



Metro Community Housing Co-operative Ltd.

2019 Annual Report

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Metro Community Housing Co-op Ltd

Introduction

Metro Community Housing Co-operative Ltd (Metro) is incorporated as an independent Not for Profit co-operative of members. All Metro tenants are eligible to become members of the Co-operative. Members can nominate themselves or other persons to the position of Director and they are entitled to vote for the election of directors at the Annual General Meeting which is held on the last Wednesday in 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. There is no cost involved and the only requirement for members is to 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.

Metro is primarily funded by the Communities, Places and Pathways division of the NSW Department of Communities and Justice (formerly called the Department of Family and Community Services).

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

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 either Australian citizens, permanent residents or have protected visa status; to reside in NSW; and to meet income eligibility requirements.

Our Strategic Direction

Our strategic direction is set out in our 2018-2023 Strategic Plan. This document communicates Metro's goals and objectives, our 5 year "targets" and the activities required to achieve these. 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 primarily through:

- leasing an average of 14 additional properties above our quota each year and providing another 4 social housing accommodation units in a property owned by Metro Community Housing. This allows us to provide an average of 15-18 additional supported tenancies.
- Our involvement in the STEP to Home program which will result in Metro housing an additional 20 permanent tenants before 30 June 2020. This program also provides us with an alternate income source for a three year period from September 2018.
- Redevelopment of land/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".

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

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
- ✓ providing a stable platform to allow tenants to make positive choices and enhance their opportunities
- ✓ working collaboratively with other housing providers and community support services to help us achieve these aims
- ✓ actively engaging in activities which support the social housing sector and the broader objective of improving access to safe, affordable housing for all, and
- ✓ Valuing and including people of all backgrounds, genders, sexualities, cultures and abilities

Our Values:

As an organisation Metro seeks to be

- ✓ Professional – Committed, accountable and transparent in all dealings with our tenants and other stakeholders
- ✓ Informed – to keep abreast of current developments in the housing and community services sector and use knowledge to inform decision making.
- ✓ Service Oriented – to keep tenants at the heart of our decision making.
- ✓ Responsive – by trying to better understand the needs of our tenants and to be responsive to 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

- ✓ Ensure good governance and management – to meet our compliance, reporting and operational responsibilities in a timely and effective manner in the best interests of tenants
- ✓ Value Feedback – we will seek and value our tenant’s and other stakeholders input and involvement
- ✓ Innovative – by using technology and innovation to improve our tenants experience and enhance their ability to communicate with us
- ✓ To engage with and empower our staff to perform their functions effectively and with pride
- ✓ To celebrate and share our achievements

Our staff

Metro has a staff of 10 people (8.9 FTE positions) comprising:

- CEO
- Housing Manager
- Housing Officers (2.5FTE)
- Housing Pathways Officer (0.3FTE)
- Asset Manager (0.6FTE)
- Administration Manager
- Administrative Officer/Receptionist (0.7FTE)
- Finance Manager
- Assistant Accountant (0.8FTE)

The CEO is responsible for day to day management of the organisation, with Strategic Direction and oversight the responsibility of the Board of Directors.

Our Board of Directors

Our Constitution allows Metro to have a board of between 6-10 directors.

The current members of the Metro Board of Directors have qualifications and experience in Law, Accounting, Financial and Strategic management, Property and Asset Management, Human Resources, Disability Advocacy and Evaluation, and Community Support.

Board members are elected for two year terms. Executive Officers are elected by the Board at the first board meeting following the AGM.

The current executive members are:

- James Kennedy - Chairperson
- Maria Kenny - Treasurer
- David Abello - Deputy Chairperson
- Susan Taylor - Secretary

Directors James Kennedy, Malcolm Pollard, Susan Taylor, Rick Daly and Enda O'Ceallachain were re-elected or elected to the Board at the 2018 AGM for a two year term and are therefore not required to stand at this year's AGM.

Directors David Abello, and Melinda Tunbridge are required to stand down from the Board, re-nominate and stand for election at this year's AGM. Maria Kenny and Shaun Driscoll were appointed to casual vacancies on the board subsequent to the 2018 AGM and they are required to nominate for election at this AGM.

Directors Catherine Lin and Elizabeth Sharaq resigned from the board during the year.

Information about the date each Director was appointed and the number of meetings attended in the 201/19 financial year is contained in the Annual Financial Statement section of the Audit report.

METRO OVERVIEW

How do we operate?

Metro Community Housing receives operational funding through the following programs:

- CHAP. Through the Community Housing Assistance Program, Metro has been allocated 105 '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 sub-let these properties to tenants who meet *Housing Pathways* eligibility criteria.
- Crisis Leasehold. Metro receives funding to head-lease 5 "crisis" properties for use as transitional housing for individuals and families exiting specialist homeless services.
- Connect 100. This program is co-funded by the Department of Communities and Justice (DCJ) and the City of Sydney Council to provide permanent housing for rough sleepers. The program funds leasehold subsidies for these tenants for up to 3 years, after which the tenancy is absorbed into our general CHLP program.
- STEP to HOME. This is a three year program funded by DCJ which funds the acquisition of leasehold properties and provision of support to people who have experienced primary and secondary homelessness.

The program which commenced in September 2018 will provide permanent housing for 90 people by June 2020. Metro will provide housing for a minimum of 20 people.

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 as set out in a *Service Level Agreement*.

Our previous Strategic Plan (2013-2018) set a target of 35% of tenancies being allocated through partnership arrangements and our current Strategic Plan (2018-2023) re-states our commitment to this objective.

A support partnership is one where the service provider has nomination rights - that is, they refer a client who is in urgent need of housing and provide support to help that person establish and maintain a successful tenancy.

We provide transitional housing for a term of between 3-18 months for persons who are approved on Housing Pathways as *Housing General*. Persons who are *Priority* approved can remain in their transitional tenancy until they receive a permanent offer of housing.

Metro also offers extended terms of tenancy for transitional tenants engaged in full time vocational or tertiary education, and parents of dependent young people completing years 11 and 12 or undertaking vocational or tertiary studies.

Current support partnerships are targeted to:

- ✓ People exiting residential drug and alcohol programs
- ✓ People exiting the criminal justice system
- ✓ Women and their children exiting Specialist Homeless Service crisis accommodation
- ✓ Young people (16-25) who are homeless or exiting SHS crisis accommodation
- ✓ Transgender and gender diverse persons
- ✓ People with a moderate psychiatric disability

For the last two years Metro has been involved in a very targeted partnership with Sydney Local Health District and Flourish Australia to provide medium term housing to people with a severe psychiatric disability exiting RPA or Concord Hospitals who require intensive psycho-social and clinical support. One unit in a 12 unit complex has been allocated for use as an office with sleepover facilities for the on-site support staff.

Metro has also been involved for several years in specialist programs which provide long term housing to enable people to exit primary homelessness. This includes our earlier collaboration with Bridge Housing, which co-ordinated the Platform 70 and

Connect 100 programs focused on people who had been rough sleeping and the STEP to Home program which commenced in September 2018.

Metro, in collaboration with lead agency Bridge Housing, the Women's Housing Company and NEAMI National were successful applicants for the STEP program tender to provide long term, supported housing for 90 people exiting primary/secondary homelessness.

Working in partnerships with several other inner metropolitan Specialist Homelessness Services, 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 well-being and develop greater capacity for positive social and community engagement.

Tenants are assisted into permanent housing and provided with a high level of intensive support initially (or over the longer term depending on need) or referred to specialist services (i.e. mental health; alcohol and other drugs, trauma counselling) to aid their transition from "street to home".

These specialist programs have generally been funded for a period of up to three years after which time Metro absorbs the tenancy into our CHLP leasehold or capital properties.

Further information about the composition and features of our tenancies are detailed in the Statistical Information section of this report.

Where do we operate?

The majority of our properties are located in the inner west metropolitan area - primarily in what were the former Ashfield, Marrickville and Leichhardt Local Government areas (now amalgamated as Inner West Council) and in the City of Sydney and Canterbury-Bankstown Local Government Areas. We have a very small number of properties across 12 other local government areas.

Over the last several years there has been slight re-orientation of our leasehold portfolio with more properties acquired in middle ring suburbs following the introduction of annualised CHLP funding in 2014/2015. We have done this through gradually relinquishing properties in higher cost areas when we need to relocate tenants at their request or in response to owners issuing us with notice to vacate. This allows us to take advantage of the greater value for money for rentals in areas slightly further away from the CBD

For the last several years Metro has applied a price “cap” related to property type/bedroom size to guide the maximum rent we will pay for leasehold properties. Tenants who can demonstrate a “locational need” to remain in, or be housed in a specific suburb/area in order to access specialist medical, educational or support services are exempted from application of the rental cap, and they will continue to be housed in areas which allow them to access necessary services or supports.

This has allowed us to lease between 5- 10 additional properties above the quota of 261 properties which we are contracted to provide. This allows us to offer these properties to our support provider partners for transitional housing.

Head-leasing properties which are more affordable also means that we have been able to facilitate positive exits from social housing for several 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.

Metro also offers up to 4 “affordable” housing subsidies to tenants who have been able to gain fairly consistent employment but whose income would still present barriers to renting in the private rental market.

These subsidies are offered to tenants who are:

- Outside the income eligibility limits for social housing, or
- 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 within a 6-12 month period.

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, ie 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.

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 based on organisational size and risk profile. As a relatively small housing provider which has not undertaken development activity or other ventures which would place pressure on our financial viability, Metro has been assessed as a Tier 2 provider.

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.

As well as annual reporting we provide key performance data in relation to tenancy management, asset maintenance and financial performance on an annual and quarterly basis to the Community Homes and Places 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.

Chairperson's Report

I joined the Metro Board on 23 October 2009 and have served as Chairperson since 2014. As I am taking up an employment opportunity overseas I am sadly forced to resign from the board at this AGM.

Commemorating the 10th anniversary of my involvement with Metro has caused me to reflect on the very positive difference that safe and secure housing provides.

Beyond the management reports the Board receives each month setting out Metro's activities and attainment of benchmarks, all directors have a keen appreciation that it is the people we serve and the positive impacts we have on the lives of individuals and families that make the work of Metro so important.

Many of our long term and transitional tenants have gained and retained employment – too often insecure, impermanent and low waged, but not always. Housing people in high density inner metropolitan areas with good access to employment and public transport provides opportunity!

Many have raised their children in far more advantageous conditions than they could have without stable housing. More of our tenant's children will complete Year 12 and go onto vocational or tertiary studies. Many will get better jobs than their parents.

Many however have experienced physical, sexual and emotional abuse, complex trauma, loss of family, displacement from their country of birth, inter-generational poverty and dispossession, long term homelessness, imprisonment and addiction.

The resulting physical, emotional and psychological damage means that many of our tenants will have reduced capacity to manage their own lives, make decisions, deal with change, use drugs or alcohol safely, or engage with family and community.

Many will have chronic illness, many will be socially isolated, and quite a few will die prematurely. Most will be appreciative; some will have surprising skills and abilities; many will amaze us with their capacity to live happily and successfully despite their past experiences, and many will contribute positively to the life of others.

Metro is committed to ensuring diversity and social inclusiveness and we are grateful to the Department of Communities and Justice (DCJ) for their ongoing funding which enables us to provide high quality housing in locations which would be impossible for low income earners and those in need to access otherwise.

The majority of our tenants are housed in properties head- leased in the private rental with funding through the Community Housing Leasing Program. DCJ contracts us to provide a minimum of 261 leasehold properties but we have consistently leased above this number within the budget. In the 2018/19 financial year we have an average of 274 properties at any time.

This provides us with greater flexibility to respond to the demand for short-medium term transitional housing for people exiting specialist homeless services, prison, and drug and alcohol rehabilitation programs.

Metro's efficient management of this funding over recent years has generated sufficient surpluses to allow us to purchase a former boarding house which, with minor upgrades, we have converted into 5 additional social housing accommodation units.

The purchase of a small block of land adjoining this property in December 2018 will allow us to undertake a modest redevelopment of the combined sites commencing in 2020.

Metro has been well served by its Board over many years and I stand down from my position as chairperson confident in the future oversight of the organisation by my fellow directors. We have been fortunate in having a good mix of long term directors who provide stability and support to new directors, and new directors who bring fresh perspectives, ideas and energy to the board.

Their strong support for the principles and values of the co-operative, and their active interest and engagement with the organisation have greatly assisted me in my role as Chairman.

The 2018/19 Annual Report continues to tell the story of Metro's achievement in enabling our tenants to get on with their lives by providing them with stable and safe housing. I particularly want to extend my sincere thanks to all the staff at Metro staff for their ongoing commitment to helping our tenants live the best life they can.

James Kennedy

Treasurer's Report

Having joined the Metro Board and being appointed to the executive position in April 2019 I am very pleased to present my first Treasurer's report which outlines the positive financial performance of your Co-operative for the 2018/19 financial year.

These results reflect our continuing focus on maintaining a financially strong organisation, meeting our obligations to our funding and regulatory bodies and to the taxpayers of NSW, and providing high quality, responsive services to our tenants.

METRO's healthy cash reserves and assets will ensure our ongoing financial viability and continuity of operations whilst giving us the opportunity to undertake redevelopment of existing assets in order to meet our strategic objective *to house more people in need*.

Highlights of our operating performance for this financial year include:

- Total income increased by 5.10% from the previous year to \$11.31 million
- Income from grants increased by 5.90% from the previous year to \$6.5 million.
- Rental income increased by 3.6% to \$4.46 million.
- Total expenses for the year were \$9.88 million, up by 6.6% from \$9.27 million in 2018 with rent payments for the year increasing by 5.50% to \$7.79million
- We achieved an overall operating surplus of \$1.43 million.

Highlights of our balance sheet position as at the end of the financial year include:

- Total assets at the end of 2018/19 were \$11.76 million versus liabilities of \$1.76 million, resulting in net assets of \$10.0 million
- Current assets increased to \$7.42million in 2018/19 from \$6.73 million in the prior year.
- Cash reserves increased to \$6.93 million in 2018/19 from \$6.28 million in prior year.
- As shown in the *Profitability Margin* graph below which shows the ratio of Earnings Before Interest, Tax, Depreciation and Amortisation over the last 5 years, these results are consistent with Metro's strong financial performance over time.



On behalf of the Board, I would like to thank the METRO management team for their strong leadership and prudent financial management. Thank you.

Maria Kenny, Treasurer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS

OF

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A.B.N. 85 775 722 514

Report on the financial report

I have audited the accompanying financial report of Metro Community Housing Co-operative Ltd, which comprises the statement of financial position as at 30th June 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors' 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, the Co-operatives (Adoption of National Law) Act 2012 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

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I 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 auditor's 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 auditor considers 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.

I performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards, Co-operatives (Adoption of National Law) Act 2012 and the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013, and a true and fair view which is consistent with my understanding of the Co-operative's financial position and of its performance.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S

REPORT TO THE MEMBERS

OF

METRO COMMUNITY HOUSING CO-
OPERATIVE LTD A.B.N. 85 775 722
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Independence

In conducting my audit, I have complied with the independence requirements of the Co-operatives (Adoption of National Law) Act 2012 and Australian Charities and Not-for-profits Commission Act 2012 and any applicable code of professional conduct in relation to the audit.

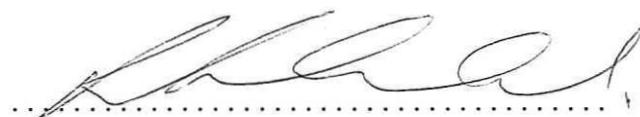
Auditor's Opinion

In my opinion, the financial report of Metro Community Housing Co-Operative Ltd has been prepared in accordance with the Co-operatives (Adoption of National Law) Act 2012 and Australian Charities and Not-for-profits Commission Act 2012, including:

- a. giving a true and fair view of the company's financial position as at 30th June 2019 and of its financial performance and cash flows for the year ended on that date; and
- b. complying with Australian Accounting Standards, the Co-operatives National Regulations and the Australian Charities and Not-for-profits Commission Regulation 2013.

Name of Firm: Partlett, Chave & Rowland - City

Name of Auditor :



Robert Bruce Rowland

Address :

Suite 202, Level 2
68 York Street,
Sydney NSW 2000

Dated: 15th November 2019

CEOs Report

The pending resignation of our Chairperson just after his 10th anniversary on the board served as a reminder of how quickly time passes and how much or little things change.

Fifteen years ago I attended my first Annual General Meeting with Metro – then called “Marrickville Area Community Housing” (MACH). I was there to meet with the directors and members in just prior to commencing a six month contract position as Acting Manager.

At the time I had just taken redundancy from a NSW government position, had all intentions of returning to the public sector, but needed to wait out the “exclusion” period of ten months before re-joining. This contract seemed a perfect opportunity to do something interesting while I waited out this time. The rest as they say is history.

When I joined Metro in December 2004 it had 1 full time housing officer, a part time receptionist/administration officer and a one day a week finance officer.

At that time the common perception in the sector was that that small providers would find it increasingly difficult to survive in what was going to be rapidly changing operating environment.

Increasing oversight by government and external bodies was imminent, there was a general push to replace tenant directors with “skilled” candidates, and there was significant pressure from our funders for small providers to merge with (or be subsumed by) larger providers.

Managing negotiations with our funding body and other CHPs in relation to a potential merger between several small-medium sized providers was in fact a significant part of my role when I took up the contract position.

In common with many CHPs, Metro at that time had a board with a majority of tenant directors with the balance of directors generally being employees of partner organisations or anyone who lived locally and could be roped in to give of their time for no financial reward or kudos.

Whilst MACH did eventually merge - with Resamen, a very small specialist provider – and changed our name to Metro; negotiations for a larger merger did not eventuate.

Whilst still under pressure to open up discussions with other organisations the board was confident that we had the organisational capacity to continue to survive, even to thrive, without being absorbed by a larger provider.

Our small but steady growth, positive financial performance over many years and high tenant satisfaction rates are a testament to this confidence. Our board now includes a majority of directors with specialist skills but it is committed to retaining tenant representation and to ensuring tenants are at the heart of our decision making.

In large part this is due to the leadership of our Chairperson James Kennedy. James came to Metro with extensive knowledge of the “asset” component of social and affordable housing but his empathy and concern for our tenants gives Metro its soul.

In what will be James’ last term as Chairperson and as a Director I want to express my extreme gratitude for the wonderful support he has given me personally, and for his understanding of the difficult work we do and his commitment to acknowledging and rewarding the efforts of the entire Metro team.

Metro’s tenants are well served by a very stable staff team who have demonstrated enormous commitment, dedication and professionalism over many years. Metro has an excellent staff retention rate and recently engaged staff have been recruited to fulfil newly created positions or to backfill positions left vacant by internal promotion rather than to replace departing staff.

So what hasn’t changed over these 15 years is that there are still many challenges and many rewards; that safe and secure housing has the potential to change lives and to allow people to live with dignity; that we share and rejoice in the small victories and support one another through the difficulties.

My sincere thanks to all the Metro staff for your contribution to our achievements in 2018/19.

Julie Harrison

2018 Tenant Satisfaction Survey

Obtaining feedback about the quality of our services and how well we meet the needs of our tenants is essential in ensuring that we are responsive and accountable to our stakeholders. It allows us to identify specific trends or concerns which may require us to review policies and procedures or how these are applied.

Metro must also meet 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).

For the last several years, Metro has engaged CHIA NSW (formerly the NSW Federation of Housing Associations) to conduct our tenant satisfaction surveys. Metro receives de-identified data only from CHIA.

Our most recent survey was conducted during August/September 2018 with all tenants sent a written survey developed in consultation with CHIA. 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. For the last survey period 23% of responses were received on-line. This figure has been growing incrementally with each survey.

The response rate for this survey was 27%, which is slightly above the NRSCH benchmark of 25% but slightly below the response rate in previous years.

We believe the high number of transitional tenants – particularly those who exit within a short time frame contributes to a relatively low response rate but we will explore strategies to improve response rates when the next survey is undertaken.

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

- ✓ satisfaction with housing services which had a combined satisfaction rate of 91% (the NRSCH threshold is 75%)
- ✓ satisfaction with property condition which had a combined satisfaction rating of 86% (the NRSCH threshold is 75%), and
- ✓ satisfaction with the quality of repairs and maintenance which had a combined satisfaction rating of 83% (the NRSCH threshold is 75%)

Other notable results include:

- ✓ 95% were satisfied with their communications with Metro Housing
- ✓ 95% were satisfied that their rights as tenants were upheld by Metro
- ✓ 86% were satisfied with the condition of their property
- ✓ 92% of respondents said they would recommend Metro to family & friends
- ✓ 95% of respondents reported that Metro staff were helpful

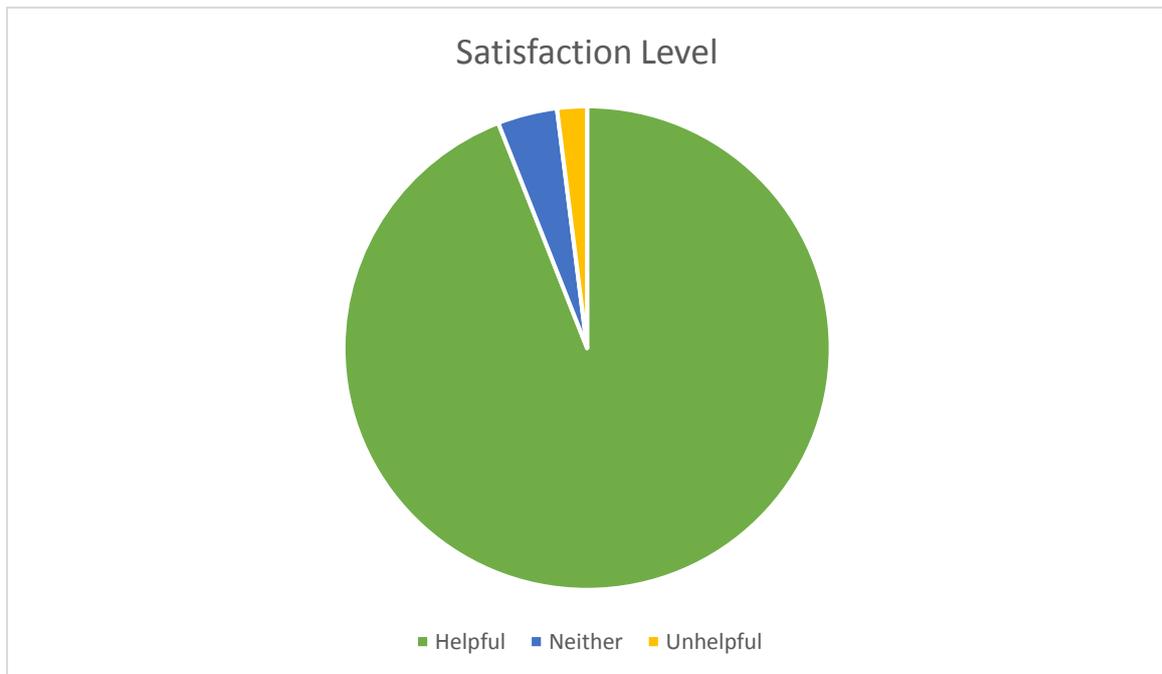
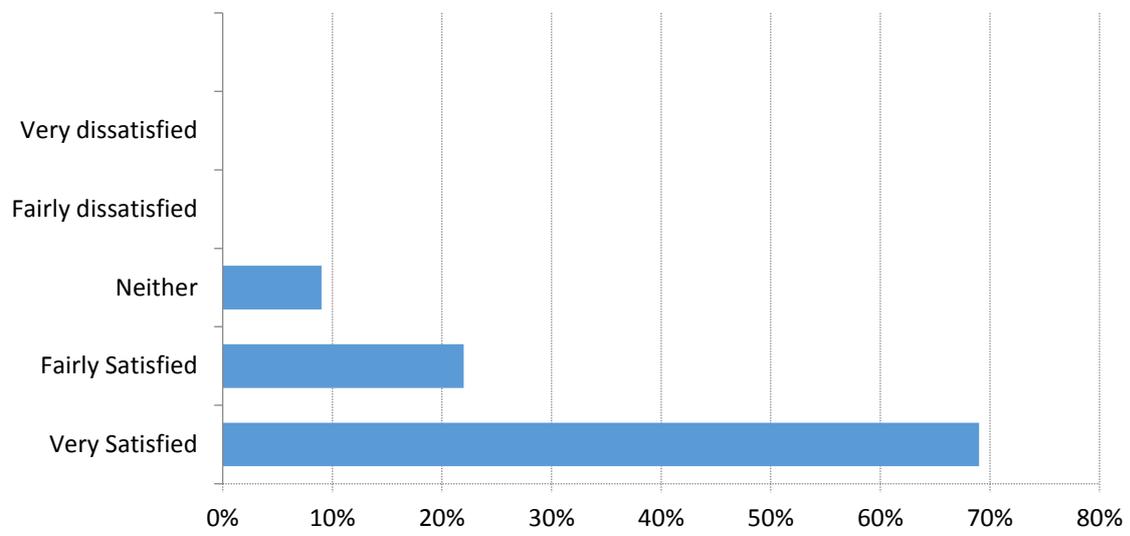
Benchmarking Against our Peers

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:

- ✓ 15% above the sector benchmark for Tenant Involvement,
- ✓ 14% above the benchmark for knowledge of appeal processes,
- ✓ 13% above the benchmark for quality of communications,
- ✓ 10% above the benchmark for Complaint Handling,
- ✓ 7% above the benchmark for overall satisfaction and
- ✓ 2% above the benchmark for satisfaction with property condition.

Overall satisfaction with housing services



Overall satisfaction by main service areas

Overall satisfaction	Very satisfied	Fairly satisfied	Neither	Fairly dissatisfied	Very dissatisfied	Combined Satisfaction	Combined dissatisfaction
Housing Services	69%	22%	9%	0%	0%	91%	0%
Quality of support	66%	26%	5%	3%	0%	92%	3%
Satisfaction with complaint handling*	40%	20%	13%	27%	0%	60%	27%
Repairs and Maintenance	56%	28%	12%	10%	0%	84%	10%
Location	74%	19%	3%	3%	1%	93%	4%
Satisfaction with neighbour-hood	65%	27%	6%	0%	2%	82%	2%
Communication	76%	20%	4%	0%	0%	95%	0%
Tenant Engagement	60%	30%	10%	0%	0%	90%	0%

Complaints and Appeals

Of the 19% (or 16) respondents who indicated they had made a complaint in the last year, 73% were very satisfied/satisfied/neutral about how their complaint was dealt with. These results are slightly worse than the previous year with 27% being fairly dissatisfied. The CHIA report does state however that these results should be viewed with caution due to the very small sample size as well as

- a. Difficulty in distinguishing (dis)satisfaction with the complaint handling process from the outcome (ie where tenants do not obtain their desired result).
- b. The impact of factors outside Metro's control such as the length of time that matters referred to external bodies may take to resolve.

Metro does actively utilise 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.

In regard to awareness of complaint and appeal processes, this year's result of 73% is slightly above the previous survey (68%) and reflects a major improvement over the last few years. In the 2015 survey when only 41% of tenants reported understanding the complaints process. The comparative figure for Appeals was 59% (up from 52% in the previous year) with 21% *unsure* and 21% saying they *didn't know* how to appeal.

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 agreements 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 on both internal and external complaints and appeals processes in our quarterly newsletters.

Location of Home and Satisfaction with Neighbourhood

Tenants rated satisfaction with the location of their home at 94% (slightly above 2017 result of 92%) with a positive upward trend from 83% in 2014. *Overall Satisfaction with Neighbourhood* increased considerably over the last year with 92% indicating they were satisfied with their neighbourhood as a place to live (up from 83% in the previous survey).

This is pleasing given that we have also slightly re-orientated our portfolio – relinquishing properties in inner metropolitan suburbs and acquiring a higher percentage in middle ring suburbs to take advantage of the more affordable rental market in those areas. Often this means we have been able to pick up better quality properties.

Given that there are many external factors - demolition or construction activity resulting in greater noise/disruption to residents, worsening traffic or public transport access, perceptions of crime/concerns about safety which can negatively 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. Overall satisfaction was therefore ranked as 95% satisfied.

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?
2. How satisfied or dissatisfied are you that Metro listens to tenant's views and acts on them?
3. How satisfied or dissatisfied are you that tenants are able to influence Metro's decision making?

It is noted that satisfaction was higher for the first two (lower) levels of engagement at 90% and 81% respectively but only 70% for the higher level of engagement.

We believe that in part this is explained by the need for all social housing provider to comply with relevant Federal and State government legislation/policy frameworks as well as funding body and regulatory requirements in the application of relevant policies and procedures to our operations, leaving little room for us to implement decisions which tenants may desire but which would not meet our compliance obligations.

Overall results for this category at 86% were an improvement over the 2017 ranking of 81% and it is pleasing to note that this area is trending in a positive direction with comparative results being 72% in 2015 and 58% in 2014.

About our respondents

Respondents gave their ancestry as:

-  45% born in Australia
-  32% born in a non-English speaking country
-  19% born in an English speaking country
-  5% indigenous

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

Tenants in capital properties were generally more positive than tenants in leasehold properties, particularly in regard to questions relating to “value for money for the rent you pay” and “satisfaction with support plan”.

It should be noted that almost 72% of Metro tenants live in head-leased properties with an even higher proportion of supported transitional tenants residing in leasehold properties.

Metro does not have primary responsibility for the maintenance of our leasehold properties and this would contribute to the higher level of satisfaction in regard to “the quality of maintenance of your home” at 89% for tenants in capital properties compared to 82% for tenants in leasehold properties.

Only 5% of tenants in capital properties indicated they were either “fairly dissatisfied” or “very dissatisfied” with repairs to their home, compared to 11% in leasehold properties.

Tenants Comments

The Tenant satisfaction survey provides an option for tenants to add comments about any aspect of our service delivery. Of the 50 people who chose to make comments, five were negative.

Two of these were about Rent review processes and reflect issues identified related to differences between CRA calculations and actual CRA received. This is a complex matter which we have discussed with HAC.

The three other negative comments related to maintenance in leasehold properties and a refusal by private owner to give permission for Foxtel installation.

Below is a snapshot of other comments received:

I am so grateful that services such as Metro exist. I have found Dawn to be very respectful and I am so pleased with the opportunity I have to live in my place – I could only do it because of Metro's help.

Tenant in Leasehold property, Inner West LGA.

Very pleased with assistance I receive. Joanne and the other staff always have a friendly smile and are very polite.

Tenant in Leasehold property, Inner West LGA.

Thank you Metro for giving me and my family a roof over our heads. I am sincerely grateful for the opportunity.

Tenant in Capital property, Inner West LGA

Our time with Metro has been good. Kept a roof over our heads and gave me a chance to help raise my children. Thank you all very much.

Tenant in Leasehold property, Inner West LGA

Metro Housing gave me a place to call home. I am very glad to be living here in a safe environment with my family.

Tenant in Leasehold property, Canterbury-Bankstown LGA.

I'm so grateful to be housed by Metro Housing. I have been involved with other housing programs and Metro has been the best. My property is amazing in both location and condition.

The staff at Metro have helped throughout the whole process from moving in to repairs. They have been very understanding of personal circumstances and done their best to work with and support me. I like that they are a smaller organisation as I feel listened to and treated as a person.

Tenant in Leasehold Property, Inner West

Metro's services have been nothing but excellent. Thank you for offering me a home for my son and I, especially in this location which we dearly appreciate.

Tenant in Leasehold Property, Botany LGA

I've been with Metro for many years. I'm in a capital property and Metro has been supportive with repairs and upgrades to my property. I have found Metro staff at all times to be approachable and helpful. It is really nice to feel supported and that someone is willing to assist you with somewhere safe to live. I appreciate it.

Tenant in Capital Property, Marrickville LGA

I have been with Metro for many years and the organisation has improved their dealings with tenants and communication has also improved greatly.

Tenant in Leasehold property, Canterbury-Bankstown LGA

The introduction of the tenant portal for messages on mobile/texting is good – being able to check on rent status and report repairs etc – this will be a major plus as time goes by.

Tenant in Capital property, Inner West LGA

Our Housing Partners

In line with previous and current Strategic directions, Metro remains committed to working effectively with our support partners to provide appropriate assistance to high need clients. Metro has a particular focus on providing supported accommodation to:

- People with a chronic and enduring psychiatric disability
- People exiting from long term primary homelessness (rough 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

At Metro we believe strongly 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 social housing applicants continue to increase.

The majority of people we house in our transitional programs will require long term or permanent social housing but for those who have the capacity to move towards greater independence through educational opportunities and workforce participation we will support them by:

- providing stable and affordable accommodation beyond the maximum two year transitional term for young people and single parents who are in full time vocational or tertiary education and able to provide proof of course completion/achievement.
- extending the term of transitional tenancies for single parents with dependent children who are completing Year 12 of high school or undertaking full time vocational/tertiary studies to provide stability and security for those young people
- providing our tenants with access to scholarships to assist them to pay course fees and related costs.

providing “affordable rent” subsidies for up to 12 months beyond the end of their transitional term, for young people (under 25) and single parents (under 30) who have gained employment and have a realistic expectation of increasing their income/job security through permanent appointment, gaining additional hours of employment, or career progression.

As at 30 June 2019 we provided accommodation for 120 transitional tenants who are nominated by and provided with ongoing support by 20 separate specialist support providers.

We currently have formal Service Level Agreements in place with:

- The Aboriginal Women and Children’s Crisis Service
- The Aftercare Association (Biala and Mulwarra programs)
- The Department of Justice Compulsory Drug Treatment Program (in association with Cana Community)
- Glebe House
- Guthrie House
- Kathleen York House
- Launchpad Youth Community

- Lillian's Place
- NEAMI National
- Rainbow Lodge
- Salvation Army Homelessness Services Network
- St John of God
- St Vincent De Paul Homelessness Services
- Sydney Local Health District Mental Health Services including Camperdown, Canterbury, Croydon, and Marrickville Community Mental health teams, the Mobile Assertive Treatment Team and Concord and Royal Prince Alfred hospital psychiatric units.
- The Gender Centre
- Uniting Care (Supported Living Program, Mental Health Program)
- We Help Ourselves
- Wesley Mission Ashfield Program for Young People
- YWCA (Young Women's Support Program and Rapid Rehousing Program)
- Women and Girls Emergency Centre (WAGEC)

Statistical Information for 2018/19

Tenancies as at 30/6/19 - 427

The number of tenancies is greater than number of properties as we have several 'shared' properties with between 2-4 transitional tenants. Individual leases are signed with each tenant in these properties.

Total tenancies for the period - 571

This includes head tenants who have exited during the period.

Total people housed as at 30/6/19 - 999

This includes head tenants (427), their dependent children (328), adult/non-dependent children, other extended family members, partners, and non-related additional occupants (244)

Total people housed for the period- 1139

This includes head tenants, their children and additional occupants

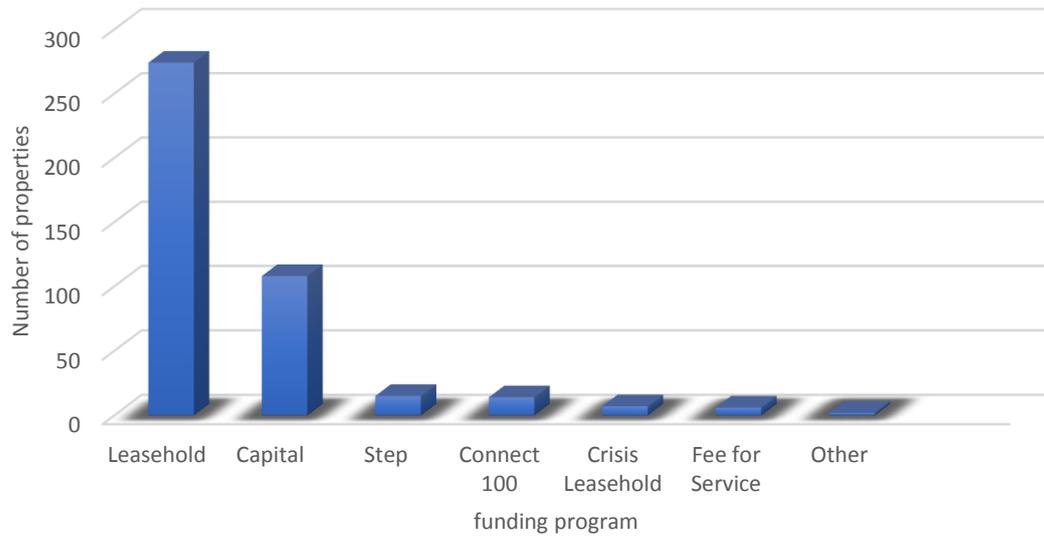
Properties as at 30 June 2019 - 423

- 274 Community Housing Leasehold Program (ie properties rented from the private market)*
- 108 Capital properties (ie properties owned by the NSW Land and Housing Corporation)**
- 36 Leasehold properties not funded by the CHLP program (15 STEP, 14 Connect 100, 7 Crisis Leasehold)
- 5 Fee for Service properties (properties owned by a government agency or community organisation)

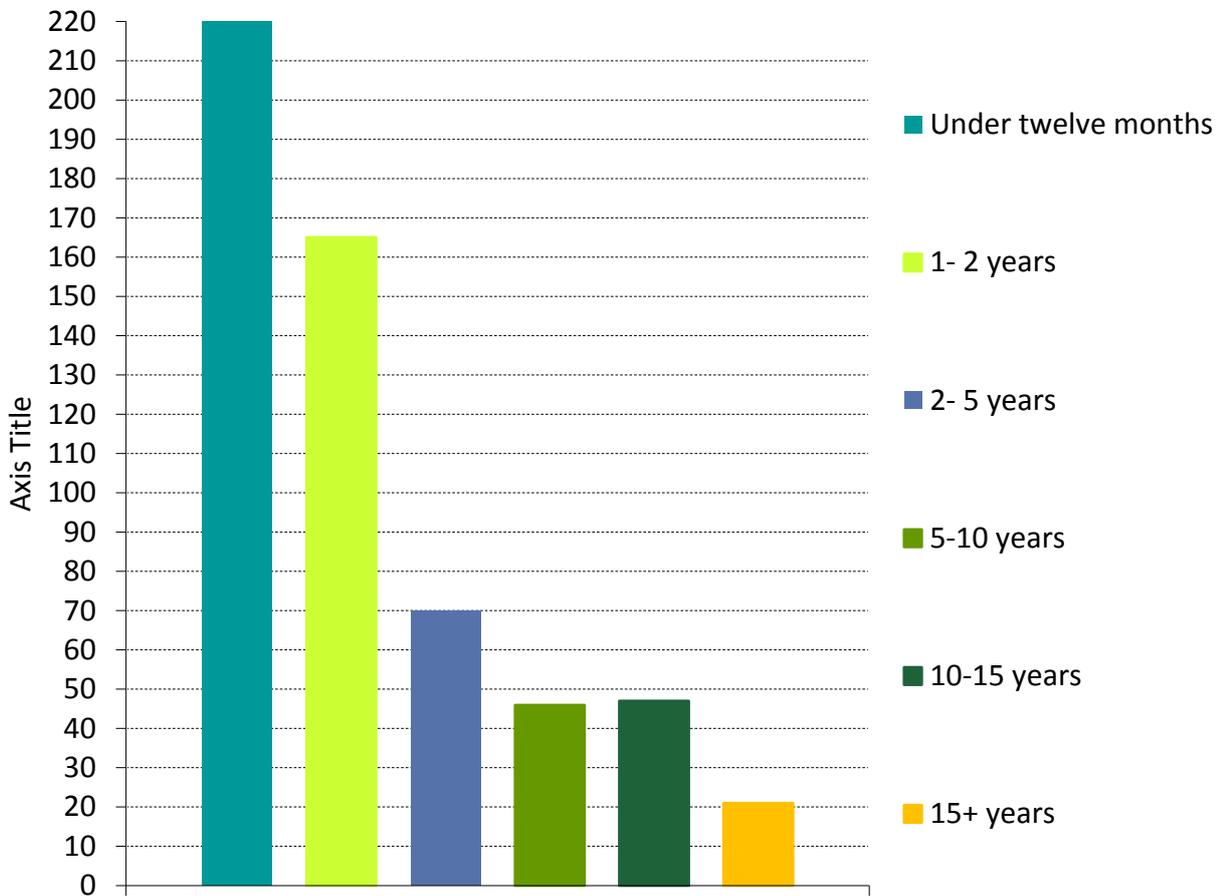
** Metro is contracted by DCJ to headlease 261 properties. Metro consistently leases over this number within our annualised budget. The actual number of properties headleased will vary from quarter to quarter. This is average across four quarters in 2018/19.*

*** This includes 2 crisis refuges where Metro does not retain rent paid by residents.*

Breakdown of Properties by Funding Programs

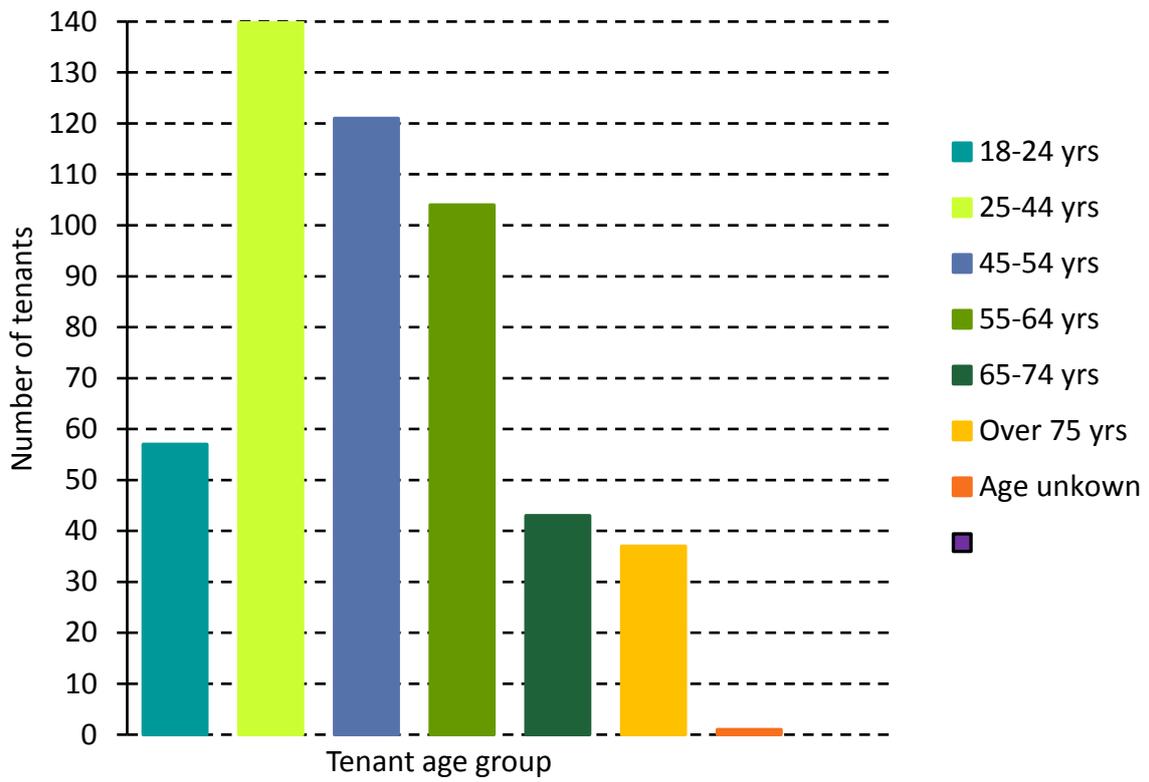


Length of tenancies:



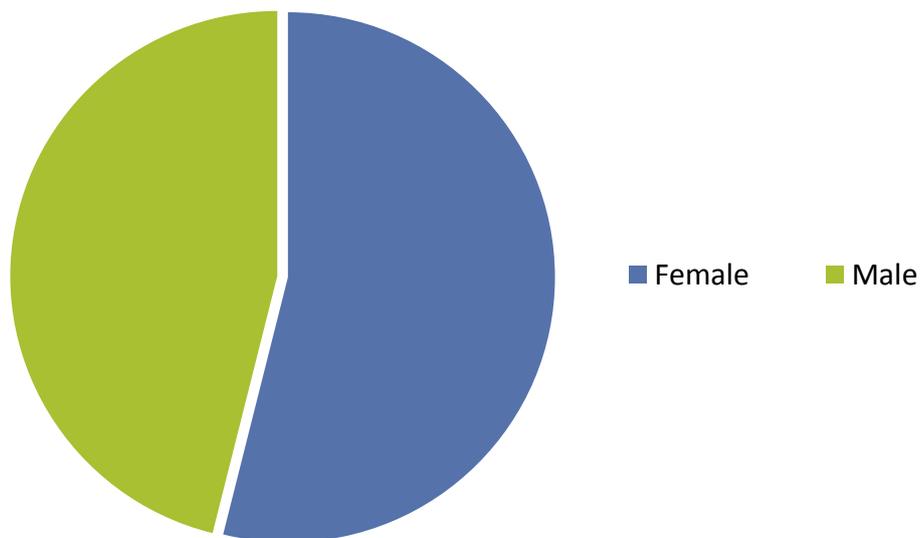
Note: The majority of tenants in the “under twelve months category” are transitional tenants who have exited in under twelve month (62). Transitional tenants who are Housing General approved will be offered terms of between 3-18 months meaning that in some cases properties may be re-tenanted a number of times in a twelve month period.

Ages groups of head tenants



Gender of head tenants (self-identified by tenants)

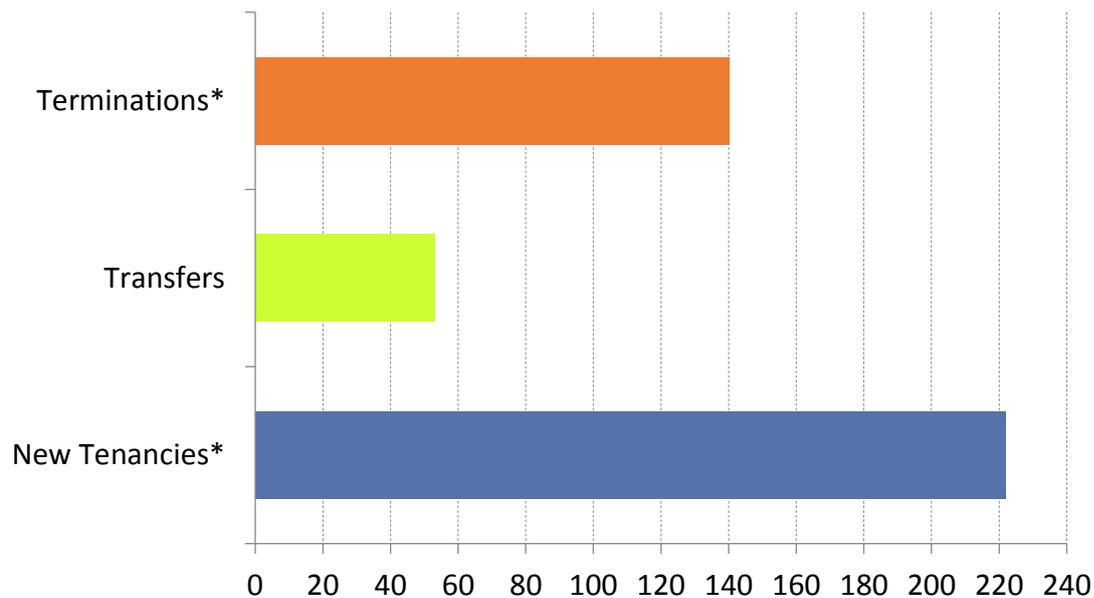
571 housed 2018/19



Female: 309 Male: 262 Other Stated: 1

Tenancy Movements

New tenancies for the period	222
Tenancies ending in the period	140
Tenant transfers for the period	53

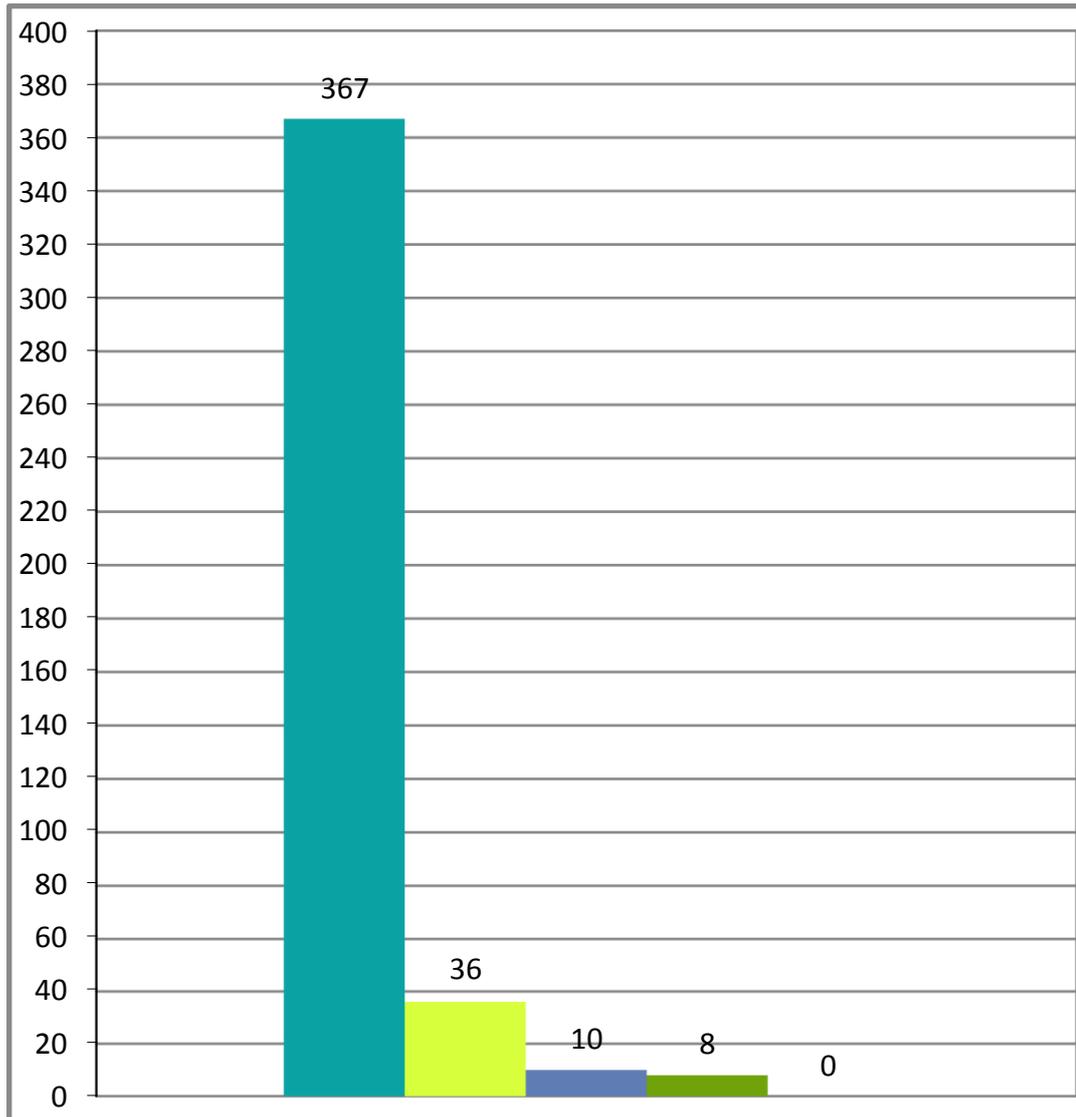


Notes:

1. New tenancies does not include tenants transferring between Metro Properties
2. In the majority of cases tenancies ending (shown in orange) relate to tenants completing transitional housing programs but also includes tenants who voluntarily left, were deceased, abandoned their properties, or had tenancies terminated by an order of NCAT.
3. In descending order, tenants exited to:
 - permanent housing with Housing NSW/ other community housing providers
 - the private rental market
 - 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
 - home ownership

Rent Arrears as at 30/06/2019

Not in arrears:	399
Arrears less than 2 weeks:	17
Arrears 2- 4 weeks:	5
Arrears 4-8 weeks	3
Arrears over 8 weeks:	3



Incorporation status: Co-operative, Public Benevolent status

Registration status: Registered as Tier 2 Housing Provider

Australian Business Number: 85775722 514

Location: Suite 208, Level 2,
1 Erskineville Rd, Newtown 2042

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1.00pm - 4.00pm Wed.
Friday by appointment.

Published by: Metro Community Housing Co-operative Ltd. This report can be downloaded from our website www.metrohousing.org.au

For a hard copy of the Annual Report please call us on **(02) 9565 4599**, or e-mail reception@metrohousing.org.au.

Metro wishes to 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!