

METRO COMMUNITY HOUSING ANNUAL REPORT 2021



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Metro Community Housing Co-operative Ltd.

Our Vision

To strengthen our community by providing more people in need with safe and secure homes.

Our Mission

To reduce social and economic disadvantage for people in need by:

- Providing housing which is affordable and fit for purpose
- Empowering our tenants to participate in and engage with their local communities
- Provide a platform to allow tenants to make positive choices and enhance their opportunities
- Actively engaging in activities which support the social housing sector and the broader objective of improving access to safe, affordable housing for all
- Valuing and including people of all backgrounds, genders, sexualities, cultures and abilities, and
- Working collaboratively with other housing providers and support services to help us achieve these aims

Our Values

- Professional – Committed, accountable and transparent in all dealings with our tenants and other stakeholders
- Service Oriented – to keep tenants at the heart of our decision making.
- Responsive – by trying to better understand the needs of our tenants and how we can assist them to meet those needs
- Fair – to consider only relevant information when making decisions and to be open, honest and appropriate in our communications and interactions with tenants and the general public
- Socially and fiscally responsible – to operate in a financially prudent and efficient manner and to reinvest our resources to benefit current and future tenants
- Ensuring good governance and management – to meet our compliance, reporting and operational responsibilities in a timely and effective manner
- Valuing Feedback – seeking and valuing tenant's input and involvement
- Being Innovative – by using technology and innovation to improve our tenants' experience and enhance their ability to communicate with us
- Being engaged with and empowering our staff to perform their functions effectively and with pride
- Celebrating and sharing our achievements

An Overview of Metro Community Housing

Introduction

Metro Community Housing Co-operative Ltd (Metro) is incorporated as an independent Not-for-Profit Co-operative of Members overseen by a voluntary Board of Directors.

Our primary purpose is to provide long term, subsidised accommodation to people on low incomes who meet Housing Pathways (NSW Housing Register) eligibility. This requires applicants for social housing in NSW to be Australian citizens, permanent residents or have protected visa status; to reside in NSW; and to meet income eligibility requirements.

Metro receives funding from the NSW Department of Communities and Justice (formerly the NSW Department of Family and Community Services) to headlease properties from the private rental market, and we retain the rental income from our “capital” properties, ie properties owned by the NSW Land and Housing Corporation.

Metro is registered as a Tier 2 Community Housing Provider under the National Regulatory Scheme for Community Housing (NRSCH). This requires us to undertake an annual Compliance Assessment conducted by the independent Registrar of Community Housing. Annual Registration is a requirement for ongoing funding from DCJ.

All Metro tenants are eligible to become members of the Co-operative. There is no fee required and the only formal requirement is that members meet the “active involvement” provisions of our Constitution. This requires members to attend a minimum of one meeting per annum – this would normally be the Annual General Meeting.

Members are entitled to nominate themselves or other persons for the position of Director, and they are entitled to vote at the election of directors at the Annual General Meeting which must be held no later than 30 November each year.

The Board strongly encourages tenants and other people with an interest in the activities of the Co-operative, or in the provision of social and affordable housing more broadly to join the co-operative.

Our Strategic Direction

Our strategic direction is set out in our 2018-2023 Strategic Plan which outlines our organisational goals and objectives, our 5 year “targets”, and the activities required to meet these goals. The targets for this period are:

- To provide housing for 20 additional households per annum
- To achieve 5% growth in non-leasehold properties
- To achieve 5% growth in operating surpluses
- To diversify our income stream outside of CHLP funding/CHAP rental income.

We will meet these targets by:

- Leasing more properties than our funded quota of leasehold properties. We receive an annual funding amount and are contracted by the Department of Communities and Justice to headlease 261 properties from the private rental market.

Over the last year we have been able to head lease an average of 280 properties. This has allowed us to provide supported transitional housing for an additional 19 individuals or families in urgent housing need.

- Our involvement in the *STEP to Home* program through which Metro has housed an additional 20 permanent tenants. This program was funded for 3 years from September 2018 and Metro will need to absorb these tenancies into our Community Housing Leasing Program when funding ceases in September 2021.
- Our participation in the Together Home Program. This is an expansion of the CHLP program intended to support people who had been sleeping rough or who were in DCJ funded temporary accommodation due to the public health emergency posed by COVID.

The first “tranche” of this program commenced on 1 July 2020 and Metro was allocated 20 packages. In March 2021 a second Tranche was announced, and Metro was allocated a further 18 packages. Funding is provided for 2 years to Community Housing providers to head-lease private rental properties and to contract wrap around case management support from specialist providers.

- Providing 4 social housing units in a property we own. We have generally used this for transitional housing as we plan to redevelop the site in 2022.
- Redevelopment of the property owned by Metro which will give us a 5% growth in non-leasehold properties; contribute to increased operating surpluses and provide diversification of our income stream through the provision of “affordable housing”.
- Future acquisitions of properties utilising our operating surpluses.

The Strategic Plan is intended to be a “high-level” aspirational document which is given substance through our annual Operating plans which set out the specific activities and tasks to be undertaken to achieve our objectives and assigns responsibilities and timeframes to each action.

How do we operate?

Metro Community Housing receives operational funding from the Department of Communities and Justice through the following programs:

- Community Housing Assistance Program. Metro manages 108 ‘capital’ properties owned by the NSW Land and Housing Corporation. Metro retains the rental income from these properties but has responsibility for all fixed costs (rates, insurance etc.) and for all planned, cyclical and responsive maintenance.
- Community Housing Leasing Program. Metro receives funding to head-lease a minimum of 261 leasehold properties from the private rental market. We then sublet these properties to tenants who meet Housing Pathways eligibility criteria.
- Crisis Leasehold Program. Metro receives funding to head-lease 5 “crisis” properties for use as transitional housing for individuals and families exiting specialist homeless services and a further 2 properties to house people exiting mental health units for the clients of services given nomination rights the Department of Communities and Justice (DCJ).

Who do we house?

Metro is a generalist housing association but we have had a long term commitment to house high need tenants nominated by support providers with whom we have a formal partnership. We have set a target of 35% of tenancies being allocated for transitional housing through these partnership arrangements.

We have Service Level Agreements (SLAs) with 20 community based support providers giving them nomination rights to a specific number of tenancies for their clients who are in urgent need of housing. In general transitional housing is provided for between 3-12 months for persons who are approved on Housing Pathways as *Housing General*.

The length of time is determined by the nominating support provider – generally based on their service contracts which specify the maximum period of time the service is funded to provide outreach support. Metro did offer extended periods during COVID.

Persons who are *Priority Approved* on the NSW Housing Register are offered up to 24 months but our policy means that we will not terminate a transitional tenancy until the individual or family receives a permanent offer of social housing or exits voluntarily

To provide young people with an opportunity to improve their skills and qualifications, Metro will extend the maximum term for transitional tenants under 25 (if single) or under 30 (if a parent) who are not priority approved, if they are engaged in full time vocational or tertiary education; or are the parent/primary carer of a person under 18 who is undertaking years 11 and 12 of secondary school, or completing vocational/tertiary studies.

Current support partnerships are targeted to:

- People exiting long term homelessness (street sleeping)
- People exiting the Criminal Justice System
- People exiting Residential Drug and Alcohol programs
- Women with dependent children and young people (16-25years) exiting Specialist Homeless Service Crisis accommodation
- People with a moderate psychiatric disability able to live independently
- People with a severe, ongoing psychiatric disability requiring high level support

Metro also offers up to 4 “affordable” housing subsidies for a period of up to 12 months to transitional tenants that have reached the end of their transitional tenancy who:

- Have gained employment and are outside the income eligibility limits for social housing
- Approved as “housing general” with little or no prospect of being offered social housing in the foreseeable future, and
- Have a realistic expectation of being able to improve their income through promotion, permanency or greater consistency of employment.

For several years, Metro has received special purpose funding for programs which allow us to provide long term housing to people exiting primary homelessness. These programs aim to provide “wrap-around” services to assist people with a lengthy history of primary homelessness to achieve a sustainable and positive tenancy, improve their health and wellbeing and develop greater capacity for positive social and community engagement.

These have included earlier programs such as:

- *Platform 70* and *Connect 100* in collaboration with Bridge Housing;
- *STEP to Home* – a 3 year funding program (2018-2021) in collaboration with Bridge Housing, the Women’s Housing Company and NEAMI National to provide long term housing and tailored support for 90 people exiting homeless; and
- *Together Home* – a 2 year funding program (2020-2022) which provides funding for Metro to head lease 20 properties and contract support services for people who were previously street sleeping but placed into medium term temporary accommodation due to COVID.

Metro has contracted The Salvation Army, and Newtown Neighbourhood Centre to provide the support for Together Home participants in Tranches 1 and 2, and the Haymarket Foundation and Launchpad Youth for Tranche 2.

Where do we operate?

Approximately 2/3rds of our properties are located in the inner west metropolitan area - primarily the former Ashfield, Marrickville and Leichhardt Local Government areas (now amalgamated as Inner West Council); with the balance located primarily in the City of Sydney, and Canterbury-Bankstown Local Government Areas. A small number are located across 12 other local government areas.

Over the last several years we have seen a slight re-orientation of our leasehold portfolio with more properties acquired in middle ring suburbs - allowing us to obtain better value for money in areas slightly further away from the CBD.

Head-leasing properties which are more affordable also means that we have been able to facilitate positive exits from social housing for a number of our transitional tenants. Tenants who have demonstrated a positive tenancy history and have gained or increased hours of employment have been able to take over the lease of their property when it is within their affordability.

In many cases Metro has been able to negotiate this option with the managing agent or owner at the commencement of our tenancy, thereby providing greater certainty for the tenant and avoiding the cost of relocating when their transitional term ends.

The impacts of COVID 19 on the rental market has seen a moderate re-alignment back to acquisitions in the inner metropolitan area (primarily inner west) due to the more competitive market we saw for most of 2020.

The number of former street sleepers housed through Housing First programs over this period has also impacted - many of these tenants had existing supports in or close to the CBD and we have attempted to acquire properties close to these services where possible.

How are we governed?

Metro is incorporated as a not-for-profit, co-operative of members with Public Benevolent status. Membership of the Co-operative is made up of Metro tenants and other persons with a demonstrated interest in our organisation or in the provision of community housing more generally.

All potential members complete a written application and these are submitted to the Board for approval at the first available board meeting. Membership will only be refused where persons applying have acted in a way contrary to the interests of the co-operative or its members.

All members of the co-operative must meet the "active membership" provisions which require them to attend at least one meeting of the Board per annum. This would normally be the Annual General Meeting. All members of the co-operative are entitled to nominate for, and/or vote at the AGM for appointment as a Director.

The newly elected Board of Directors then call for nominations and elect specific position holders (i.e. Chairperson, Secretary, Treasurer) at the first board meeting held after the Annual General Meeting. These position holders are termed "executive" members.

There is also a standing Finance, Audit and Risk Sub-committee comprising 3 directors, one of whom must be the Treasurer. Other sub-committees are formed on an ad-hoc basis in response to specific requirements, i.e. Policy Sub-committee, Complaints Sub-Committee.

What is the role of the Board of Directors?

The role of the Metro Directors is to ensure the good governance and financial viability of the organisation. The Board of Directors are responsible for setting and monitoring Metro's strategic direction and ensuring the organisation is meeting its legal, regulatory and fiduciary responsibilities.

The Board meets every month to monitor the implementation of the plans (Strategic Plan, Business Plan, and Risk Management Plan) which provide the framework for our operations.

At each meeting the Board is presented with information in relation to our key performance indicators in the areas of arrears, asset maintenance, occupancy rates, our financial performance against budget and significant tenancy issues.

The Board is provided with Profit and Loss and Balance Sheet statements for the preceding month and quarter and our accountant prepares Explanatory Notes/Exception Reports in relation to any significant (>5%) variations to budget/other matters of consequence.

The Accountant attends several board meetings each year and is available to respond to any board enquiries about our financial position in a timely manner.

The CEO, in consultation with other management staff develops the annual Business Plan with specific actions aligned to each of the objectives in the Strategic Plan, liaises regularly with the Chairperson, attends board meetings and provides the Board with updates related to sector and organisational activities.

The CEO represents Metro on relevant committees/working groups and is responsible for developing and overseeing Service Level Agreements with partner agencies.

Our Board of Directors

Our Constitution allows Metro to have a board of between 6-10 directors. The current Directors have qualifications and experience in Law, Accounting, Financial and Strategic management, Human Resource management, Disability Advocacy and Evaluation, and Community Support.

Board members are elected for two year terms. Executive Officers are elected by all directors at the first board meeting following the AGM. The current executive members are:

- Rick Daly - Chairperson
- Maria Kenny - Treasurer
- David Abello - Deputy Chairperson
- Susan Taylor - Secretary

Directors Rick Daly, Susan Taylor, Enda O’Ceallachain and Malcolm Pollard were re-elected or elected to the Board at the 2020 AGM for a two year term and are therefore not required to stand at this year’s AGM.

Directors David Abello, Shaun Driscoll, Maria Kenny, and Melinda Tunbridge are required to stand down from the Board, re-nominate and stand for election at this year’s AGM.

Executive Directors nominate for, or are nominated by their fellow directors, for the four executive positions at the first board meeting held after the AGM. The position of Treasurer requires the position holder to have specialist financial or accounting qualifications.

Information about the date each Director was appointed and the number of meetings attended in the 2020/21 financial year is contained in the Audited Financial Report section of this report.

Our staff

Metro has a staff of 10 (9 FTE positions) comprising:

- Chief Executive Officer
- Housing Manager
- Housing Officers (2.8FTE)
- Asset Manager (0.6FTE)
- Administration Manager (includes responsibility for Housing Pathways)
- Administrative Officer/Receptionist
- Finance Manager
- Assistant Accountant (0.8FTE)

No of female staff: 7

No of Male staff: 3

Metro has been fortunate and our tenants well served by an experienced, committed group of staff with very low rates of staff turnover:

- No of staff employed more than 10 years = 2
- No of staff employed more than 5 years = 6
- No of staff employed more than 2 years = 1
- No of staff employed for less than 1 year = 1

External Accountability

Since 2014 all community housing providers have been required to undertake an annual compliance assessment under the National Regulatory Scheme for Community Housing Providers (NRSCH). Providers are first assessed to determine their “tier” level – this is based on organisational size and risk profile.

As a relatively small housing provider which has not undertaken any major development activities or other ventures which would place pressure on our financial viability, Metro has been assessed as a Tier 2 provider.

Whilst Metro is planning on undertaking a small development in 2022/23 and we have purchased a small unit complex we do not expect our Tier level to change as we have been able to fund purchases and will fund construction costs without the need for borrowings.

Annual compliance reporting requires us to demonstrate that all aspects of our operations meet the standards required by the independent Registrar of Community Housing which is a statutory position. Reporting focuses particularly on the areas of governance, financial viability and protection of government assets.

This requires us to provide:

- A rolling/annually updated 10 year Asset Management Plan
- A rolling/annually updated 10 year financial modelling analysis
- Board minutes and papers demonstrating that our Strategic, Risk Management and Operational Plans are regularly reviewed and updated in response to changing circumstances.

Metro also provides detailed financial and governance data on an annual basis to the NSW Registry of Co-operatives, the NSW Department of Fair Trading, and the Australian Charities and Not-for-Profit Commission.

On a quarterly basis and annual basis we provide key performance data in relation to tenancy management (arrears; void and vacancy rates), asset maintenance and financial performance to the Housing Programs and Performance Division of the NSW Department of Communities and Justice (our primary funder).

Metro conducts annual tenant surveys which are independently conducted on our behalf by our peak body – the Community Housing Industry Association (NSW). CHIA conducts surveys on behalf of other Community Housing providers and formats are standardised to allow us to benchmark our performance against our peers. Survey results inform and assist us to review and respond to any service delivery issues identified by our tenants.

Our Housing Support Partners

Metro is committed to working effectively with a broad range of support partners to provide appropriate assistance to high need clients. Through offering our partner organisations nomination rights to a specific number of properties/tenancies we provide transitional supported accommodation to the clients of those services with a focus on:

- People with a chronic and enduring psychiatric disability who require intensive support
- People with a moderate psychiatric disability who need to demonstrate that they have the capacity to sustain a tenancy (with appropriate supports)
- People exiting from long term primary homelessness (street sleepers)
- Young people exiting care or crisis services
- Women and their children escaping domestic violence
- Young indigenous families
- People exiting the criminal justice system and alcohol/other drug rehabilitation programs

We believe that our transitional housing programs complement and support a “Housing First” approach by providing affordable, stable housing to people experiencing short term situational crisis or those who need to demonstrate their ability to sustain a tenancy pending an offer of permanent social housing.

Transitional housing terms of between 6-24 months allows individuals to access appropriate supports to address the factors that led to their becoming homeless in the first instance, and provides these tenants with an opportunity to develop independent living skills which will improve their capacity to gain and sustain a positive tenancy history.

Many of the people who we house in transitional programs would otherwise have experienced a worsening of their health, social connectedness and capacity to engage in education or employment whilst waiting for permanent housing.

This is particularly important given that waiting times for the allocation of long term social housing, even for priority approved applicants, continue to lengthen.

As at 30 June 2021 we provided accommodation for 105 transitional tenants who are nominated by and provided with ongoing support by the following specialist support providers.

- The Aboriginal Women and Children's Crisis Service
- Flourish Australia
- Glebe House
- Guthrie House
- Launchpad Youth Community
- Lillian's Place
- New Horizons
- Rainbow Lodge
- Salvation Army Homelessness Services Network
- St John of God
- St Vincent De Paul Homelessness Service
- Stride (formerly the Aftercare Association)
- Sydney Local Health District Mental Health Services (incorporating Community Mental health teams, the Mobile Assertive Treatment Team, Concord Centre for Mental Health, and the Maree Bashir Unit, Royal Prince Alfred Hospital).
- The Gender Centre
- We Help Ourselves
- Wesley Mission- Ashfield Program for Young People
- Youth Off the Streets
- YWCA (Young Women's Support Program; Rapid Rehousing Program)
- Women and Girls Emergency Centre

Results of our 2021 Tenant Satisfaction Survey

For the last several years, Metro has engaged CHIA NSW (our peak body) to conduct our tenant satisfaction surveys. The survey format was developed by CHIA in consultation with the Community Housing sector. Metro receives de-identified data only from CHIA.

There are many standardised questions used by all providers. These allow us to demonstrate that Metro meets benchmarks in relation to tenant satisfaction across several areas of our operations as part of the annual compliance assessment process under the National Regulatory Scheme for Community Housing (NRSCH).

Metro's survey also includes a number of non-standard questions which provide specific information about our services and programs.

Our most recent survey was conducted between 9 August and 10 September 2021 with all tenants sent a written survey. To ensure tenants have confidence in the confidentiality of their responses, surveys include an addressed, return paid envelope to enable completed surveys to be sent directly to CHIA. Tenants can also complete the survey on-line.

The response rate for this survey was 35%, which is above the National Regulatory Scheme for Community Housing (NRSCH) benchmark of 25% and above the response rate achieved in previous years. 44% of responses were received on-line which is significantly higher than for the previous survey (21%).

Metro met or exceeded the three key NRSCH thresholds, including:

- ✓ Satisfaction with housing services which had a combined satisfaction rate of 92% (the NRSCH threshold is 75%)
- ✓ Satisfaction with property condition which had a combined satisfaction rating of 93% (the NRSCH threshold is 75%), and
- ✓ Satisfaction with the quality of repairs and maintenance which had a combined satisfaction rating of 87% (the NRSCH threshold is 75%)

Other notable results include:

- ✓ 92% of respondents reported that their quality of life had improved since becoming a Metro tenant
- ✓ 93% were satisfied with their communications with Metro Housing
- ✓ 92% were satisfied that their rights as tenants were upheld by Metro
- ✓ 92% of respondents said they would recommend Metro to family & friends
- ✓ 95% of respondents reported that Metro staff were helpful
- ✓ 96% were satisfied with their support plan and engagement with support providers

Benchmarking Against our Peers

Thirty three (33) Community housing providers currently participate in CHIA NSW's tenant satisfaction benchmarking group – 22 in NSW and 11 across the other states. The group consists of 21 Tier One providers, 10 Tier Two providers and 2 Tier 3 providers.

Metro performed very well against the benchmark indicator set – we were ranked above the benchmark in all 15 categories with scores:

- ✓ 10% above the sector benchmark for Tenant Involvement,
- ✓ 14% above the benchmark for knowledge of appeal processes,
- ✓ 13% above the benchmark for quality of communications,
- ✓ 16% above the benchmark for Complaint Handling,
- ✓ 10% above the benchmark for overall satisfaction and
- ✓ 7% above the benchmark for satisfaction with the condition of their home.

Complaints and Appeals

- ✓ 76% of tenants reported that they knew how to make a complaint to Metro.
- ✓ 13% of respondents indicated they had made a complaint in the last year,
- ✓ 67% of these were very satisfied/satisfied/neutral about how their complaint was dealt with.

Despite the high number of supported transitional tenants who are housed by us for short periods (between 6-24 months) it was pleasing to see that over 80% of clients who have a support agreement in place indicated a good knowledge of our complaint and appeal processes.

Our website includes information about complaints and appeals, and we publish regular articles in our biannual newsletter on both internal and external complaints and appeals processes.

Metro actively utilises the expertise and resources of external bodies such as the Housing Appeals Committee at early stages of the complaint process, and we ensure that tenants are referred to legal and support services to ensure they have effective representation.

Location of Home and Satisfaction with Neighbourhood

Tenants rated satisfaction with the location of their home at 93% .

Overall Satisfaction with Neighbourhood decreased slightly over the last year with 89% indicating they were satisfied with their neighbourhood as a place to live (92% in the previous survey).

Given that there are many external factors - construction activity resulting in greater noise/disruption to residents, worsening traffic or public transport access, perceptions of crime/concerns about safety, and particularly the disproportionate impact of COVID related lock downs in specific LGAs which influence tenant's perceptions – we consider this to be a very positive result.

Communication

This section is made up of 2 questions relating to communication with tenants. The first question asks how satisfied tenants are with the way Metro provides information and this resulted in scores of 95% satisfied.

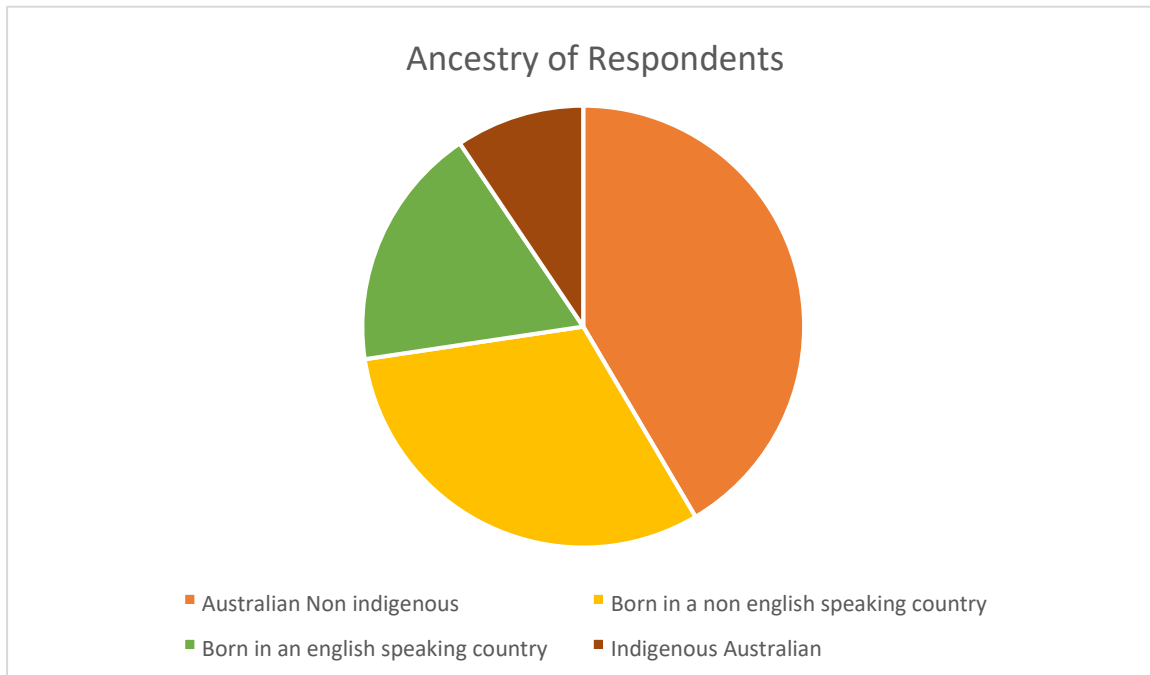
The second part is how helpful tenants felt staff were when contacted, with 95% reporting they found staff to be helpful and only 2% stating staff were unhelpful.

Tenant engagement

This section asks 3 separate questions relating to the degree of engagement tenants have with Metro as an organisation:

1. How satisfied or dissatisfied are you with the way Metro involves tenants?
-89% were satisfied
2. How satisfied or dissatisfied are you that Metro listens to tenant's views and acts on them?
-85% were satisfied
3. How satisfied or dissatisfied are you that tenants are able to influence Metro's decision making?
-73% were satisfied

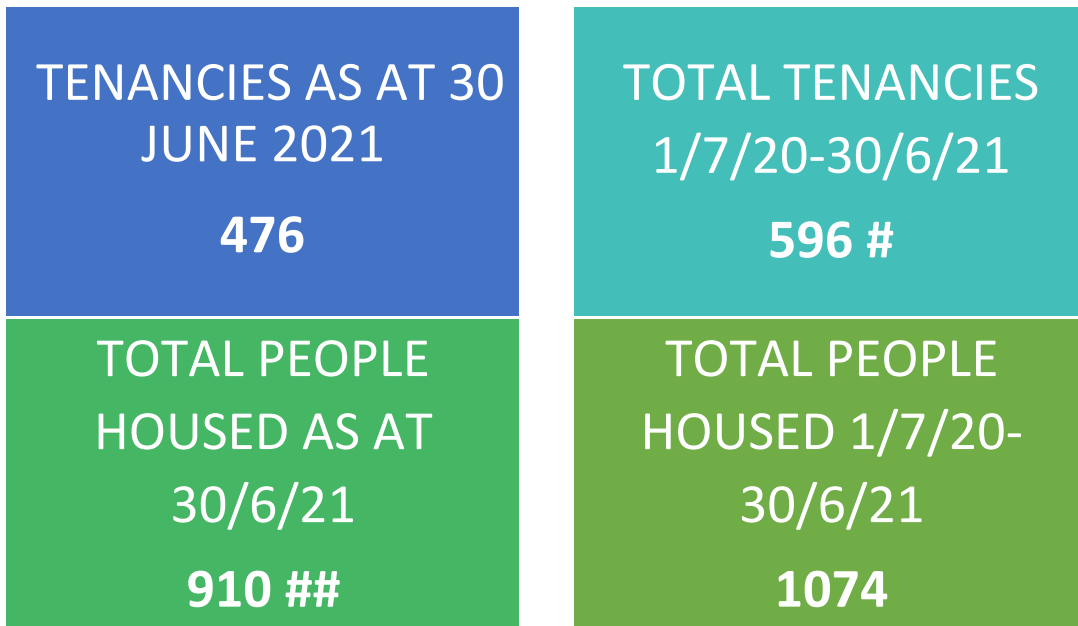
About our respondents



- ✚ 46% were born in Australia and are not indigenous
- ✚ 32% were born in a non-English speaking country
- ✚ 21% stated they speak a language other than English at home).
- ✚ 14% were born outside Australia but in an English speaking country
- ✚ 8% were Indigenous

This aligns reasonably well with the proportion of Metro tenants in each of these categories with perhaps a slight under-representation of tenants from non-English speaking backgrounds.

Statistical Information for 2020/2021

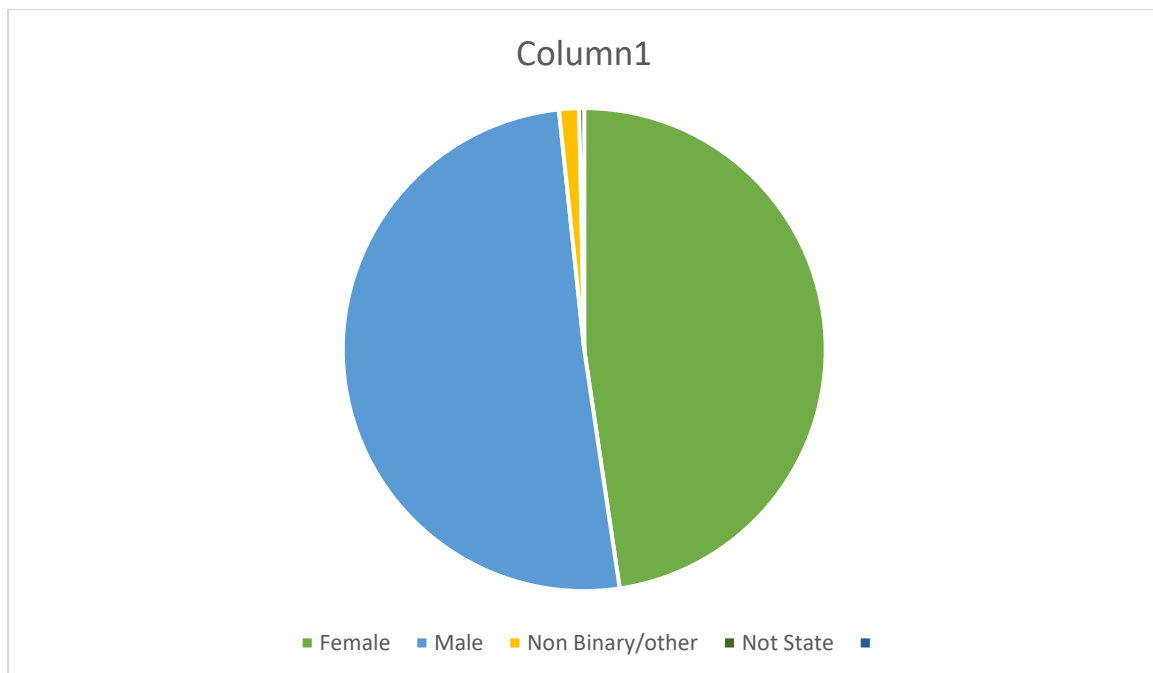


This includes 164 tenants who have exited during the period

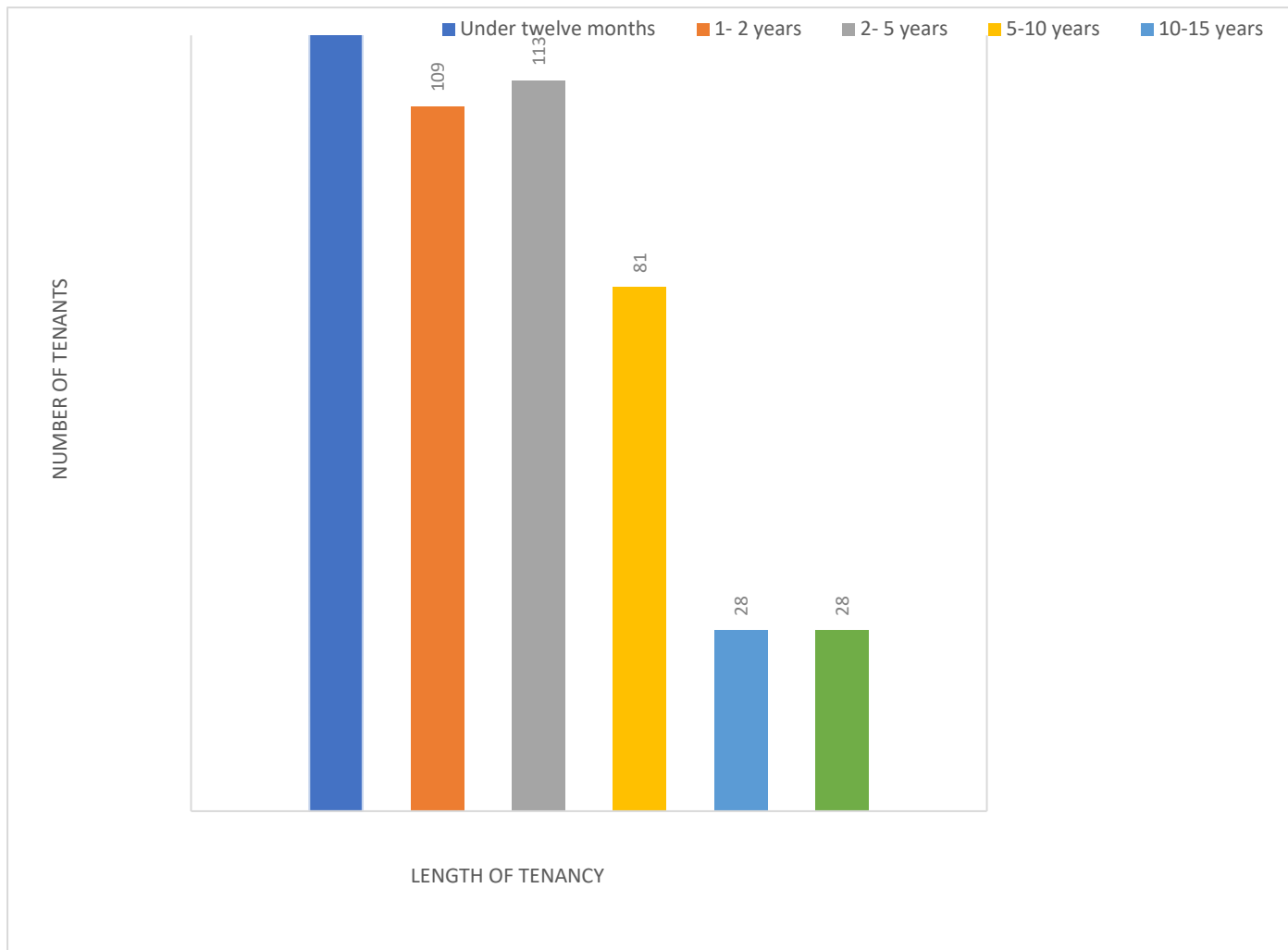
This includes head tenants, their dependent children, adult/non-dependent children, other extended family members, partners, carers and non-related additional occupants.

Gender Identity of Residents (Self-identified).

Female: 284, Male: 302, Non-Binary/other: 8, Not stated: 2



Length of tenancies:



Under 12 months:	237
1-2 years:	109
2-5 years:	113
5-10 years:	81
10-15 years:	28
Over 15 years:	28
Total:	596

Notes:

The majority of tenants in the “under twelve months” category were transitional tenants who have exited.

Transitional tenants who are Housing General approved are offered terms of between 3-18 months meaning that properties may be re-tenanted more than once in a twelve month period.

Tenancy Movements

New tenancies for the period:	237
Tenancies ending in the period:	164
Tenant transfers for the period:	50

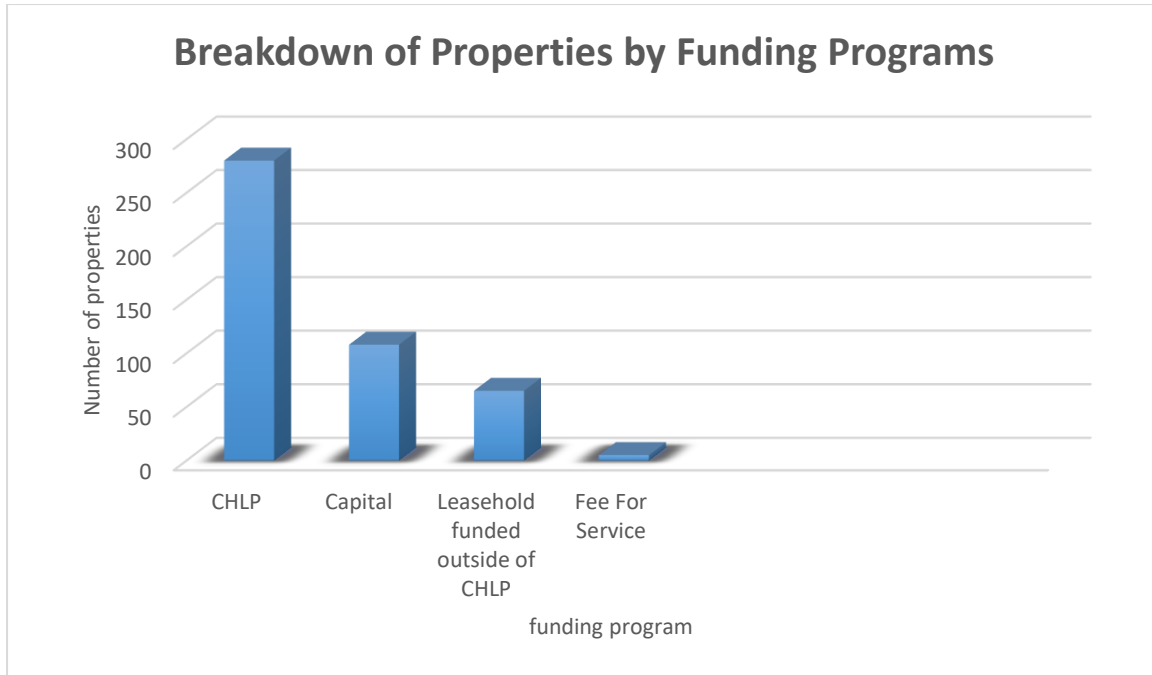
Notes:

New tenancies do not include tenants transferring between Metro properties

Tenants who have reached the maximum term of their transitional housing represent the largest number of persons exiting. Sadly 8 tenants were deceased.

In descending order below is the “where next housed” for tenant exits:

- Permanent social housing (DCJ and Community Housing)
- The private rental market
- To reside with family or friends
- Higher support facilities such as aged care hostels/nursing homes/long term hospitalisation
- Residential programs for Alcohol and other drug treatment
Prison/Immigration detention/deported
- Moved to regional/country NSW, interstate or overseas



Properties as at 30 June 2020: 451 Made up of:

- 280 Community Housing Leasehold Program (CHLP) properties rented from the private market.
- 65 Leasehold properties funded outside of the CHLP program (STEP: 20, Together Home: 38, Crisis Leasehold: 7)
- 108 Capital properties (i.e. properties owned by the NSW Land and Housing Corporation)**
- 5 Fee for Service properties (properties owned by a government agency or community organisation who pay Metro a fee to provide tenancy/property management on their behalf).

**** Includes 2 Crisis refuges where Metro does not collect or retain rental income.**

Chairperson's Report

As we approach our Annual General Meeting for 2021 I feel we are all breathing a giant sigh of relief that we have come out the other end of a very difficult year and survived the challenges thrown at us.

In my second year as Chairperson of Metro I have missed the personal contact with my fellow directors and with the Metro team but as well as getting on with “business as usual” we have made some very positive steps forward – purchasing a small unit complex in Canterbury and finalising the design and submitting a development application for our Summer Hill property.

We had hoped, but were not optimistic, that the Government would retain, at least in part, the increases in the Jobseeker payments introduced last year but this was not to be. With employment opportunities still limited and cost of living pressures increasing many of our tenants again find themselves in a desperate financial situation.

Whilst it is a very minimal contribution to their overall financial situation, Metro decided to forego conducting our bi-annual rent review due in late 2021 and tenants will not be charged the small increases that would normally be applied.

Last year we reported that one of the few positive impacts of COVID had been the downward pressure on rental prices and the greater availability of properties in high demand markets. This allowed us to acquire better quality properties – particularly in the inner west and middle ring suburbs, and to lease additional properties within our annual budget.

Whilst the rental market has largely returned to its pre-COVID levels we will reap the benefits over the next few years of having been able to sign longer term leases at prices below general market rates.

This has provided us with the ability to extend by a further six-twelve months what we had originally hoped would be short term assistance to the four clients nominated by the Salvation Army whose applications for permanent residency are still being processed. These clients are generally on “protection visas” with work rights who had lost their employment due to COVID but weren't eligible for any form of Commonwealth assistance.

Following a lengthy history of involvement in “housing first” programs Metro has continued our participation in the latest iteration – the Together Home program. This initiative, to provide stable housing to people who had been sleeping rough and had been assisted into temporary accommodation in response to the safety challenges posed by the pandemic, commenced on 1 July 2020.

Metro initially received funding for 20 accommodation and support packages to allow us to headlease properties and contract specialist support services for a period of 2 years. A second “tranche” of the program commenced in April 2021 and we were funded for an additional 18 packages.

A further funding package for “Tranche 3” was announced in September 2021 and Metro has been allocated a further 13 packages which we expect to start allocating from December 2021.

Metro has contracted the Salvation Army Homelessness Service, Newtown Neighbourhood Centre, the Haymarket Foundation and Launchpad Youth to provide the wrap around support for our Together Home tenants.

Whilst the funding for the Together Home program is time limited, Metro has committed to providing long term housing to all participants. With our very limited capital stock this will present us with a challenge over the next few years as we need to absorb approximately 40 tenancies into our funded leasehold portfolio of 261 properties.

We also have concerns about the cessation of support funding after the two year period. Given the complexity of the TH client group; the significant disruption to service provision by Specialist homelessness services due to COVID, and the impact this had on their capacity to assist tenants to create a “home” rather than just be housed, we believe many tenancies will struggle to be sustainable once support funding ceases.

We have worked collaboratively with both our Community Housing colleagues and our support partners in the Sydney, South East Sydney and Northern Sydney District to develop formal submissions to DCJ outlining these challenges and putting forward options to help ensure that people do not return to homelessness.

Despite the high levels of distress and anxiety experienced by many of our tenants over the last eighteen months, we are so glad that they had the security and stability of safe, secure housing and that over 92% of our tenants reported that their lives had been improved since becoming a Metro tenant.

Thank you to all our tenants who responded to our Tenant Satisfaction Survey conducted in August/September 2021 and for the overwhelmingly positive comments made about the quality of the services they received from Metro staff.

My ongoing thanks to the Metro staff for their dedication and commitment to the organisation, our tenants and our partner agencies.

I look forward to continuing in my role and helping to guide Metro over the next 12 months in what will we all hope will be a less challenging time.

Rick Daly

Treasurer's Report

In presenting my third Treasurer's report I am very pleased to report that despite the challenges of the last 18 months Metro has been able to maintain and improve on the excellent financial results the Co-operative has achieved over the last several years.

Our healthy cash reserves have allowed us to meet our key strategic objective to "house more people in need" through:

- Head-leasing approximately 20 properties over our funded quota of 261 through the efficient use of our CHLP funding.
- The purchase of a small unit complex in Canterbury which will provide long term, secure housing for 8 social housing tenants, and
- The redevelopment of our site in Sloane Street, Summer Hill to provide 12 self-contained "new generation" accommodation units with construction expected to commence in early 2022 (subject to the timing of approval of our DA).

Highlights of our operating performance for this financial year include:

- Total income increased by 5.4% from the previous year to \$12.54 million
- Income from grants increased by 10.7% from the previous year to \$7.74million.
- Rental income decreased by 1.2% to \$4.57 million.
- Total expenses for the year were \$10.88 million, up by 3.2% from \$10.53 million in 2020 with rent payments for the year increasing by 0.6% to \$8.10 million
- We achieved an overall operating surplus of \$1.66 million.

Total income from grants increased primarily as a result of additional funding from DCJ for the Together Home program.

The slight decrease in rental income was primarily the result of a small proportion of tenants experiencing a loss of, or reduction of income due to the impacts of COVID.

The increase in expenses was primarily the result of additional technology, equipment and software costs to enhance communication with our tenants, and provide resources to allow our staff to work effectively and safely from home, as well as the purchase of masks, sanitisers, and other supplies in response to COVID.

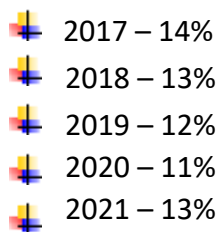
Rent payments increased by a small amount compared to previous years, reflecting the temporary flattening of the rental market due to increased supply during most of 2020. Unfortunately the market has largely returned to pre COVID levels.

Highlights of our balance sheet position for this financial year include:

- Total assets at the end of 2020/21 were \$20.26 million versus liabilities of \$7.24 million, resulting in net assets of \$13.02 million
- Current assets increased to \$11.6 million in 2020/21 from \$7.97 million in the prior year.
- Cash reserves increased to \$11.34 million in 2020/21 from \$7.97 million in the prior year.

As shown in the Profitability Margin graph below, the ratio of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) demonstrate Metro's strong financial performance over time.

Profitability Margin



As its Treasurer I can confirm that Metro takes its obligations to our funding and regulatory bodies and to the broader community seriously, and I believe it successfully balances its obligations to run a fiscally responsible, prudent organisation with its responsibilities to provide high quality tenant and property management services to our tenants.

On behalf of the Board, I would like to thank the METRO management team for their strong leadership and prudent financial management and to acknowledge the professionalism and commitment of our Finance Manager, Dennis Elacion, who has recently reached a milestone of 10 years of service to Metro.

Maria Kenny

Metro Community Housing Co-operative Ltd:

Incorporation status: Co-operative, Public Benevolent status

Registration status: Registered as Tier 2 Housing Provider under NRSCH
Registered by the Australian Charities and Not-for-profit Commission

ABN: 85775722 514

Location: Suite 208, (L2) 1 Erskineville Rd, Newtown 2042

Postal Address: PO Box 1198, Newtown, 2042

Telephone: (02) 9565 4599

Office hours: 9.30am -4.30pm Mon, Tues, Thursday; 1.00pm-4.30pm Wed.
Friday by appointment.

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This report can be downloaded from our website: www.metrohousing.org.au.

To request a hard copy please call us on (02) 9565 4599, or e-mail
reception@metrohousing.org.au.

The Metro directors and staff acknowledge the traditional custodians of the land we work on and we pay our respects to Elders past, present and emerging.

We recognise that sovereignty was never ceded and acknowledge the continuing inequality experienced by Aboriginal and Torres Strait Islander people as a direct result of invasion.

Thank you to all who have contributed to the Co-operative over the last year!