderate incomes in most need of housing;

Mission

NCCHC mission is to house our local communities by:

- the benevolent provision of social and affordable, community-based rental housing for people in housing need and on low to moderate incomes on the Far North Coast of NSW; and
- managing the growth of housing provision while maintaining viability, and providing tailored responses to tenant and community needs.
- maintaining successful tenancies and encourage tenant participation;
- building organisational capacity and community relationships to further the provision of community housing in the regions in which NCCHC operates; and
- responding to opportunities to increase the supply of community housing tenancies.

Values / Principles / Aims

NCCHC service delivery aims will be achieved by ensuring a balance between social justice objectives and housing business objectives. The Company will work towards the achievement of its primary goals of sustainable tenancies, effective asset and property management, sound governance, ensuring a supportive work environment for its staff, seeking business growth in the best interests of our tenants and staff and maintaining a positive public image.

NCCHC PROFILE

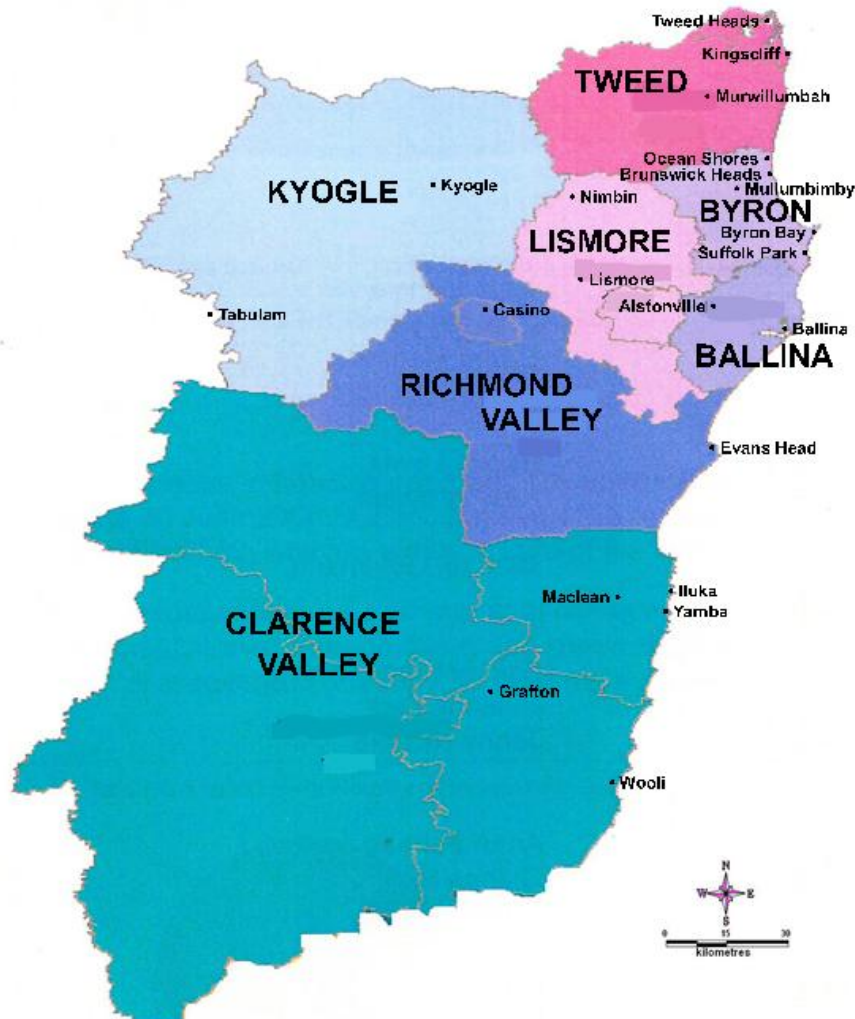
North Coast Community Housing Company (NCCHC) is a not-for-profit company managing long-term social housing for people with special needs and residents with low and moderate incomes in the far north coast of New South Wales.

At 30 June 2011 NCCHC managed 830 properties across the far north coast of New South Wales. It continues to operate from a central office located in Lismore and two branch offices in South Tweed Heads and Grafton.

In the past year NCCHC received an additional 32 properties to manage located throughout the region.

NCCHC received transfer of title on its first property in Lismore, from HNSW, as a result of the Stage 1 Nation Building Economic Stimulus Program. We expect title on the remaining 5 properties to be transferred in the 2011-2012 financial year.

Figure 1. Location of properties for NCCHC by Local Government Area



NCCHC covers a wide geographic area including seven local government areas as indicated on the map above.

Planning is in its early stages for future expansion. Growth in the future will continue to be sourced from stock transfers from Housing NSW, new acquisitions including redeveloped properties and properties developed by NCCHC in partnership with other regional organisations.

Property Portfolio

NCCHC now manages 830 properties housing 1,624 people in a mix of single and family households.

Our property portfolio is made up of:

- 609 'Capital' properties leased from Housing NSW
- 166 properties leased from the private rental market
- 32 affordable housing properties through the Social Housing Subsidy Program (SHSP)
- 17 Home Purchase Assistance (HPA) properties
- 4 Rough Sleepers Program properties
- 2 property owned by NCCHC

Partnerships

North Coast Community Housing has, over the past 26 years, formed successful partnerships with a wide range of support agencies throughout the region. These partnerships are set up to ensure that vulnerable and high need people are able to enjoy sustainable tenancies. Over 9% of our tenants require varying levels of formal support with their living arrangements to enable them to live independently. NCCHC has set up formal support agreements with 17 support agencies to help our 78 tenants maintain their independence in our properties.

Over the past year our Housing Services Manager, Colin Jones, has championed the introduction of an innovative Housing Partnership Programme. In November 2010 we conducted a number of information sessions throughout the region, inviting community support organisations to submit expressions of interest for supported housing allocations that were not currently being met in the sector.

New partners through this programme will be Tweed Valley Respire Care, New Horizons - Tribal Dreaming; New Horizons - Justice Support Program, Murwillumbah Community Centre, Byron Emergency Accommodation Program, Ballina District Community Services Association and Community Connections Lismore. We have committed to providing suitable accommodation for their projects, as it becomes available, over the next 12 to 24 months.

Governance

As a company limited by guarantee, NCCHC is regulated by the Australian Securities and Investment Commission (ASIC), subject to the Corporations Act 2001 and is managed by a seven member skills-based Board of Directors.

Our Policies & Procedures requires that NCCHC appoint Directors who have skills in financial management, law, asset management, social housing management, risk management, and organisational management.

Public Benevolent Institution

North Coast Community Housing Company Limited is a Public Benevolent Institution with Deductible Gift Recipient (DGR) status.

We are endorsed as a deductible gift recipient under Subdivision 30-BA of the Income and Assessment Act 1997.

Our provision for gift deductibility is under Item 1 of the table in Section 30-15 of the Income and Assessment Act 1997.

Registration

All Community Housing Providers operating in NSW and receiving financial assistance from Housing NSW must now be registered with the Registrar of Community Housing. NCCHC was successful in attaining registration as a Class 2 Community Housing Provider in June 2010. This Registration involves ongoing compliance monitoring against the following eight performance criteria:

1. Fairness and resident satisfaction
2. Sustainable tenancies and communities
3. Asset management
4. Sound governance
5. Standards of probity
6. Efficient and competitive delivery of Community Housing
7. Protection of Government Investment
8. Development projects

Our Registration allows us to display the following logo on all company documentation and buildings.



Further information on the registration requirements can be found on the Registrar's website www.rch.nsw.gov.au

Accreditation

NCCHC is currently accredited in accordance with the National Community Housing Standards and we are scheduled to be re-assessed in the next financial year.

Our organisation is assessed against the following seven National Community Housing Standards:

- Tenancy Management
- Asset Management
- Tenants rights and participation
- Working with the community
- Governance and organisational management
- Management systems
- Human resources management

Legislation

We are also governed by legislation covering business and employer obligations including:

- Corporations Act 2001
- Occupational Health and Safety Act 2000
- Privacy and personal Information Protection Act 1998
- NSW Anti-discrimination Act 1977
- NSW Disability Services Act 1993
- NSW Workplace Surveillance Act 2005
- NSW Housing Act 2001
- Income and Assessment Act 1997

Staffing

For the year covered by this report NCCHC employed 21 staff led by a General Manager, who has responsibility for the strategic and operational management of the Company.

The staff structure across the three offices consists of:

- Finance & Business Manager
- Housing Services Manager
- Property & Asset Manager
- Asset Register Manager (Until December 2010)
- Executive Assistant
- Tenancy Team Leaders x 3
- Tenancy Managers x 6
- Senior Finance Assistant
- Access Coordinator
- Finance Assistant
- Housing Assistant x 3

BOARD OF DIRECTORS – STATEMENT OF SKILLS AND SOCIAL COMMITMENT



John Stone – Chairman

John Stone has conducted his own planning and development consultancy from Grafton since 1994. Prior to that, he worked as Director of Environmental Services for a period of 24 years gaining experience in land and building development, asset management and professional skills in local government administration and environmental health building and planning. Although semi-retired, he has a commitment to assist to develop affordable housing projects throughout the region. John has resided in Grafton for 40 years and has had a long-term involvement in community, sporting and voluntary organisations in the Clarence Valley.



Allan Johnson – Secretary

Allan has experience in all facets of social housing including asset management, property procurement, tenancy management and community building. Allan has a practical understanding of social housing provision in disadvantaged communities. He has a special interest and experience in working with Aboriginal communities. Allan resides in the Maclean area.



Carolyn Parker – Vice Chair

With many years as a Senior Executive, Carolyn has experience with Finance, Planning and Administration Management, managing profitability of high volume businesses. Carolyn has managed Compliance of OH&S, Risk, Policy and Procedures, Logistics, Security and Loss Prevention, Human Resources, Payroll & Cash Management, Asset Management, Inventory Control, Facilities Management, Maintenance & Repairs, and numerous refurbishment projects, and has a broad range of associated qualifications. Carolyn recently moved from Sydney to Byron Bay.



Bruce Casselden

Bruce brings a breadth of knowledge from his professional experience in senior management positions within environmental services. He holds qualifications in Planning, Building and Environmental Health. Bruce has held senior management roles where he was responsible for budgetary and operational matters. He has worked with aspects of community housing professionally including, the planning, construction and occupation of buildings.



Jim Critchley

Jim has extensive experience in finance, business administration and management. Jim has a strong interest in working with different groups to achieve better outcomes for our tenants. Jim is committed to achieving an ever improving performance of NCCHC and associated service delivery to its tenants. Jim resides in Iluka.



Anders Halvorsen

Anders' technical skills relate to management accounting across the business and corporate sector. Anders has an interest in high and low level care facilities for the disabled and a strong commitment to community building. Anders is a long-term resident of Ballina.

Janet Bowden

Janet has 22 years' experience in press media. Currently sales effectiveness manager for a large regional organisation, Janet's skills span the creative and sales areas and she is committed to lifting the profile of the NCCHC, and helping more local people find a place to call home.

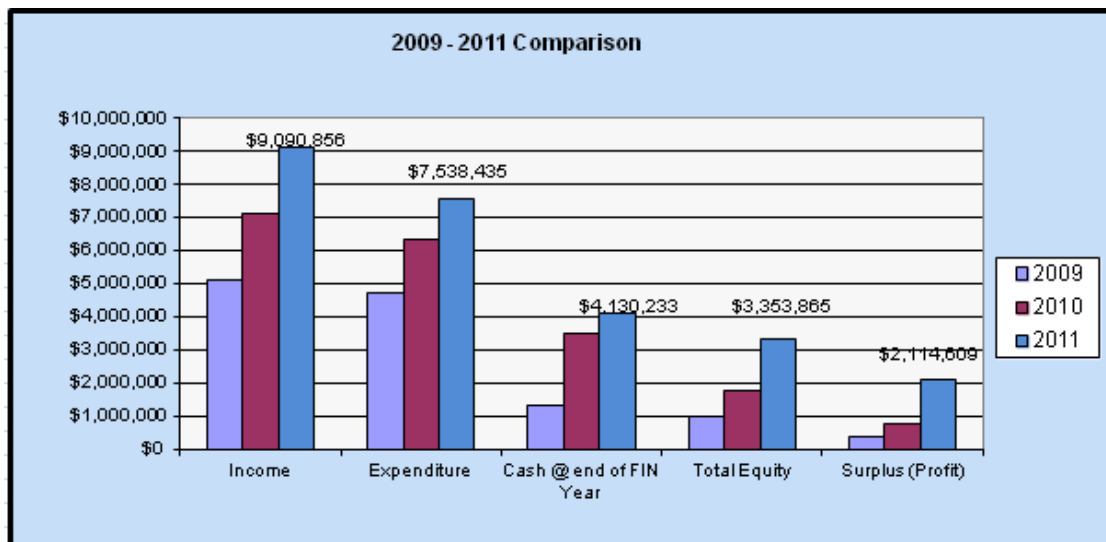


CHAIRMAN'S REPORT – 1 JULY 2010 TO 30 JUNE 2011

I am pleased to report on another term of favourable performance and continued growth for the North Coast Community Housing Company Ltd for the year 2010-11.

Significant achievements for the year include:

- An increase in revenue from \$7,110,638 to \$ 9,699,491 representing 36.4% growth.
- An increase in Surplus (Profit) from \$793,428 to \$2,114,609, adjusting for the impact of a property transfer of \$695,000, still represents almost a doubling of surplus
- An increase in Total Equity from \$1,801,988 to \$3,916,597 representing 117% growth
- Acquisition of 32 new properties from Housing NSW as a result of purchases by HNSW Community Housing Division and the Byron Shire transfers, taking our total to 830 units.
- An increase in Repairs & Maintenance expenditure from \$1,468,914 to \$2,006,782 representing an increase of 37%.



We had 134 new tenancies commenced during the year, of the new tenancies 27 were indigenous, 61 identified as having a disability, 17 were over the age of 75 and 21 were under the age of 24. Twenty three of the new tenancies were homeless at the time of allocation.

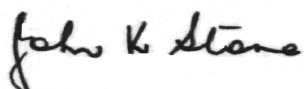
We held a successful Expression of Interest process during the year looking for Community Partners to work with us in the supply of supported housing partnerships to those most in need in the regional community. I am happy to announce that this has resulted in seven new partnerships under our Housing Partnership Programme with local community agencies.

We also submitted an application for National Rental Affordability Scheme funding to provide 31 new tenancies in the region, however, our application was unsuccessful.

The Board extends its thanks and appreciation to all staff at the Lismore, Tweed and Grafton offices, and in particular to the General Manager, Mr John McKenna, for their contribution and dedication to the Company's continued growth over the past 12 months.

I thank my fellow Directors for their participation in the governance of the NCCHC during the year. I value their assistance, expertise and support, realising that many hours of work are sometimes devoted to the improvement of the Company. Together we look forward to the challenge offered by the growth tender provisions and other developments in the coming year.

John K. Stone

A handwritten signature in black ink that reads "John K. Stone". The signature is written in a cursive style with a large initial 'J'.

CHAIRMAN



GENERAL MANAGER'S REPORT – 1 JULY 2010 TO 30 JUNE 2011

Strategic Direction

The strategic direction for NCCHC from 2009 to 2012 is based on a combination of consolidation and measured growth. The focus is on ensuring sound tenancy management and building strong property planning.

NCCHC will pursue measured growth by positioning the organisation to be able to respond to new growth opportunities and building partnerships.

The Directors, senior management and stakeholders will review the strategic plan on an annual basis. The outcomes of strategic goals are monitored on a six monthly basis. The Key Performance Indicators for each Strategic Goal Area enable us to measure and evaluate our progress against our strategic objectives.

Strategic Goals

NCCHC has identified six primary goal areas to drive the strategic plan for the Company. The primary goal areas represent the foundations of the Company's business.

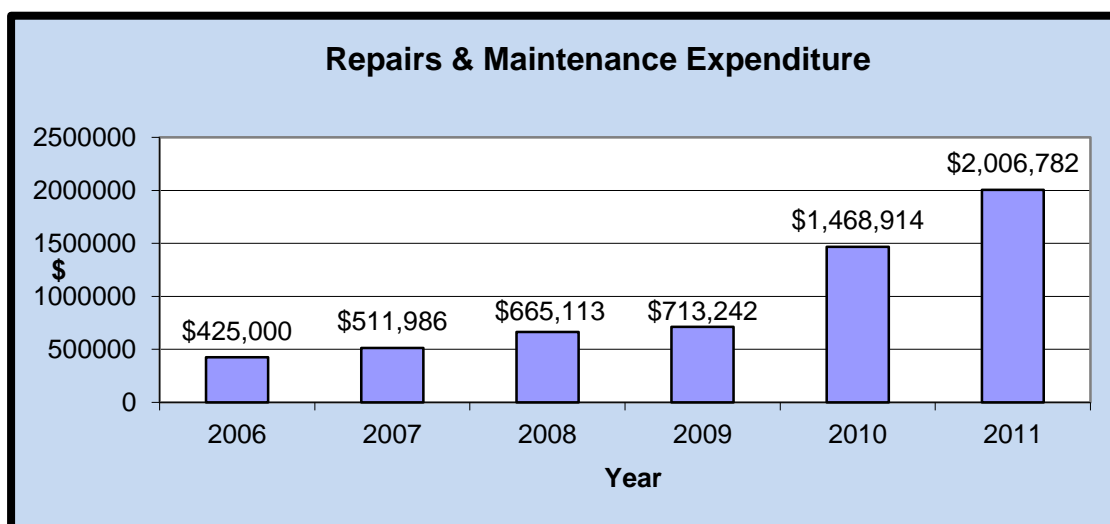
The six primary goal areas are:

- Property & Asset Management;
- Growth;
- Tenancy Management;
- Governance;
- Our People;
- Our Image.



Property & Asset Management

We increased Repairs & Maintenance expenditure from \$1,468,914 to \$2,006,782 representing an increase of 37%



We have now completed the refurbishment of 75 of the 179 Byron Shire transfer properties, the remaining properties will be completed by the end of 2013 in accordance with our Property Transfer Agreement, with the majority of the properties completed in the 2011 – 2012 financial year.

We also completed the refurbishment of 46 of our existing Capital properties in line with our Asset Management strategy.

We completed the conditioned based appraisal of all but a small number of our Capital properties. This will allow us to base our future planned maintenance activities on the condition data stored in our SPM Assets database.

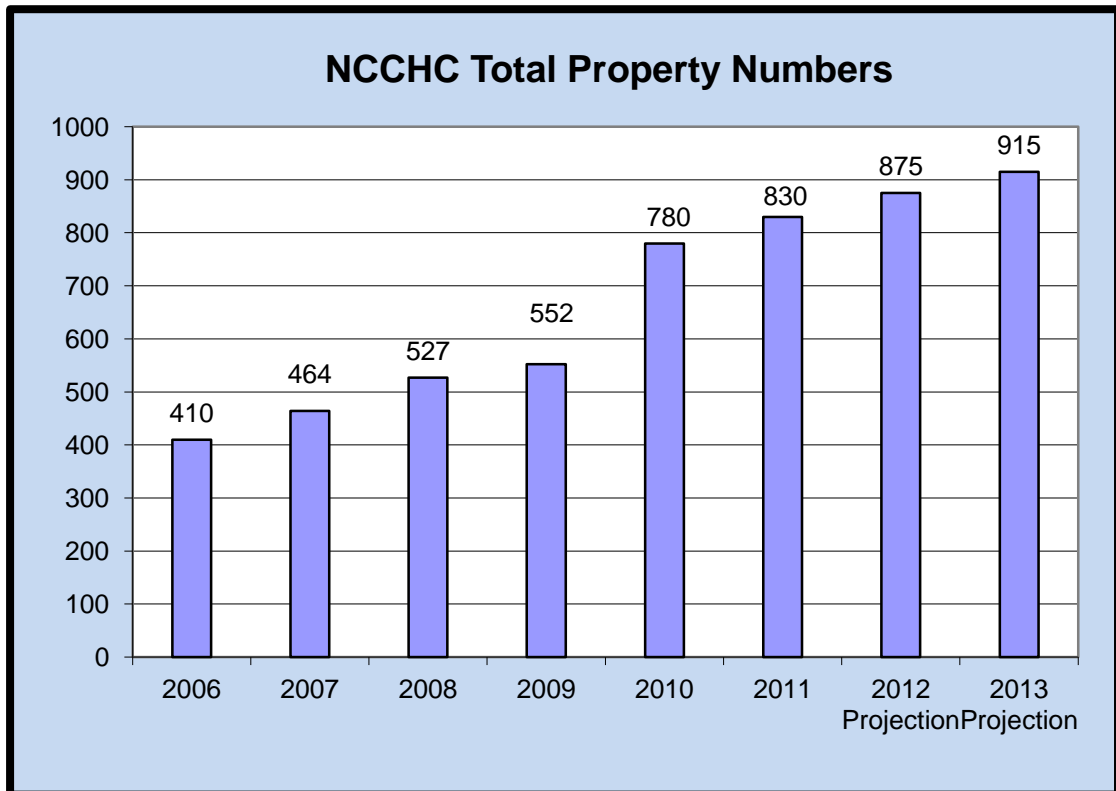
Growth

With the Company again experiencing a high growth year, we have seen revenues grow by 27.8% to \$9,699,491 and our surplus more than doubling to \$2,114,609, the Company is in a reasonably solid financial position. The Surplus for the year has been impacted by the effect of the \$695,000 value of the NBESP property transferred to us this year by HNSW.



We expect this solid financial position to continue into the foreseeable future.

The number of properties managed by the Company has grown from 552 in 2008/09 to 830 at the end of 2010/11. The majority of the properties were transferred as part of the planned whole of location property transfer of the Byron Shire from Housing NSW.



As can be seen from the above graph, the Company has more than doubled the number of properties under management since 2006.

The coming year will again be one of consolidation with the number of new properties expected to be in the order of 40 to 50, mostly from property transfers from Community Housing Division. We will continue to evaluate development and purchase opportunities that fit the company's growth requirements.



Tenancy Management

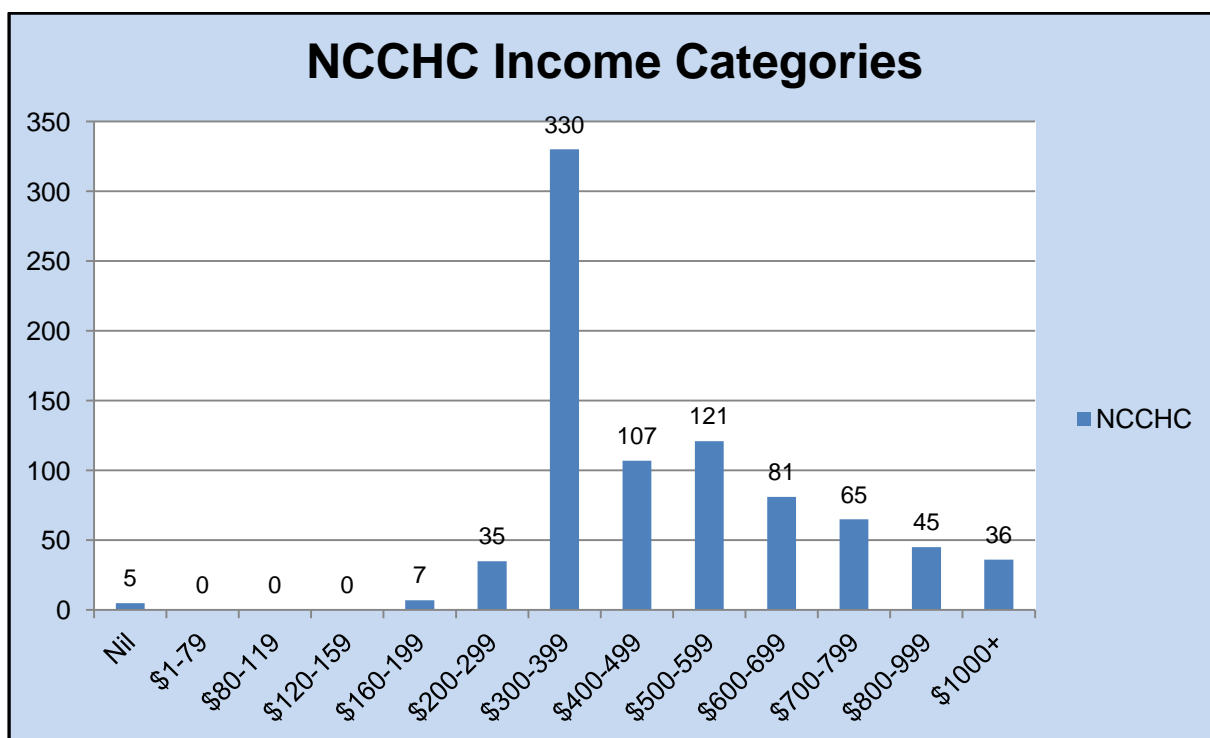
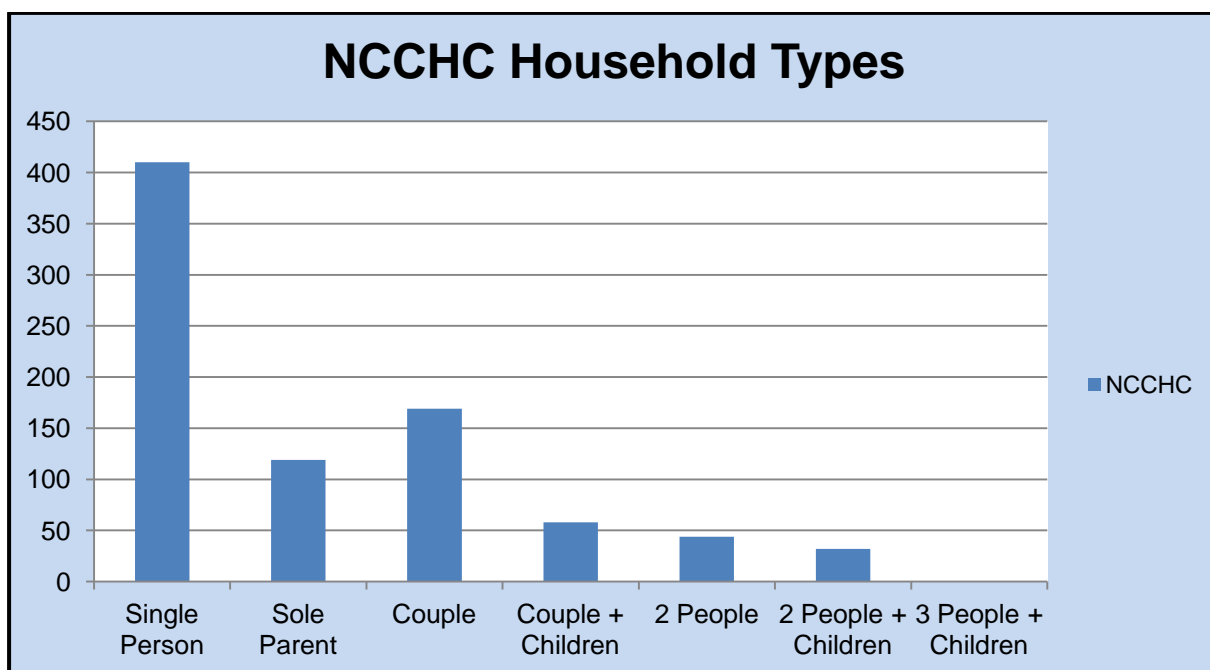
The past year has seen some significant change in this area of our business. The impact of the introduction of Housing Pathways has had a major effect on our business, particularly our Grafton office as we are now the sole entry point for all Social Housing products in the Clarence Valley area, following our move in April last year to take over the office from HNSW.

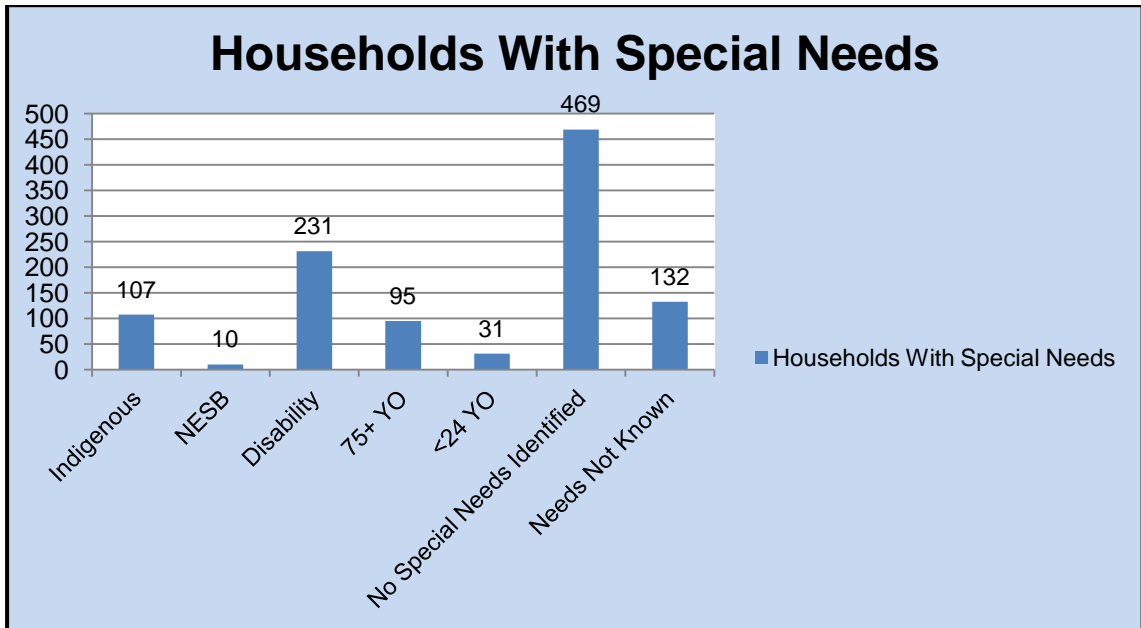
Colin Jones championed the introduction of our Housing Partnership Program and led an Expression of Interest and evaluation process aimed at working with other Community sector partners in the delivery of innovative supported housing solutions to our clients within the region. This has resulted in seven new partnerships and a commitment to provide the housing outcomes as part of the agreement.

The Tenancy Management revised the Rent Assessment and Proof of Income process during the year, resulting in easier outcomes for both tenants and staff.

They also developed and implemented a revised Arrears & Debt Control Policy and procedure.

The following graphs show the household types and household information as reported in our Housing NSW Annual Data Survey.





Tenant Council

The Tenant Council has met on six occasions through the year:

- August – Lismore
- November – Byron Bay (special presentation by Bob “The Memory Man” Mitchell)
- December – Tweed / Lismore / Grafton
- February – Grafton
- April – Tweed
- June – Lismore



The Tenant Council were also involved in a review of all Tenant related policies and procedures and they also reviewed the 130 revised Tenant Letters to ensure that the content and context was relevant to our tenants. The Tenant Council were also pleased to provide valuable feedback in production of the updated Tenant Handbook.

Housing Pathways

In April last year, Housing NSW and 28 Community Housing Providers across the state launched Housing Pathways for new applicants seeking Social Housing and for existing tenants seeking transfers. NSW now has a common Social Housing register and applicants for Social Housing can now apply at any Housing NSW office or Community Housing Provider office. There has been a great deal of training involved for staff to come to grips with the new system and at the time of writing the system is still in the implementation phase.



Governance

The management team works closely with the Board on the governance of the business. The Board and management team completed a review of the company's Strategic Plan during the year.

The Board and management team were also involved in the ongoing review and approval of the revised Policies and Procedures of the Company.

Through the review of the monthly financial reports of the company the Board ensures that the company is able to meet its financial obligations and the direction provided by the Board and senior management over the past year sees the company in a very secure financial position for a company of our size.

Our People

Our Property & Asset Manager Lex Johnston left the company in April and his replacement Christopher Davies joined the company on the 27th of June. Chris joins us from the UK, where he was previously employed as Asset Manager for Westlea Housing in the south west of England managing the assets on 10,000 community housing properties. Chris' experience will allow us to continue the strategic management of our property & asset portfolio.



As part of the ongoing development of the staff, we held further two day in-service workshops for all staff in November and April. Subjects covered included cultural awareness, the Housing Appeals Committee, property inspections, Housing Pathways, Conflict of Interest, Communications and Goal setting.

Our Image



NCCHC are active members on North Coast Housing Forum Executive, Richmond Valley Council Affordable Housing Committee, Ballina Shire Affordable Housing Workgroup, Northern Rivers Homelessness Research Project, and Lismore Council Housing Strategy Project Group.

Following the Queensland floods in January the Board made a decision to assist two hands on organisations in the affected areas with donations to assist in their relief work. The two organisations were Westside Community Care in Ipswich and Laidley Crisis Care, based in the Lockyer Valley.

I was also elected as a Director of the NSW Federation of Housing Associations which will allow us to be involved in setting the direction for the Community Housing sector in the state and also ensure that any regional issues are raised.



We also engaged a website developer to completely update our website which was ready at the time of writing.

The Future

The coming year will see us implement a number of new positions in the Tenancy Management Team aimed at providing a better range of services to our existing tenants and new applicants.



We will have new staff structures in the Lismore and Grafton offices and will implement a new Maintenance Coordinator's role to provide a more focused maintenance delivery system.

Due to the changing nature of the sector and the need to ensure we have the capacity to meet the expanding range of business functions now required of a Growth Provider, in the Community Housing Sector, we have commenced a reorganisation of the Corporate Services functions of the business.



This will enable us to manage the growing complexity of the business and prepare ourselves for new growth opportunities as they arise.

We will also be looking for possible development opportunities within the region and look forward to the transfer of title on the remaining Nation Building Economic Stimulus properties from HNSW.

I would like to take this opportunity to thank the staff for their efforts and the Board for their guidance in the governance of the business and I am confident that the close and productive working relationship between the Board and the management team will ensure the Company's continued growth in the year ahead.

John McKenna

A handwritten signature in blue ink that reads "John McKenna". The signature is written in a cursive, flowing style.

GENERAL MANAGER

AUDITED FINANCIAL REPORT – APPENDIX 1

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