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**St. George Community
Housing Co-op Ltd.**

Annual Report

2001/2002

Funding Agency

Office of Community Housing, Department of Housing
Department of Ageing, Disability and Home Care

Joint Ventures

St. George Community Housing has joint ventures with the following organizations for tenants with support need.

Majority of the joint ventures are successful in getting additional funding for capital or leasehold property acquisitions.

Aftercare

Al Zahra Muslim Association

Auburn Migrant Resource Centre

Bobby Goldsmith Foundation

Centacare

Civic Residential Service

CRC Justice Support

EASY

GROW

Handicapped Children Centre

House With No Steps

Independent Community Living Association

Richmond Fellowship

Southern Sydney Youth Refuge

Sutherland Division Mental Health Service (via PRA providing support)

St. George Accommodation Services for Youth

St. George Area Intellectual Disability Services

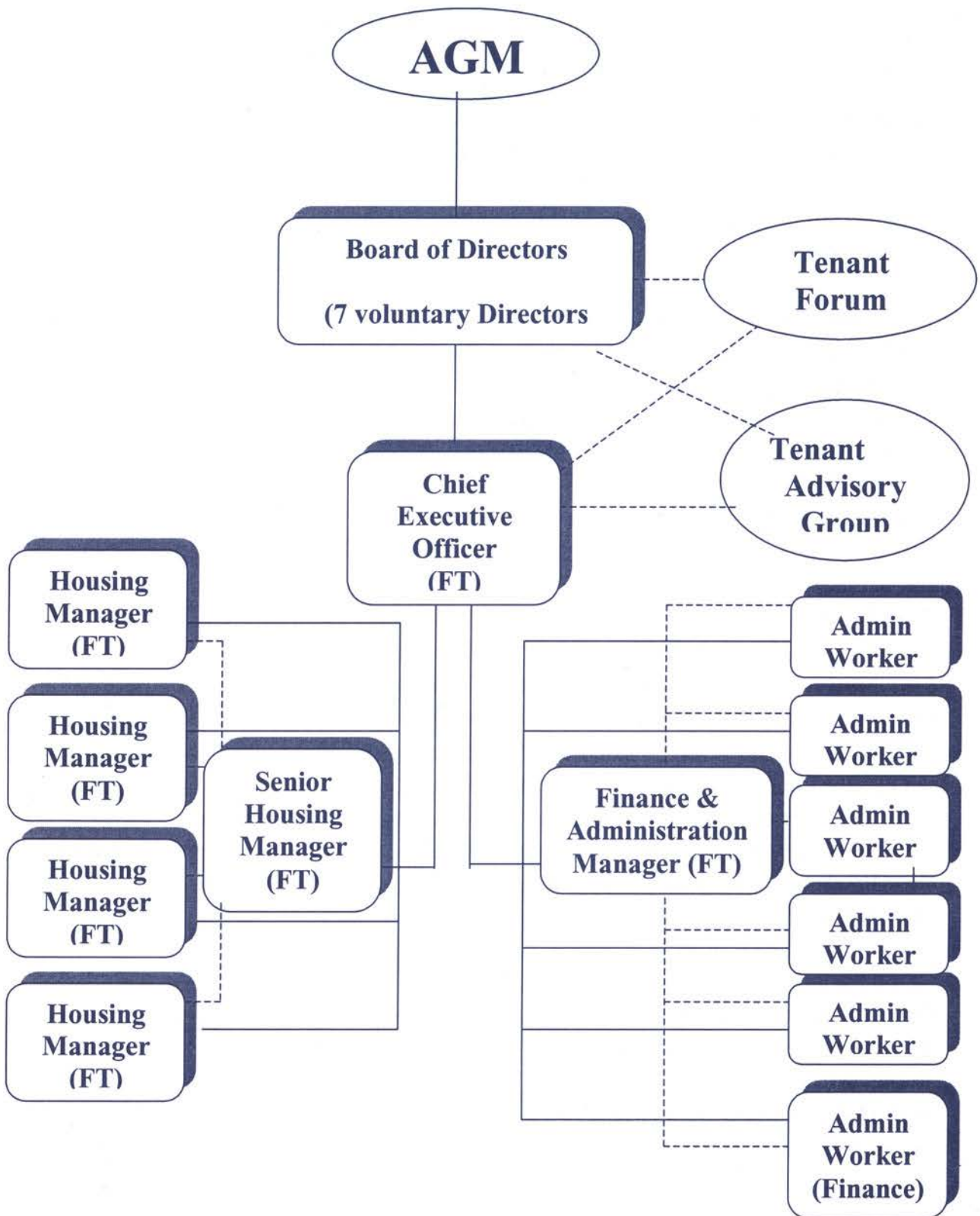
St. George Division Mental Health Service (via PRA providing support)

St. George Migrant Resource Centre

St. George Women's Housing

The Benevolent Society

Organizational Chart



Profile of SGCH

St George Community Housing Co-operative Limited (SGCH) established in 1985 is a non-profit housing association providing affordable, secure, appropriate and community-based rental housing for people in housing need and on low and moderate incomes in St George and nearby areas.

The organisation has a particular focus on assisting people who require support to access and maintain permanent housing that meets their needs, and as a result has established many support service arrangements with a range of local support agencies – 21 support services agencies targeting homeless people, older people, people affected by the criminal justice system, people of refugees background, people living with HIV/AIDS, people with a disability, people with complex needs, people with mental illness, women escaping domestic violence and youth at risk.

The organisations vision for its service is:

‘to deliver high quality, professional and affordable housing services to tenants and applicants within the local community through being responsive to their needs, encouraging tenant and community participation and ensuring the highest standards of accountability and efficiency’

SGCH is incorporated under the Co-operatives Act, and regulated by the NSW Registry of Co-operatives. The organization has been awarded three-year full accreditation against National Community Housing Standards in March 2001, the winner of the National Award for Overall Excellence in Community Housing 2001 and the NSW Award for Excellence in Community Housing for Organisational Management and Governance 2002. Also, the organization has formally registered under the Housing Association’s Code of Practice and the Housing Appeal Committee, accepting the responsibility for meeting the expectations within the Code and providing tenants and other stakeholders for an avenue of independent review of the organisation’s activity. The organisation is also registered with the Office of Community Housing as a Class 2 Registered Community Housing Provider.

SCGH was granted ‘growth status’ under the NSW Community Housing Growth Strategy in 1994/5 and since then has expanded its property portfolio by over 611 new units from 66 to 677 as at 30 June 2002.

SGCH is managed by a Board of Directors elected by the members of the co-operative at the AGM. The Board has seven members who offer themselves for service on the basis of their expertise in housing and asset management, legal practice, accounting, finance, business and social welfare. There are

eight (8) permanent full time and five (5) part time staff positions.

The organisation receives recurrent funding from the Office of Community Housing of the Department of Housing and Department of Ageing, Disability and Home Care. Additional income comes through tenant rents, from other capital funded housing project, and from fee for service work.

Applicants housed by SGCH must meet financial eligibility criteria, and tenants pay rebated rents in the range of 25 - 30% of their household income. The current tenant profile reflects the highly diverse and multicultural local community of the suburbs within which the organisation works, and includes groups who may have specific support needs.

CHAIR'S REPORT

Yet another year of rapid growth for St George Community Housing saw our housing portfolio growing by 27%. Our challenge as we grow is to provide ever-improving service to our customers and further develop joint ventures with local support service providers.

The Board of Directors has a variety of skills in community welfare, law, financial management, and housing and asset management. Members of the Board have brought strong commitment to the values and role of community housing, and the capacity to put those into action.

We have a growing multi-skilled housing management team who implement the policies and procedures decided by the Board. Our staff team is to be congratulated on a remarkably successful year.

Some highlights of the year are:

Awards for Excellence in Community Housing

We were the first NSW Community Housing Provider to win the National Award for Overall Excellence in Community Housing. This award was earned in October 2001, and those who attended the Annual General Meeting in 2001 will recall presentations made then to our staff. To win the award St George were required to demonstrate excellence in the following criteria:

- Excellence in all areas of the organisations' operation including corporate governance, organizational management and asset management.
- Sustained benefits to tenants and the local community including the history of the organisation's contribution and the structures in place to maintain it.
- Initiatives that actively promote social housing

In May 2002 St George also won the NSW Award for Excellence in the category of Organisational Management and Governance.

The Growth of St George Community Housing

St George Community Housing continues to expand its services to the local community. The property portfolio grew from 554 to 677 as at 30

June 2002 – an increase of 27%. The expected increase for 2001/02 in the Business Plan was 10%.

Growth in the last four years is shown in the following table:

	1997/98	1998/99	1999/00	2000/01	2001/02
No. of Properties	226	294	389	554	677
Growth rate	30%	30%	32%	42%	27%

Housing stocks acquired by St George Community Housing are from acquisition in the private market, capital properties transferred from the Department of Housing and head-leasing from private landlords. Current housing stocks are within St George and nearby areas including Auburn, Bankstown, Canterbury, Holroyd, Parramatta and Sutherland Shire local government areas.

One of our biggest challenges in the year to come is the management of the portfolio of properties previously managed by the Sutherland Shire Housing Network. Sutherland Shire Housing Network as recently placed into administration and the Board was agreed with the Office of Community Housing to administrate the properties of Sutherland Shire Housing Network.

There have been stresses and strains caused by the extra workload and the challenges of managing a bigger business. Our staff and the Board have worked wonderfully through those challenges and have kept their eye closely on our core business of providing affordable housing.

Joint ventures funded under the Supported Housing Projects and Crisis Accommodation Program targeting older people, young women with children at risk, women at risk, people affected by criminal justice system, families of humanitarian background and people with mental health issues continue to be important areas of focus for the Board and staff.

The biggest challenge for the organisation in the years to come will be to continue to offer excellence in service and property management in an atmosphere of change and a continued growth. I feel confident that we have the skills and abilities to meet that challenge with distinction.

Tenant Participation

St George Community Housing is also committed to foster tenant involvement in the planning, delivery, evaluation and management of the Co-operative's business. We believe that tenant participation can maximise individual satisfaction, in ways that are appropriate to the needs of all tenants.

SGCH continues to resource the Tenant Forum and Tenant Advisory Group to ensure tenant input can be built into a more formal and regular consultation mechanism. Newsletters have been published to facilitate tenant participation and inform tenants about important issues as they arise.

Co-operative Membership

Total membership is 240 of which 218 are tenant members and 22 are non-tenant members.

Many Thanks

We cannot have the success of the past year without important contributions from many areas.

The Office of Community Housing continues to offer support. We respect greatly your ongoing support, advice and counsel which allows us to remain focused on providing excellence in our service.

We thank the range of community and government agencies, including the Department of Community Services and Department of Ageing, Disability and Home Care, who accept SGCH as being a good supplier of housing accommodation.

The SGCH tenants play a strong role in our existence. We look forward to continuing a mutually rewarding relationship. We respectfully accept your comments and feedback.

Under the leadership of Patrick Yeung, the staff of SGCH is to be commended for their application and successes during the year. The Sutherland Shire Housing Network project, continued growth in properties maintained, additional applicants qualified, money collected, bills paid, and lots of telephone conversations with all sorts of people make for an incredibly busy office. Thank you for the quality of effort applied to your activities.

The Board has strived to develop industry leadership positions on many matters particularly in relation to organisation structure and staffing situations. We have been supported by independent consultants who, as always, provide a range of possibilities which take time to assess and implement. It is our desire to continue exploring opportunities to improve the way we do business and to be a strong organisation for the future.

This organization has been lucky to be served by Lindsay Kelly as its Chair since November 2000. Lindsay this year decided that he could not continue as Chair because of his other work commitments. St. George Community Housing owes Lindsay a great deal. He has overseen rapid growth and fantastic improvements in management and organization.

In the last few months Kay Pepper has resigned from the Board. Kay contributed greatly to the success of the organisation both as financial consultant and more lately as a member of its board.

Every member of the board has worked tirelessly over the last year on behalf of our tenants, partners in community housing, staff and other stakeholders I thank them for their enormous effort that they have made to ensure the continued success of St George Community Housing.



Steve Lancken
Chair

TREASURER'S REPORT

It is my pleasure to report on the financial results for the year ended June 2002.

The Audited financial statements are included in the Annual Report. These have been prepared in accordance with the requirements of the National Accounting Framework for Community Housing. They have been audited by Haywards Accountants.

The surplus for the year is \$217,626. This has come about through the provision of better quality properties which, in the short term, require less maintenance, and the overall economies of scale resulting from the growth of property numbers under our management. These economies of scale were anticipated some years ago when the organisation was correctly structured to manage the growth which has actually materialised.

Much of this surplus, which exists in the form of cash on deposit, has been put aside for future property maintenance requirements.

The balance sheet is in good shape. There have been ongoing investments in leasehold improvements. Although the value of rental bonds on deposit with the Rental Bond Board continues to grow these have been able to be funded from normal operating cash flows.

Of concern is the ongoing need to provide for and write off tenant debts which relate to tenant costs in addition to their rent. Such as excess water charges, repair costs resulting from tenant damage, and the like. During the year more than \$50,000 was incurred as unpaid debts of this nature.

A comparison of some of the key financial indicators over the last few years is illustrated below. It is clear from reviewing these that the business is well managed and, we believe, in the top quartile of community housing organisations.

	2001/02	2000/01	1999/00
Management Expenses	8.7%	10.8%	11%
Administration Expenses	3.3%	4%	4%

The Board has and will continue to manage the financial aspects of the business in a way that reflects the responsibility of the Cooperative to its tenants, the funding stakeholders, and in accordance with statutory obligations.

The excellent financial results are largely as a result of the hard work and efficiency of the dedicated staff of the business. On behalf of the Board I thank them for their efforts.

A handwritten signature in black ink, appearing to read 'L Kelly', written in a cursive style.

Lindsay Kelly
Director

CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to present the Chief Executive Officer's report for 2001/02.

2001/02 continued being another year of progress and success for St. George Community Housing:

- More applicants housed
- More stock acquired
- More joint ventures implemented
- Efficient and effective service delivery
- Strong finance position
- Reducing trends of management and administration expenses
- Decreasing trends of rental arrears and low vacancy rate

Service Development

St. George Community Housing has been approved to manage 677 properties as at 30 June 2002. There has been substantial growth in past 12 months with a growth rate of 27%.

Program	As at 30 June 2002	As at 30 June 2001	As at 30 June 2000	As at 30 June 1999
Capital	96	96	96	92
Capital-PHS	102	60	19	0
Capital-S/T	53	53	45	40
SHP-C	45	35	6	0
Lhold-General	167	146	122	102
Lhold-Youth	18	19	19	19
SHP-L	9	4	1	3
CAP-C	19	14	11	0
CAP-L	2	2		
LTLH	80	64	8	0
SHSP	31	31	31	31
CHP	5	5	5	5
MISHIP	2	2	2	1
Redevelopment	10	7	3	1
PICH	1	1	1	0
BH-C	15	1	0	0
BH-L	10	14	20	0
Total	677	554	389	294

Note:

BH is the Boarding House Tenants relocation project

C stands for Capital properties and L stands for Leasehold properties

HTS is Housing Stock Transfer
SHSP is Social Housing Subsidy Program
CHP is Community Housing Program
LTLP is Long Term Leasehold Program (10-year headleasing)
MHSHP is Mental Health Supported Housing Initiative Program
PICH is Partnership in Community Housing
Lhold-General is leasehold properties for general applicants
Lhold-Youth is leasehold properties for youth applicants
Redevelopment is short term leasing from DOH for properties earmarked for redevelopment and other organizations.
SHP is supported housing project

St. George Community Housing is one of the largest community housing providers in NSW and has been successful three years in a row having the largest number of stock approved when the Expression of Interest for funding under the Community Housing Assistance Program introduced in 1999/2000.

St. George Community Housing is proud to be a general community housing provider with a particular focus on assisting people who require support to access and maintain permanent housing that meets their needs. SGCH has developed partnership arrangements with 21 service providers targeting 11 client groups with support needs.

SGCH is one of the preferred community housing providers for the Boarding House Relocation Project and other supported accommodation services funded under the Department of Ageing, Disability and Home Care. SGCH is also the housing provider for a number of joint ventures funded under the Crisis Accommodation Program.

The mix of general and supported housing allows SGCH the flexibility to utilize the organisation's own resources, especially in human resources deployment and the capacity to deliver internal exit point or replacement quota arrangements for supported housing projects.

Housing Services

Access

The number of eligible applicants reached 931 out of 2,488 applications lodged. All applicants have been assessed by a team of two Housing Managers based on their housing needs.

121 applicants from the eligibility listing were housed this year including 9 transfer applications.

It is one of my regular tasks to meet with applicants and tenants listening to their concerns and issues raised via the Meet the CEO Scheme. Applicants and tenants can always made their bookings at the front desk. This has been a very fruitful feedback arrangement to ensure quality services being provided by staffs of SGCH.

To have an overview of St George Community Housing, updated profiles on applicants, tenants, properties and joint ventures as at 30 June 2002 are presented after this Report.

Asset Management

SGCH is proud to provide quality property management services and has already put in place effective asset management strategies. These include:

- A condition audit of all capital properties was undertaken by the Resitech of the Department of Housing. SGCH has been included in the 2001/02 Community Housing Planned Maintenance Program. SGCH and the Office of Community Housing will share the cost of maintenance works identified by the community housing condition audits as costing over \$2,500 on any individual property. Detailed works scoping with cost estimation have just been completed by the Resitech.

SGCH has carried out maintenance works identified by this audit as costing less than \$2,500 and paid the full costs of works completed.

- Annual property inspections by Housing Managers
- Policy guiding the engagement and management of contractors – Contractor Policy and Procedures. Existing contractors had updated their records including the validity of the insurance covers and trade licenses.
- Ongoing updating in-house developed Asset Register Database to inform the 5-year planned maintenance program and long term cost project for individual properties

- Implemented Termite Inspection Program for all capital properties
- Annual fire safety audit program for all housing complexes has been implemented.

Tenant Participation

Tenant participation is significant for the maximisation of tenants' satisfaction. Tenants' dissatisfaction, if any, can be channeled to make positive changes for service delivery.

The newly created Senior Housing Manager position was filled in October 2001. One of the core tasks for the Senior Housing Manager is to facilitate and encourage tenant participation.

The Tenant Participation policy has been implemented. All tenants are encouraged to join the organisation as a Co-op member. It is the standard protocol for Housing Managers encouraging new tenants to apply for the membership during tenancy sign-up.

I am glad to share that a tenants group has been successful to get funding from the 2001/2002 Community Development and Resourcing Grants to implement a tenant participation project.

Organisation Management

The performing staff team as the main attribution to the success of St. George Community Housing is well recognized by the organisation. Staff deployment strategy linking staff increases with projected growth of housing stock has been in place.

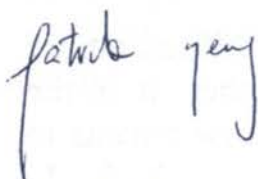
A consultant had been engaged in early 2001 to review on the staff structure and salary arrangements. The new staff structure was implemented starting July 2001. Details can be referred to the organizational chart.

Closing Remark

I would like to thank Directors and staffs for their immense efforts contributing to the success of this year.

I enjoyed working with, and being part of this committed, multicultural and multi-skilling team reaching the common goal – striving for excellence in housing service for people in need.

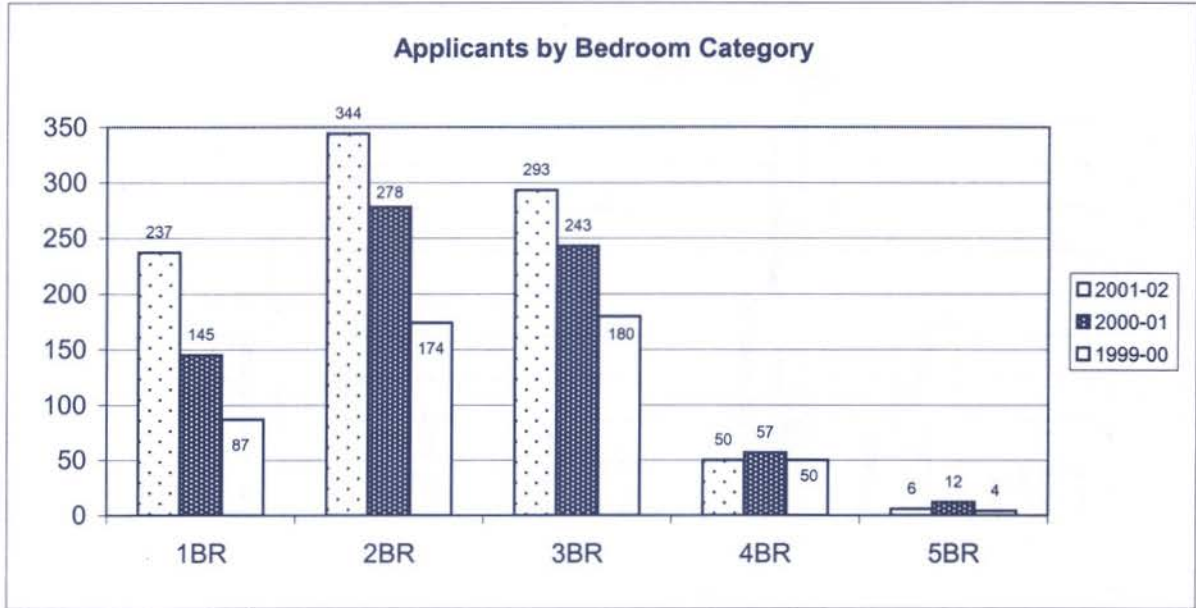
Last but not the least, I would like to thank the support of our funders, service providers and customers.

A handwritten signature in black ink, appearing to read "Patrick Yeung". The signature is written in a cursive style with a large initial 'P' and a long, sweeping underline.

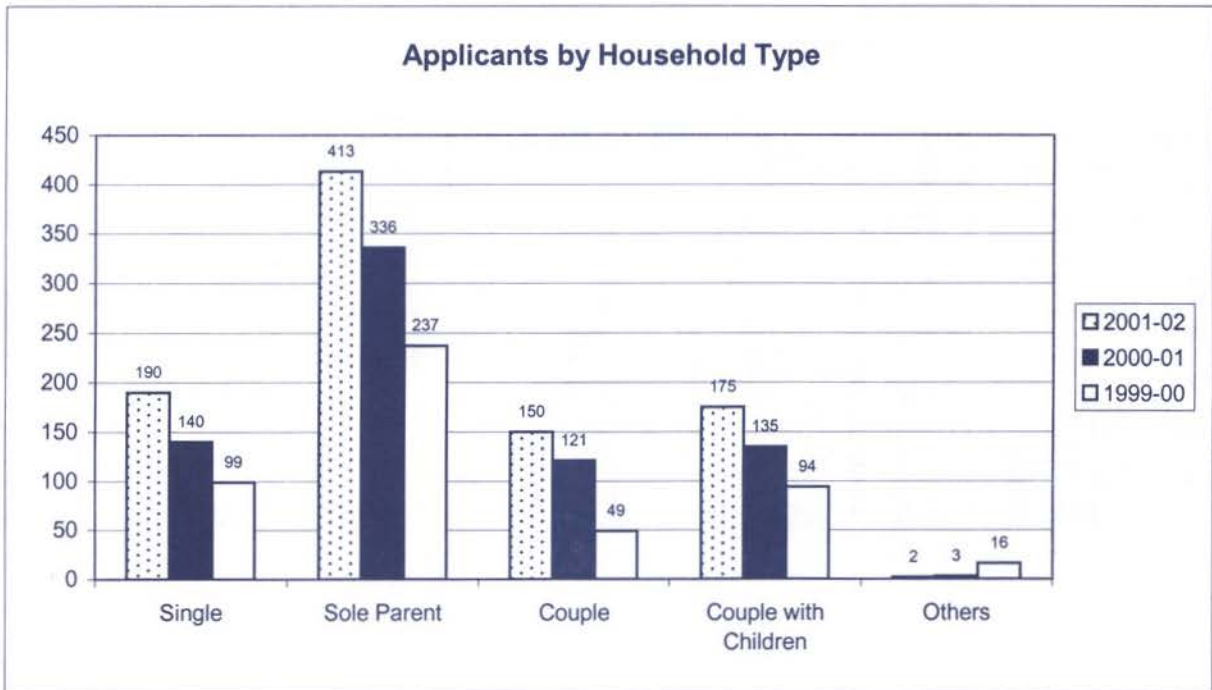
Patrick Yeung
Chief Executive Officer

Applicant Profile

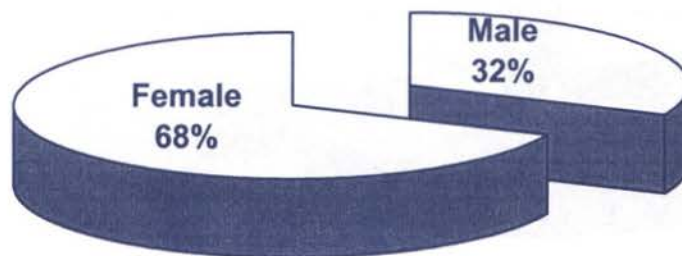
Applicants by Bedroom Category



Applicants by Household Type

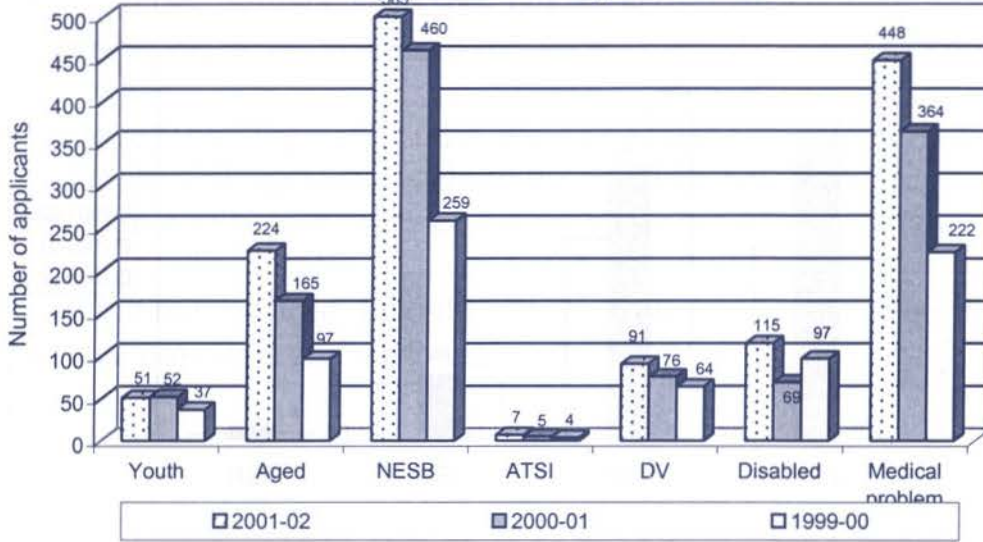


Applicants by sex

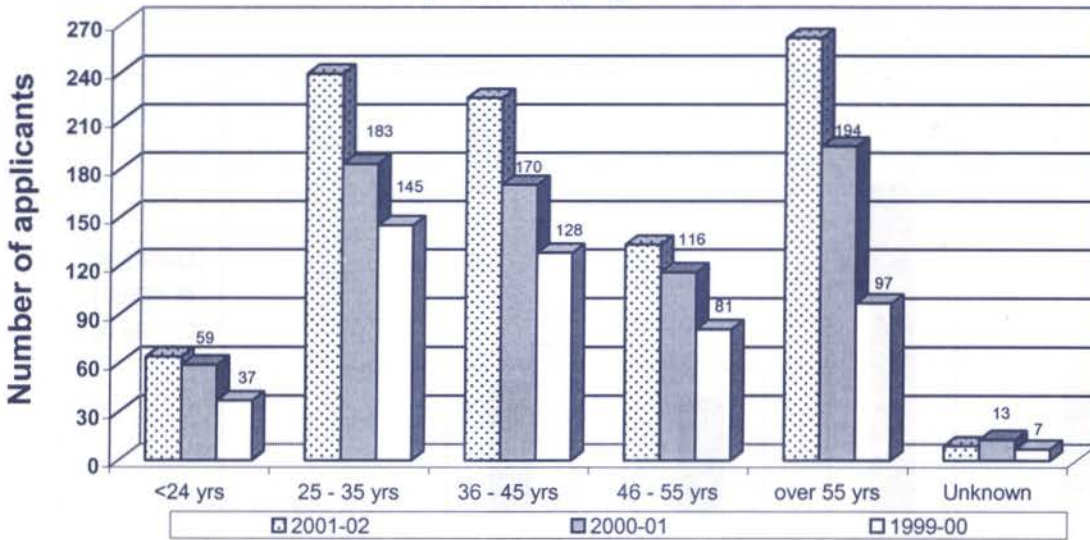


Applicant Profile

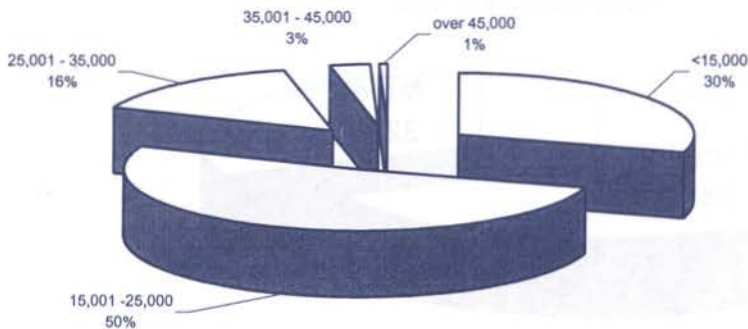
Applicants with special needs



Applicants by Age Group

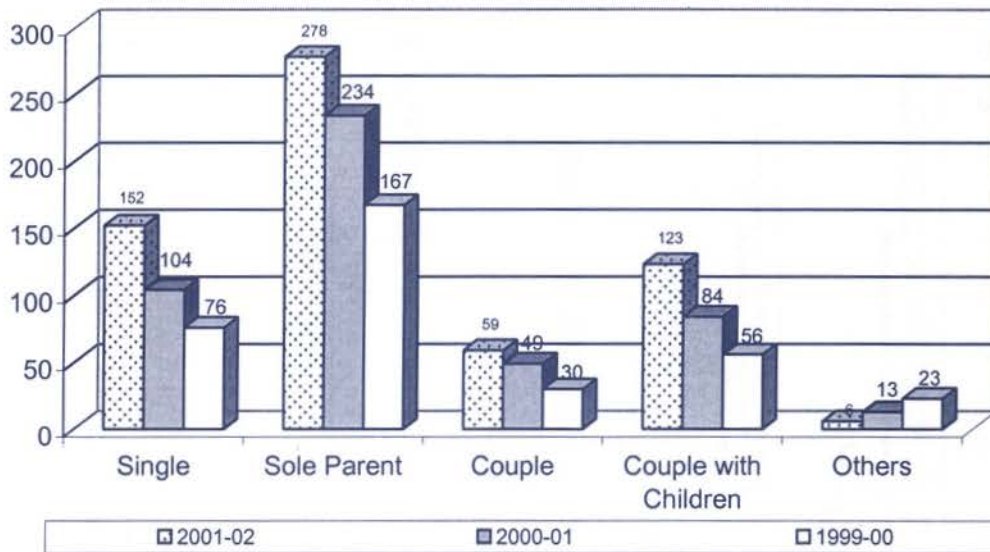


Applicants by Income Level

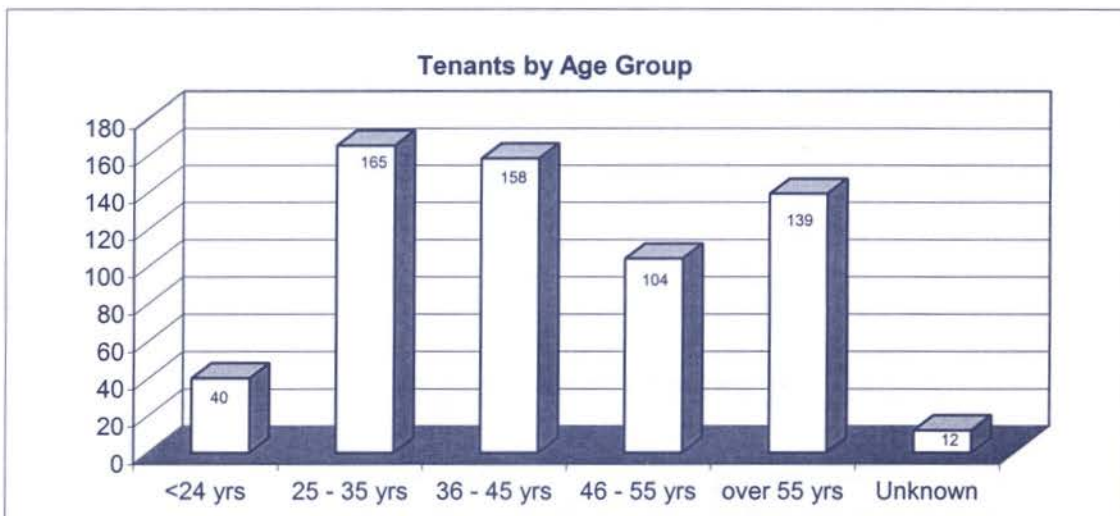


Tenant Profile

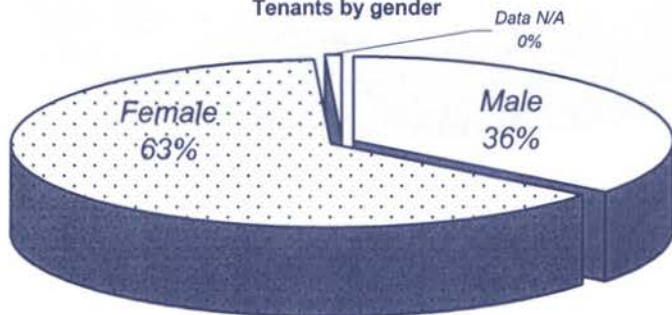
Tenants by household type



Tenants by Age Group

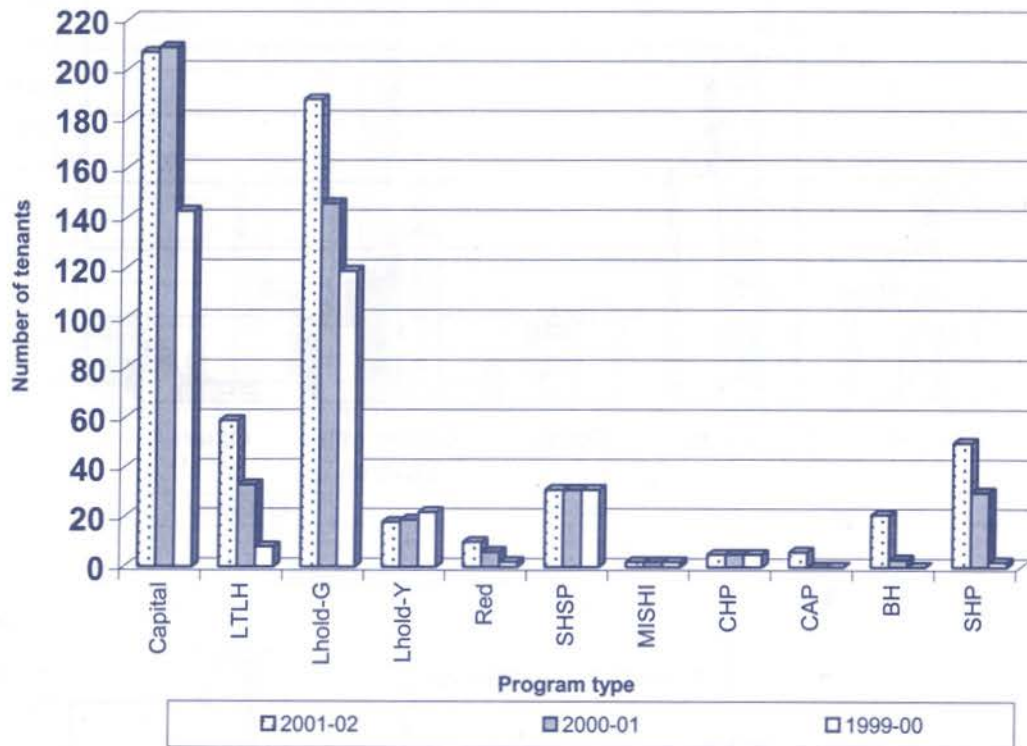


Tenants by gender



Property Profile

Property by Program

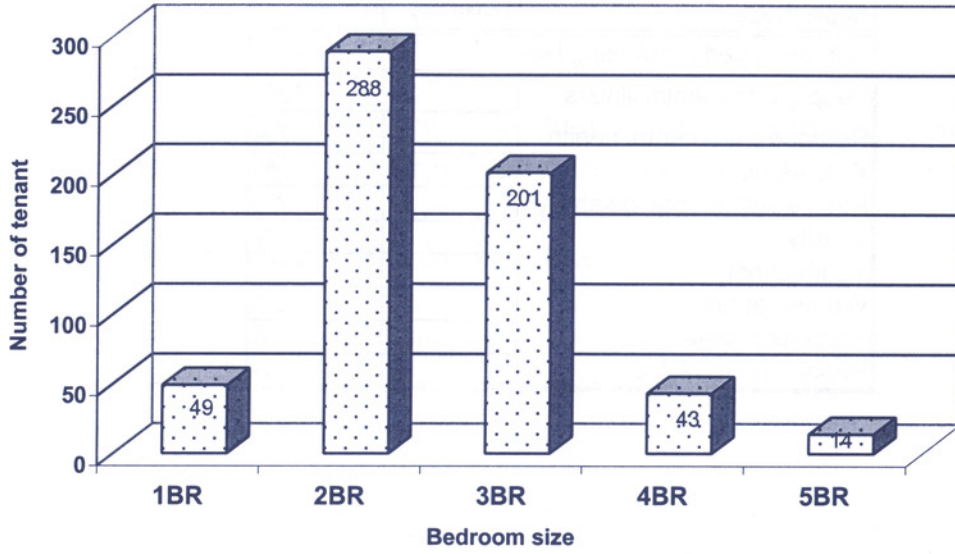


Properties by Dwelling Type

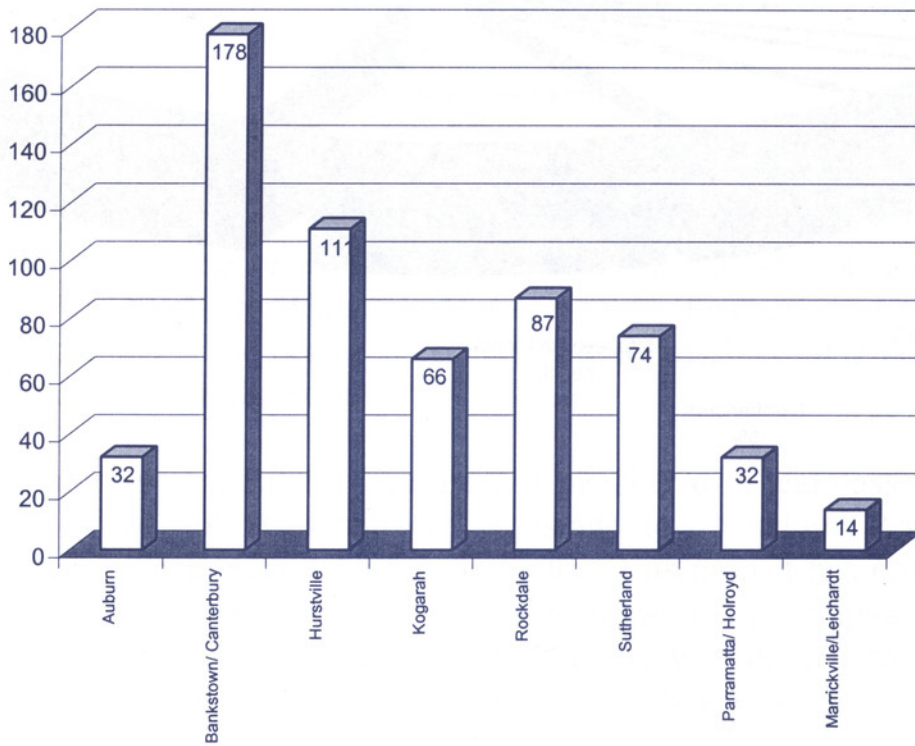


Property Profile

Properties by bedroom category

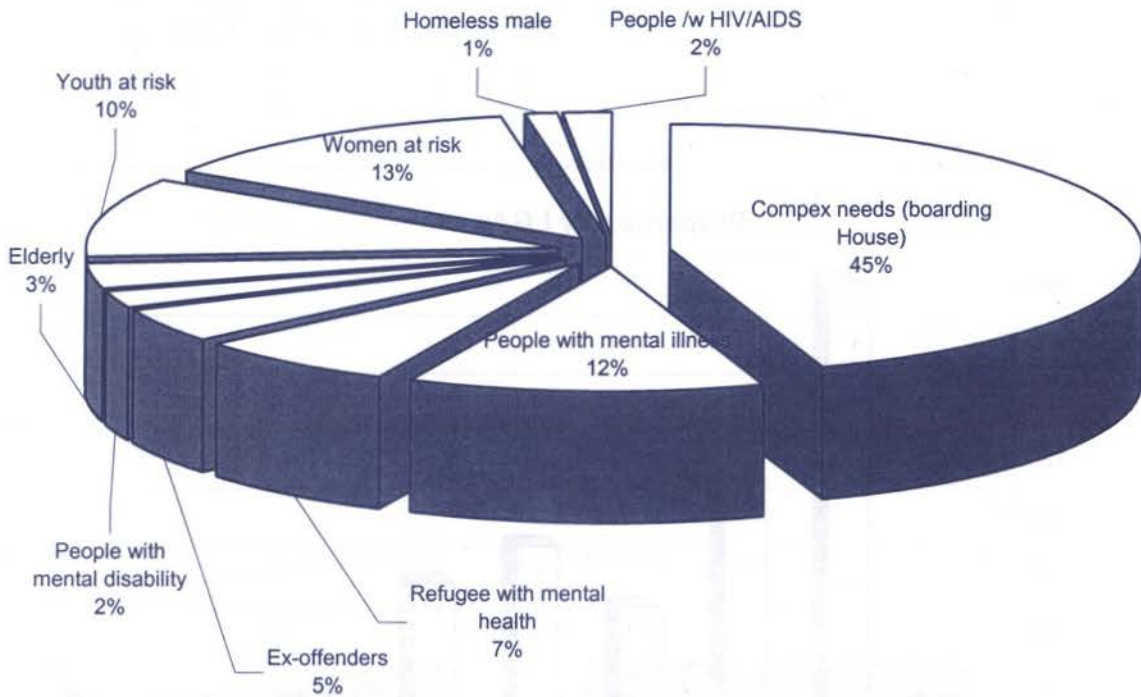


Properties by LGAs



Joint Venture Profile

Target Group	No. of Tenancies	%
Compex needs (boarding Hou	79	45%
People with mental illness	22	12%
Refugee with mental health	12	7%
Ex-offenders	8	5%
People with mental disability	4	2%
Elderly	6	3%
Youth at risk	18	10%
Women at risk	23	13%
Homeless male	2	1%
People /w HIV/AIDS	3	2%



DIRECTORS' PROFILE

Donna Curtis

Donna is employed as the Coordinator of Eastern Area Service for Youth (EASY). She has previously been employed for five years in the position of Housing Support Worker and another four and a half years in a similar position in the Mt Druitt area.

EASY is funded by the Supported Accommodation Assistance Program and thus has a dual role of providing and managing accommodation and balancing that with support provision.

Donna is currently studying Social Work at UWS and has previously completed an Associate Diploma in Youth Work, counseling accreditation, trainer in conflict resolution and abuse counseling among others.

In the last five years Donna has held a variety of positions on the youth accommodation peak (YAA) including the Chairperson for 2 years and currently holds the position of NSW delegate to the National Youth Coalition.

Lindsay Kelly, B.Bus., FCPA, FCIS

Lindsay has been a member of the Board for almost five years. For some of this time he has held the position of Chair. He is also an elected member of State Council of the NSW Federation of Housing Associations – the peak representative body of all community housing organizations in the State.

During this year Lindsay has been a member of a team assembled by the Office of Community Housing to develop Performance Management Benchmarks for the sector. This project has now entered its pilot stage where several organisations are participating in the proposed benchmark measures. In May he was invited to present a session on Corporate Governance at the NSW Community Housing Conference. He was a major contributor to SGCH's written submission to the NSW State Government's Inquiry into community housing.

In addition to the above experiences, he brings to the SGCH Board a wealth of business and financial management experiences. These have

come from many years at executive levels in both small and large organizations. He has sat on the Boards of companies listed on the Australian Stock Exchange for six years.

Involvement with SGCH extends a long-term family involvement with community based organisations.

Stephen Lancken B.A. L.L.B. F.A.I.C.D.

Steve was born in the St George area and has lived and worked in the area all his life. He attended Kingsgrove Public School before attending Newington College and the University of New South Wales.

Admitted as a Solicitor in 1982, Steve began work at Hurstville Firm Owen Hodge Lawyers. He became a partner in 1985 and retired as senior partner and was appointed a consultant in 1999. He specialised in commercial law particularly Alternative Dispute Resolution (ADR).

Steve now conducts a consultancy specialising in mediation, arbitration and other forms of ADR. He is an active member and state councilor of a number of organisations that work to promote the use of ADR in the community as well as a Councillor of the Law Society of New South Wales.

Participation in the work of St George Community Housing Co-op Ltd offers Steve the opportunity to support the community of the St George and Sutherland area of which he has been a part all his life.

Steve is a Fellow of the Institute of Company Directors.

Kay Pepper

Over the past 15 years, Kay has developed strong links with several community-based groups - the Scout and Guiding movement as a Guide leader for 10 years; the Uniting Church as a volunteer accounting consultant to their caring service for the frail, aged and disabled for 8 years; and in the capacity of accounting consultant to the St George Community Housing Co-op Ltd for the past 3 years. Kay is currently employed in a chartered accountancy firm as the managerial accountant.

Mark Powell

Mark is currently working for one of the large community housing association as a Senior Manager.

Mark worked previously as an Area Manager for the Department of Housing. At the Central Sydney Regional Office, Mark's work involved policy development and business improvement strategies with special attention to customer care issues such as appeals against Department of Housing policies and decisions. This also included implementing Team Service Contracts, replying to Minister inquiries, and overseeing the Aboriginal Housing office contract.

At the Broadway office, Mark managed staff who provided a housing management service to tenants, assessed housing assistance applications, and provided a maintenance repair service. There were three teams of staff, in total managing 4,500 properties.

From November 1998 to March 1999 Mark worked for St. George Community Housing as a Housing Worker which Mark enjoyed a lot. Mark is fully committed to community housing and is very impressed by the work that St. George does in the community. During his time at St. George Mark managed a portfolio of properties, and also worked on a system of reviewing the service debt charges. In addition Mark helped review the applicants on the waiting list.

In the UK, Mark worked for the London Borough of Camden Housing Department for three and a half years, Sanctuary Housing Association for a year, and finally for Paddington Churches Housing Association for nearly eight years. During his career in housing Mark has been a housing officer, senior housing officer, and Area Manager responsible for staff and budgets.

Mark is committed to social housing that is affordable. Mark believes St George Community Housing has a lot to offer the local area and it has an important role to play in being a service provider to that community.

Paul Rogers

Paul is a Project Manager for the Department of Housing in the inner city area. His responsibilities include the delivery of capital projects & programs for public tenants & clients, in summary improving the standard of public housing buildings & the surrounding community facilities.

The work involves extensive communication, public tenant group liaison, and the overseeing of contract works to the value of approximately \$6.00million per year. Contract improvements are aimed at both new & existing buildings, including a significant Heritage portfolio.

Paul has spent a number of years working for the local public housing community in the inner city areas, delivering day to day operations associated with maintenance of building assets.

Previous work experience includes working throughout the state of South Australia on building & engineering construction projects for the SA Water, delivering infrastructure projects, such as filtered water plants, salinity interception schemes, waste water treatment projects for country & city communities.

Paul has been on the board of St. George Community Housing Coop for the past two years and looks forward to developing many more opportunities for the organisation and ensuring that St. George continues to be a leading provider of Community Housing.

Colleen Whittle

Colleen Whittle has a long connection with St. George and surrounding area having been born and raised in the area. Colleen has worked in the area for over twenty years. As a housing worker in the St. George area, Colleen has a commitment in assisting increase and improving safe, secure and affordable housing provision in the local area. Through Colleen's work experience and committee involvement, she has gained an understanding of the issues and tensions that may arise in working towards achieving a balance between business and social objectives.

Colleen has an understanding of social housing, community housing, public housing, and homelessness, needs based housing provision, client services, social policy and planning, government processes and structures, social services needs assessment and service delivery, community development, user rights, housing advisory services, housing support and crisis housing.

Colleen has experience in organisational planning, review and evaluation, performance monitoring, policy development, staff recruitment and management, developing employment contracts and job descriptions, conducting staff appraisal, support and supervision;

training and professional development; organising, minuting and chairing meetings.

Colleen has an applied knowledge of accountability requirements of community organisations, office bearer responsibilities, decision making processes, reporting requirements to directors and members, social justice and equal opportunity principles, employer and employee organisations.

**ST. GEORGE COMMUNITY HOUSING
CO-OPERATIVE LIMITED**

*FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2002*

HAYWARDS

CHARTERED ACCOUNTANTS
LEVEL 8, 19-31 PITT STREET
SYDNEY NSW 2000
AUSTRALIA
☎ 61 2 9251 7577

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

DIRECTORS' REPORT

Your directors present their report on the co-operative for the year ended 30th June 2002.

The names of the directors in office at any time during or since the end of the year are:

Stephen Lancken	<i>Chairperson</i>
Paul Rogers	<i>Deputy Chairperson</i>
Mark Powell	<i>Secretary</i>
Donna Curtis	<i>Director</i>
Lindsay Malcolm Kelly	<i>Director</i>
Colleen Whittle	<i>Director</i>
Kay Pepper	<i>Treasurer (resigned)</i>
Deborah Georgiou	<i>Director (resigned)</i>

The principal activities of the co-operative during the financial year were:

Provision subsidised housing

No significant change in the nature of these activities occurred during the year.

The net profit after providing for income tax and before extraordinary items amounted to \$217,626.

Dividends can not be paid under the Co-operative's regulations.

No significant change in the state of affairs of the co-operative occurred during the financial year.

No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the co-operative, the results of those operations, or the state of affairs of the economic entity in future financial years.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year for any person who is or has been an officer auditor of the co-operative.

No person has applied for leave of court to bring proceedings on behalf of the co-operative or intervene in any proceedings to which the co-operative is a party for the purpose of taking responsibility on behalf of the co-operative for all or any part of those proceedings.

The co-operative was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

Director:

Director:

28th October 2002

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE, 2002**

	Notes	2002 \$	2001 \$
Revenues from ordinary activity	2	4,546,302	2,879,987
Property expenses		(3,707,211)	(2,232,903)
Employee benefits expenses		(384,758)	(279,710)
Depreciation and amortisation expenses	3	(28,429)	(15,630)
Other expenses from ordinary activities		(208,278)	(155,755)
Net profit from ordinary activities attributable to members of the co-operative		217,626	195,989

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2002

	NOTE	2002 \$	2001 \$
CURRENT ASSETS			
Cash	4	539,465	237,086
Receivables	5	583,482	369,164
		<u>1,122,947</u>	<u>606,250</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	<u>139,196</u>	<u>90,007</u>
TOTAL NON-CURRENT ASSETS		<u>139,196</u>	<u>90,007</u>
TOTAL ASSETS		<u>1,262,143</u>	<u>696,257</u>
CURRENT LIABILITIES			
Creditors and borrowings	7	559,627	215,768
Provisions	8	<u>30,274</u>	<u>24,078</u>
TOTAL CURRENT LIABILITIES		<u>589,901</u>	<u>239,846</u>
NON-CURRENT LIABILITIES			
Borrowings	9	<u>6,302</u>	<u>8,097</u>
TOTAL CURRENT LIABILITIES		<u>6,302</u>	<u>8,097</u>
TOTAL LIABILITIES		<u>593,203</u>	<u>247,943</u>
NET ASSETS		<u>665,940</u>	<u>448,314</u>
SHAREHOLDERS' EQUITY			
Share capital	10	224	224
Retained Profits		<u>665,716</u>	<u>448,090</u>
SHARE CAPITAL AND RESERVES		<u>665,940</u>	<u>448,314</u>

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2002

1. STATEMENT OF ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001, the Funding Agreement and the National Accounting Framework for Community Housing. The directors have determined that the co-operative is not a reporting entity.

St. George Community Housing Co-Operative Limited is a co-operative limited by shares, incorporated and domiciled in Australia.

The report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Accounting Standards and Urgent Issues Group Consensus Views:

AASB 1008:	Leases
AASB 1018:	Statement of Financial Performance
AASB 1021:	Depreciation
AASB 1025:	Application of the Reporting Entity Concept and Other Amendments
AASB 1031:	Materiality
AASB 1034:	Financial Report Presentation and Disclosure
AASB 1040:	Statement of Financial Position

No other Accounting Standards, Urgent Issues Group consensus views or other authoritative pronouncements of the Australian Accounting Standard Board have been applied.

The report is also prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) **Income Tax**

The scheme is exempt from income tax.

(b) **Employee Benefits**

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflow to be made for those entitlements. Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2002

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(c) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation. Plant and equipment are measured on the cost basis. All assets, excluding freehold land, are depreciated on a diminishing-value basis over their useful lives to the co-operative.

(d) Bad Debts

Provision is made for debts considered doubtful.

	2002 \$	2001 \$
2. REVENUE		
Included in the ordinary revenue are the following items:		
Rent received	2,345,702	1,534,990
Government grants	2,129,099	1,327,480
Interest	20,807	14,085
Reimbursement – Tenant and Landlords	30,901	1,728
Sundry Income	19,793	1,704
	<u>4,546,302</u>	<u>2,879,987</u>

3. PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

Crediting as Income:

Interest received		
Other Persons	20,662	14,044
Rental Bond Board	145	41
	<u>20,807</u>	<u>14,085</u>

Charging as Expenses

Depreciation expenses	28,429	15,630
Provision – Doubtful Debts	34,470	-
Provision – Holiday Pay	6,196	9,340

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30TH JUNE, 2002

	NOTE	2002 \$	2001 \$
4. CURRENT ASSETS – CASH			
Cash on Hand		215	215
Bank		1,715	-
Cash Management Account	12	537,535	236,871
		<u>539,465</u>	<u>237,086</u>
5. CURRENT ASSETS – RECEIVABLES			
Prepayments		230,354	131,356
Trade Debtors		140,062	106,809
Less: Provisions for Doubtful Debts		(78,470)	(44,000)
Grant Receivables		64,961	-
GST Receivables		-	989
Sundry Debtors		-	5,000
Bonds Landlord		226,575	169,010
		<u>583,482</u>	<u>369,164</u>
6. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT			
Plant and Equipment		103,383	86,887
Less: Accumulated Depreciation		(45,024)	(30,779)
		<u>58,359</u>	<u>56,108</u>
Leasehold Improvements		101,782	41,430
Less: Accumulated Depreciation		(20,945)	(7,531)
		<u>80,837</u>	<u>33,899</u>
		<u>139,196</u>	<u>90,007</u>
7. CURRENT LIABILITIES - CREDITORS & BORROWINGS			
Trade Creditors		33,460	87,725
Bank Overdraft		-	8,184
Accrued Expenses		86,038	77,068
Grant in Advance		313,342	13,483
GST Liability		73,966	-
Rent in Advance		51,026	27,728
Hire Purchase Liability		1,795	1,580
		<u>559,627</u>	<u>29,308</u>
8. CURRENT LIABILITIES – PROVISIONS			
Provision for Holiday Pay		30,274	24,078
		<u>30,274</u>	<u>24,078</u>

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

**NOTES TO AND FORMING PART OF THE ACCOUNTS
AS AT 30TH JUNE, 2002**

	NOTE	2002 \$	2001 \$
9. NON-CURRENT LIABILITIES – BORROWINGS			
Hire Purchase Liability		6,302	8,097
		6,302	8,097
 10. SHARE CAPITAL			
Issued and paid up			
224 Ordinary Shares of \$1		224	224

11. GOING CONCERN

The accounts have been prepared on a going concern basis. This is on the assumption that ongoing funding and support will be provided by the government.

12. RESTRICTED CASH

St George Community Housing Co-Operative Limited has developed a planned maintenance program. Surplus cash has been put aside to fund this program. Planned expenditure is scheduled as follows:

2002/2003	\$14,000
2003/2004	\$229,020
2004/2005	\$179,620

Additionally, \$80,000 is set aside to purchase an additional property in partnership with the Department of Housing. \$5,000 is set aside for a tenant participation project. Total restricted cash is hence \$507,640.

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

DIRECTORS DECLARATION

The directors have determined that the co-operative is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the co-operative declare that:

1. The financial statements and notes, as set out on pages 3 to 8 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the co-operative's financial position as at 30 June 2002 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the co-operative will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director:
Steve Lancken



Director:
Lindsay Malcolm Kelly

28th October 2002

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED**INDEPENDENT AUDITORS REPORT****TO THE ST GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED AND
NSW DEPARTMENT OF HOUSING****Scope**

We have audited the attached financial report, being a special purpose financial report of St. George Community Housing Co-operative Limited for the year ended 30 June 2002, as set out on pages 3 to 9. The co-operative's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the co-operative. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members and the NSW Department of Housing for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion the financial statements of St. George Community Housing Co-operative Limited for the year ended 30th June, 2002 are in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the co-operative financial position as at 30 June 2002 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED
INDEPENDENT AUDITORS REPORT
TO THE ST GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED AND
NSW DEPARTMENT OF HOUSING
(continued)

Audit Opinion (continued)

- (ii) complying with Accounting Standards in Australia to the extent described in Note 1 and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements to the extent described in Note 1.



John G. Newton, ACA, Registered Company Auditor:

Dated at Sydney on the 28th day of October 2002.

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED**COMPILATION REPORT**

The additional financial information presented on the subsequent 3 pages is in accordance with the books and records of St. George Community Housing Co-operative Limited which have been subjected to the auditing procedures applied in our audit. It will be appreciated that our audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our Firm policy, we advise that neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any person in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.



John G. Newton, ACA, Registered Company Auditor

Dated at Sydney on the 28th day of October 2002.

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

OPERATING STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2002.

	Notes	2002 \$	2001 \$
REVENUE			
Operating			
Potential rental revenue		6,271,652	4,371,585
Less rent lost through vacancies		(128,900)	(68,090)
Less rental rebates or subsidies *		(3,797,050)	(2,768,505)
Rent received or receivable		2,345,702	1,534,990
<i>* (net of bad debts)</i>			
Government grants	1	2,129,099	1,327,480
Other	2	71,501	17,517
Total revenue		4,546,302	2,879,987
EXPENSES			
Tenancy and property management (excluding wages)	3	3,720,625	2,237,565
Administration	4	548,598	392,532
Finance Contribution		59,453	53,901
Total expenses		4,328,676	2,683,998
Operating surplus		217,626	195,989
Funds available for future utilisation at the beginning of the financial year		448,090	252,101
Funds available for future utilisation at the end of the financial year		665,716	448,090

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

NOTES TO AND FORMING PART OF THE OPERATING STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2002

	2002 \$	2001 \$
1. GOVERNMENT GRANTS		
Grants – Community Housing Leasing Program	1,515,823	1,297,835
Grants – Boarding House Program	223,611	4,025
Grants – Supportive Accommodation Initiative	20,978	25,620
Grants – Long Term Lease	368,687	-
	<u>2,129,099</u>	<u>1,327,480</u>
2. OTHER		
Reimbursements – Tenants and Landlords	30,901	-
Interest Received	20,807	14,085
Sundry Income	6,779	1,728
Insurance Recoveries	13,014	-
Profit on disposal fixed assets	-	1,704
	<u>71,501</u>	<u>17,517</u>
3. TENANCY AND PROPERTY MANAGEMENT		
Rent Paid	3,048,608	1,747,425
Rates and Utilities	254,780	182,076
Repairs and Maintenance	299,025	277,758
Depreciation	13,414	4,662
Insurance	24,507	23,047
Provision for Doubtful Debts	34,470	-
Strata Levies	3,112	2,256
Non Rent Tenant charges	42,709	341
	<u>3,720,625</u>	<u>2,237,565</u>

ST. GEORGE COMMUNITY HOUSING CO-OPERATIVE LIMITED

	2002 \$	2001 \$
4. ADMINISTRATION		
ADMINISTRATION EXPENSES		
Accountancy Fees	1,947	8,328
Audit	4,275	4,500
Advertising	3,832	2,175
Bank Charges	1,971	1,168
Cleaning	1,560	1,690
Conference & Meetings	4,875	1,053
Consultants	5,196	4,164
Depreciation	15,015	10,968
Donations	1,000	-
Electricity	2,524	2,185
General Office Expenses	6,023	3,693
Information Technology	8,577	2,222
Insurance	814	490
Leasing & Associated Costs	9,637	4,584
Legal Costs	2,180	1,229
Loss on Disposal of Fixed Assets	160	-
Postage	6,663	5,355
Printing and Stationery	11,595	7,431
Rent	35,445	28,263
Repairs and Maintenance	2,566	1,916
Security	369	273
Staff Training and Welfare	1,375	531
Subscriptions	1,014	1,093
Telephone	21,895	10,973
Travelling Expenses	6,414	3,662
TOTAL ADMINISTRATION EXPENSES	156,922	107,946
 MANAGEMENT EXPENSES		
Fringe Benefits	84,558	38,963
Movement Employee Provisions	6,196	9,340
Salaries and Wages	268,059	214,113
Superannuation Contributions	25,945	17,294
Workers Compensation Insurance	6,918	4,876
TOTAL MANAGEMENT EXPENSES	391,676	284,586
 TOTAL ADMINISTRATION & MANAGEMENT	548,598	392,532

Referral Agencies

The following organizations make referral to St. George Community Housing and provide support to the housing applicants.

A Women's Place – Mission Australia
Al Zahra Muslim Association
Amelie House
Amberly's Single Women's Refuge Inc.
Anglicare Macarthur Liverpool Region
Anglicare Migrant Services
Anglicare Youth Services
Auburn Hospital & Community Health Services
Auburn Migrant Resource Centre
Australian Arabic Communities Council
Australian Chinese Community Association NSW
Australian Turkish Social and Cultural Trust Inc.
Australian Vietnamese Welfare Association
Bankstown Community Health Service
Bankstown Chinese Baptist Church
Bankstown Family Support Service
Bankstown Womens Refuge and Resource Centre
Baulkham Hills and Holroyd Migrant Resource Centre
Bernardo – The Children's Charity
Bethlehem House
Bobby Goldsmith Foundation
Bolwara House Transitional Centre
Bondi Road Women's Health & Family Planning
Bonnie Women's Refuge
Bosnian Information & Welfare Centre
Bringa (Manly-Warringah) Women's Resource Centre
Burnside Family Learning
Burwood Community Welfare
Butler Lodge
Cancer Care Centre
Canterbury Bankstown Migrant Resource Centre
Canterbury Community Health Centre
Canterbury Family Support
Catherine Villa
Centacare-Young Women's Supported Accommodation Program
Centrelink
Church of the Living God
City Women's Hostel

Claffy House
Combined Pensioners & Superannuants Association of NSW
Coptic orthodox Church
Crossroads Community Care Centre Inc.
CRC Justice Support
CRS Australia
Cronulla Community Health
Cumberland Community Housing
Dalmar-Wesley Mission
Delvena Women's Refuge
Department of Housing
DOC-Hurstville
DOCS-Sutherland
Department of Corrective Services-Long Bay
Department of Corrective Services-Mulawa
Department of Corrective Services-Parklea
Department of Corrective Services-Silverwater
Detour House
Dolores Refuge
E.A.S.Y. (Eastern Area Service for Youth)
Edward Eager Lodge
Entity
Erin's Place Inc.
Ethnic Child Care, Family & Community Services
Fairfax House-Sydney City Mission
Fairfield Migrant Resource Centre
First Light Care
Foley House
Foster House Community Housing Outreach Program
Gladstone Hall Health Services
Gosford Emergency Accommodation Services
G.R.O.W.
Greek Community Aid & Information Service Inc.
Gynea Community Aid & Information Service Inc.
Handicapped Children Society
Hurstville Community Health
Innari Women's Housing
Inner West Family Support
Islamic Council of NSW
Jacaranda Cottage
Jannalli Family Centre
Jean's Place
Killara Women's Refuge

Kogarah Uniting Church
Wentworth Area Health Team
Liverpool Migrant Resource Centre
Lone Parent Family Support Service
Macedonian Australian Association of Sydney
Maltese Community Welfare & Development Service
Macarthur Migrant Resource Centre
Marian Centre
Marian Villa Women's Refuge
Mathew Talbott Hostel and Outreach Services
Medically Acquired HIV & Hep. C Resource Centre
Men's Support Accommodation
Mudgin-Gal Aboriginal Corporation
NESH
Northern Sydney Youth Support Service
Oasis Youth Support Network
Office of Protective Commissioner
Options-Youth Housing Association
Orana Lodge-The Salvation Army
Ozanam Centre-St Vincent de Paul Society
Pacific House
Padstow Community Care
Parramatta Mission
Peakhurst Community Health Centre
Phoebe House
Randwick Family Support Service
Red Cross
Richmond Fellowship
Riverwood Community Centre
Rockdale Community Health Centre
Royal Hospital for Women
S.T.A.R.T.T.S. – Auburn
S.T.A.R.T.T.S. – Carramar
Samariatan House
Serbian Orthodox Welfare Association
Shoalhaven Community Housing
Smith Family
South West Child Adolescent & Family Services
South West Women's Housing
Southern Sydney Regional Tenant Resource Service
Southern Sydney Youth Refuge
St. George Accommodation Service for Youth

St. George Backstop Family Support Service
St. George Counseling Centre
St. George Division Mental Health Service
St. George Lebanese Joint Committee
St. George Migrant Resource Centre
St. George Women's Housing Company
St. Marys House
St. Michael's Family Centre
Stepping Out Housing Program
Street Smart Drop-In Centre
Sutherland Community Health Service
Sutherland Division Mental Health Service
Sutherland Shire Family Support
The Benevolent Society NSW
The Deli Women & Children Centre Inc.
The Kogarah Storehouse-Uniting Church
The NSW Spanish & Latin American Association
The Station Ltd.
The Twenty Ten Association Inc.
Vincentian Village
Wagga Wagga Women's Refuge
Walla Mulla Family & Community Support
Waringh Womens Refuge
Wayback Committee Ltd.
Wesley Mission Community Housing
WISH
Wollongong Women's Housing
Women's Housing Company
YWCA Crisis Accommodation

Employees

Chief Executive Officer Patrick Yeung	(permanent full time position) (permanent full time)
Senior Housing Manager Mohamed Ibrahim	(permanent full time position) (permanent full time position) From October 2001 onwards
Housing Manager Mohamed Ibrahim	(permanent full time position) (permanent full time position) Up to October 2001
Jo Wirihana	(permanent full time)
Ahmet Sevgi	(permanent full time)
Joanna Napier	(permanent full time) From November 2001 onwards
Sharon Pazaky	(permanent full time) From June 2002 onwards
Finance & Administration Manager Suzan Shuhaiber	(permanent full time position) (permanent full time) From October 2001 onwards
Administration Manager Suzan Shuhaiber	(permanent full time position) (permanent full time) Up to October 2001
Administration Support Workers Anne Lavender	(permanent part time/ full time positions) (permanent part time) Up to Feb. 2002
Andra Soubris	(Permanent part time)
Andrea Vasquez	(permanent part time)
Kumeroa Manukau	(permanent part time) From March 2002 onwards
Shirley Issa	(permanent full time) April 2002
Dorothy Tuagalu	(permanent part time) From April 2002 onwards
Nicole Sorrensen	(permanent part time) From May 2002 onwards
Lindell Cobbin	(permanent full time) From May 2002 onwards