From the Chair

PAUL JOHNSON

“IT’S BEEN ANOTHER SUCCESSFUL YEAR FOR COMPASS HOUSING.
WE ARE NOW THE LARGEST COMMUNITY HOUSING PROVIDER IN AUSTRALIA.”
The past financial year has been another successful one for Compass Housing, with my report reflecting on a number of the more significant events throughout the period.

Total revenue increased to $53.1M from $34.9M in 2014, an increase of 52%, and total assets have increased by 16% to $230.0M from $199.1M in 2014 while Net assets have increased by 13% to $192.4M from $170.5M in 2014.

At the end of the financial year Compass had 3,317 houses under management provided by both State and Commonwealth Governments under various programs and by Compass itself using leverage of the value of vested assets from the NSW Government to borrow funds.

Early in the 2015 financial year, Compass received the second tranche of vested titles from the NSW Government, which resulted from a 2010 tender that Compass was successful in. This means that the assets of Compass will increase by approximately $137.0M in the first quarter of the 2015 financial year. Compass wants to thank the NSW Government for completing this vesting process. This maintains the position of Compass as a very secure and strong Community Housing Provider as it continues to pursue its Vision and Mission to provide an increased supply of affordable housing and other community services to its current and future tenants and clients.

Compass spent most of the financial year pursuing its external strategic growth model of increasing its size and housing stock by pursuing opportunities in other States, particularly Queensland, with amalgamation discussions taking place with a Brisbane based housing provider and continuing to compete for the Logan Renewal Initiative contract that was put to tender by the Queensland Government last year.

The amalgamation with 4walls Ltd of Brisbane took place on the 1st July 2014 and Compass Housing Services Queensland now manages the 934 properties previously managed by them. I wish to welcome the Board, staff and tenants of 4walls to the Compass Group.

Compass was also successful in winning the Logan Renewal Initiative Tender with its joint venture partner and not-for-profit developer BlueCHP.

The new joint venture company Logan City Community Housing will undertake this contract from the Queensland Government over the next 20 years to manage approximately 4,700 social housing dwellings in Logan and will replace approximately 1,000 existing houses with approximately 1,600 modern social housing dwellings and over 1,000 new affordable houses for rent and sale.

In July, Compass was pleased to celebrate the unveiling of the first completed homes under the Commonwealth Government’s Supported Accommodation Innovation Fund (SAIF). As reported last year, Compass was successful in its application for funding under this program with funds of $7.3M being provided to build 20 homes for tenants with disabilities. Throughout the next financial year, Compass will continue management of this project with the remaining homes due for completion by December 2014.

Compass has been on a continual growth trajectory for many years and has constantly reviewed its approach to provide the best governance and corporate structure to fit the operating circumstances for each period.

At the 2014 Board strategic planning day, the Board continued the focus on its own structure as well as the corporate structure, with recommendations that Directors are to be nominated by the Board and elected by the members.

With the knowledge that Compass would soon be operating in more than one State, it was also agreed that there should be a new structure for the Board with a reduced number of directors and a focus on the national aspects of the Board operation. This also entailed the introduction of different subsidiary Boards and State Committees to operate in the different States that Compass would be operating in. The Board also agreed to create My Place Property Pty Ltd as a separate real estate business with its own Board.
This would also allow the newly constituted Board with a wider skill set and greater corporate focus to concentrate on operations across States to take Compass into a very exciting and challenging future. The new structure would still allow a local and State focus by the State Boards and Committees on those matters most affecting the States and stakeholders, including tenants for the areas that they cover.

I encourage all tenants to get involved with the Compass Tenant Panel and wish to thank the current panel members for their continuous efforts to get more tenants involved with their very important work. I also wish to thank them for their work with Compass staff and for their involvement with the Compass Community forums, which were held in each branch area of operation.

The Compass GROW program continued to provide Compass tenants with access to many services and facilities to enhance their tenant experience and improve their life situation with health and nutrition programs, esteem and well-being programs, and sustainable living practices among others. The Compass youth oriented GROW A Star program also continued during the year.

Compass wishes to thank the New South Wales and Queensland State Governments and the Commonwealth 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 work together to address the complex issues that arise in the housing sector. I commend them for their unselfish decisions with regard to the new Board and corporate structure that they have agreed to recommend to the members; and I thank them for their continued efforts on behalf of the organisation in the many forums in which they represent Compass.

I’d like to extend my appreciation to the Group Managing Director and the Executive Team for leading Compass through another challenging year. I also wish to acknowledge and thank all other Compass staff who continue to provide excellent services to our stakeholders.

Compass has enhanced its position and is now the largest Community Housing Provider in Australia and continues to be in a strong position to take advantage of opportunities as they arise in the future. I am sure that it will continue to provide sector leading Community Housing across Australia in the years ahead.

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

PAUL JOHNSON
CHAIR