Group Managing Director’s Report

GREG BUDWORTH

“COMPASS HAS ENJOYED ANOTHER YEAR OF EXCELLENT RESULTS.

TENANT SATISFACTION NOW AT 89%

NET SURPLUS $21.9 MILLION
The company maintained its strong cash holdings of $27.5M whilst delivering another 69 new dwellings under various programs: the Vested Asset Leveraging Program (VALP), the National Rental Affordability Scheme (NRAS) and the Commonwealth Supported Accommodation Innovation Fund (SAIF).

From 2009 through to 30 June 2014, Compass delivered 286 affordable and social housing dwellings.

Compass has a further 98 dwellings in the pipeline creating a total of 454 dwellings due for completion by the end of 2017.

Compass was awarded $2.1M under the NSW New Generation Boarding House Tender as well as another 37 NRAS incentives under NRAS tranche 5A, which will assist to deliver further much needed housing.

Similar to 2012-13, Compass continued managing its strategic growth opportunities and investing in its internal capacity this Financial Year.

The year saw Compass attain registration under the new National Registration System as a Tier One provider, the recruitment of a General Manager Operations NSW, a National Strategic Assets Manager, a Policy & Quality Assurance Administrator and the launch of our real estate business My Place Property Pty Ltd, and recruitment of its General Manager.

Compass spent $5.2 million on maintenance this year on the portfolio it manages valued at close to $1 billion.

The year also focussed on internal reorganisation and capability improvements: establishment of our ‘virtual’ call centre, specialised tenancy management model and general reorganisation, which also included corporate level change management planning, in anticipation of further growth to the next stage of Compass.

In terms of external strategic growth, Compass continued to explore its Queensland objectives of amalgamating with a local housing provider and continued competing for that State’s Logan Renewal Initiative. I am pleased to report that both transactions were successfully completed early in the new financial year.

Compass Housing Services Queensland formerly known as 4walls Limited manages 934 properties across Brisbane and the Gold Coast. It is a vibrant and energetic service poised for growth in Queensland – a state with a big vision for community housing.

Compass was also successful in winning the Logan Renewal Initiative Tender with its joint venture partner and not-for-profit developer BlueCHP. This is a $5 billion contract over 20 years for the property management of an approximate 4,700 properties in Logan QLD and includes the replacement of approximately 1,000 existing houses with approximately 1,600 modern social housing dwellings and over 1,000 new affordable houses for rent and sale.

This is the largest property transfer in Australian history, to the largest charitable joint venture in Australian history and makes Compass the largest community housing provider in our nation’s history.
In contrast it has been a further year of relative inactivity in NSW for property transfers and policy announcements toward community housing, although the NSW Government initiated its Going Home Staying Home Homelessness reformation agenda among other things.

Early in the new financial year, Compass received the second tranche of vested titles from the NSW Government’s 2010 tender, for which Compass was successful.

This means that approximately a further $137 million will be added to Compass assets from July 2014. We applaud the NSW Government for fulfilling this commitment, enabling a much safer loan to value ratio for Compass.

In February this year, NSW Operations rolled out an incentivised tenancy specialist model with the aim of further improving customer service and satisfaction, increasing tenant engagement and sustainability and improving stakeholder satisfaction. The model is a team based approach where each team member focuses on a specialist part of tenancy and property service.

Under the new Specialist model, Housing Managers who previously undertook a number of tenancy management functions are now Tenancy Relations Officers who specialise in the areas of rent, leasing and property services. The branch receptionists in six locations across NSW have retrained to be Customer Service Officers and are a part of a new state wide virtual call centre. Branch Managers became Specialist Area Coordinators, operating functions across the state to ensure consistent service delivery.
Under this new service model every tenant is visited about twice per year by two Compass officers with a strong focus on tenant sustainability as per the principles of our GROW program.

EVERY TENANT IS OFFERED REFERRAL TO SERVICES, PATHWAYS TO TRAINING, VOLUNTEERING & EMPLOYMENT. COMMUNITY PARTICIPATION IS ENCOURAGED.

Tenants who display good property care and keep rent in advance are identified and entered into the Tenant Incentive Scheme (TIS) and win gift cards and prizes. This home by home approach has also identified more young people to participate in our GROW A Star Program, where Compass assists in funding the development of young people who may be disadvantaged from achieving their dreams and ambitions.

We were very pleased to complete and formally open our first dwellings under the Supported Accommodation Innovation Fund (SAIF). Compass was awarded the highest funding amount in Australia from the Commonwealth Government’s Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to deliver 20 much needed disability housing properties under this program for people with a severe or profound disability.

Compass applauds the Federal Government for their commitment to the SAIF program, which is an important project that supports people with a disability to live independently in supported accommodation.

Compass has partnered with Ability Options who will be responsible for providing support services to the 20 people who will live in the homes. We are passionate about supporting members of our community who are in need of assistance. This project will provide much needed affordable housing for people who are struggling with everyday living.

We are grateful for the approval from NSW Community and Private Market Housing Directorate to turn a hard to let property at 123 Creedon St Broken Hill, into a valuable community asset.

An impressive concept plan is coming together after several trips to Broken Hill meeting with service providers, Broken Hill Council and most importantly the tenants of Creedon Street. The new Hub will provide counselling and health services, a homework club with WiFi, health and nutrition classes and an important community space for locals to engage with the community.

This will be the second Community Hub that Compass will fund in NSW, the first being the Meeting Place KBT on the Central Coast, where a very successful operation provides valuable support and linkages to Compass tenants and the surrounding community.

During the year, the many projects that received funding through the Compass Connect funding project in 2012/2013 have come to fruition, including a number of community gardens and beautification projects (Dangar Park Rose Garden, Gosford Avenue, This Way Home, Broken Hill Community Garden Project) that have really helped establish a shared sense of community and ownership among tenants and community members involved in these projects.

The Muswellbrook Red Door Community Kitchen which provides a meal and an opportunity for people who may feel alone and isolated in their community to gather together for companionship and socialising is up and running with Compass staff and tenants regularly volunteering. The East Maitland Internet Café is a proving a popular venue for tenants and people in the local community with limited or no internet access at home.

I would like to thank the NSW and QLD State Governments and the Commonwealth Government for their support to Compass Housing Services and the sector. I would like to thank the Board, my executive team and Compass staff for their tremendous efforts over the past year, and I would like to thank our support partners and contractors for their continued valuable work and partnerships and last but not least I would like to thank our wonderful tenants for being great tenants, looking after their properties and those who get involved and give back to the community.

I am excited at the prospects of opportunity that Compass has ahead to further deliver services to our existing and potential tenants.

GREG BUDWORTH
GROUP MANAGING DIRECTOR