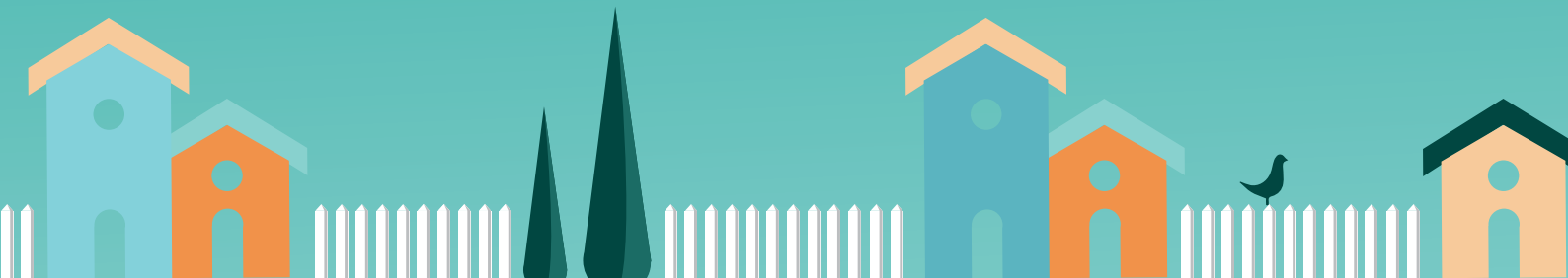


# ARGYLE

## COMMUNITY

## HOUSING LTD

### 2013 ANNUAL REPORT



Building Homes, Growing Communities.





CONSOLIDATING

& SECURING

THE FUTURE

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# OUR REPORT

## Purpose

The 2013 Annual Report for Argyle Community Housing Limited has been designed to give a comprehensive overview of our activities in the financial year from July 2012 to June 2013. It also provides a summary of our financial performance, and highlights some of our initiatives and activities during that period.

## Our Audience

We invite our stakeholders and other interested parties to review the content in this report, including our residents, applicants, State and Federal governments, support partners, our staff and our potential funding partners. Thank you for your interest.

## Acknowledgment to Country

Argyle Community Housing Limited wishes to acknowledge the traditional custodians of this land and pay our respects to the elders both past, present and future, for they hold the memories, the traditions, the culture and hopes of Aboriginal Australia. We must always remember that under the concrete and asphalt, this land is, was and always will be traditional Aboriginal land.

## Contact Argyle Community Housing Limited

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REFLECTING ON THE PAST YEAR,  
LOOKING FORWARD TO THE YEAR  
AHEAD

# SOME KEY NUMBERS & STATS

TOTAL CUSTOMERS HOUSED

4,542



INDEPENDENT CLIENT SURVEY OVERALL CLIENT SATISFACTION LEVEL **89%** 😊😊😊

CLIENTS WHO ARE SATISFIED WITH THEIR NEIGHBOURHOOD AS A PLACE TO LIVE

**89%**



CUSTOMERS LIKELY TO RECOMMEND ARGYLE

**87%**

CLIENTS WITH SUPPORT AGREEMENTS IN PLACE

**9.4%**



CLIENTS SATISFIED THAT ARGYLE TREATS THEM FAIRLY

**93%**

CLIENTS SATISFIED WITH REPAIRS AND MAINTENANCE **85%**



TOTAL TENANCIES

2,385

# VISION

# & VALUES

## Our Vision

By providing housing as the foundation, assist our customers and their communities to achieve a better future.

## Our Values

### Diversity

We respect the diversity of our customers.

### Support

We value a constructive and supportive work environment.

### Partnerships

We value partnerships.

### Collaboration

We collaborate with members of our community to achieve positive outcomes.

### Opportunity

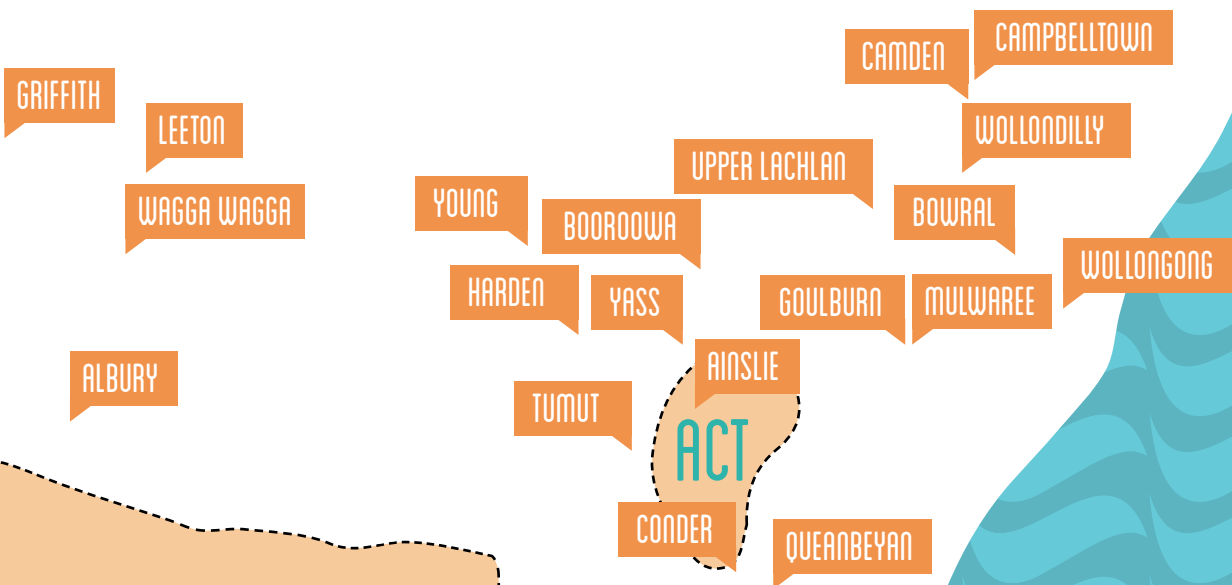
We create opportunities for a better tomorrow for our customers and communities.



# OUR FOOTPRINT

WHERE WE OPERATE

NSW



VIC

# ORGANISATION

## OVERVIEW

### GET TO KNOW US

#### Argyle Profile

Argyle Community Housing Limited is a community-managed, not-for-profit, housing organisation. Our main objective is to provide and manage secure, sustainable housing for people on low to moderate incomes who would otherwise struggle to find accommodation and for disadvantaged people who need support in order to maintain independent living. As a community housing service provider, we are responsive to local needs and are committed to building sustainable communities in areas of need.

We are committed to assisting our customers and their communities achieve a better future. To underpin this commitment, we will build a financially strong and economically viable organisation. As our property portfolio grows, so do our opportunities to acquire more housing, leverage economies of scale and become more innovative in creating solutions to provide accommodation to those in need. This in turn further strengthens our operating base and provides greater security for our tenants.

As a community housing provider, Argyle actively encourages its customers to be involved in the organisation's activities. This involvement helps our customers build social capital, reduces isolation and teaches new skills. It also provides Argyle with a valuable source of knowledge and information about the communities we operate in and how we can better service them. Regardless of our future growth or corporate structure, this inclusive legacy will remain.

#### Our Funding

Argyle receives income from tenant rents, Commonwealth Rental Assistance payments, NSW leasehold property subsidies and fee-for-service tenancy management arrangements. Our tenant demographic includes both social housing recipients and those paying up to 80% of market rent under the affordable housing guidelines.

#### Communities We Reach

Our current tenant and property portfolio of over 2,300 tenancies and over 2,200 properties reflects the diversity of community needs and geographic areas in which we operate. Argyle currently operates in seventeen local government areas across both NSW and ACT. Argyle's portfolio consists of properties owned and managed, managed for Housing NSW, the ACT Directorate of Community Services and other community housing providers, and leasehold properties managed for private owners.



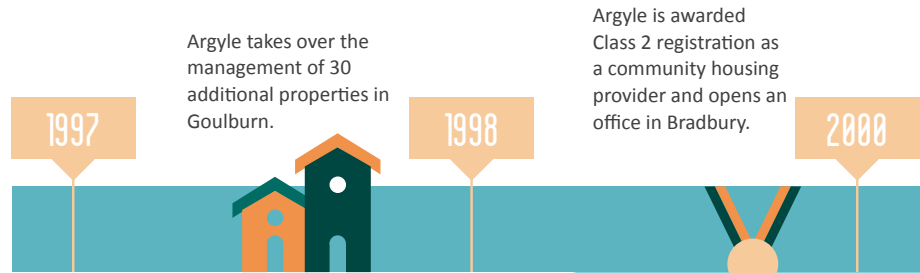
# HOW WE'VE

# HELPED

- Reducing homelessness by providing housing solutions for people on low to moderate incomes.
- Linking people to services to create sustainable tenancies for people that struggle in the private rental market.
- Creative partnerships dedicated to delivering results that reduce disadvantage and engender social inclusion for our customers.
- Fostering community capability and connectedness through community development projects and tenant participation initiatives. We are involved in a number of initiatives, including the redevelopment of Rotaract Park in Young and facilitating and celebrating numerous community events.
- Customer focused and accountable policies and processes that are reviewed regularly to ensure they are customer friendly. Tenant feedback is important to us and we respond by changing and improving our services to reflect customer input.
- Developing and implementing a Reconciliation Action Plan (RAP) through engagement and feedback from our proud and diverse communities. Our RAP is a “living” plan that will change and grow along with Argyle.
- Working with individual populations to ensure those with special needs are given equal opportunity to achieve a better future.
- Development of a dedicated maintenance system to ensure our homes are fit for purpose to create a healthy standard of living for our tenants.
- Empowering tenants through facilitation of education, training and employment initiatives that include, Rent It Keep It courses and partnerships with job service agencies.



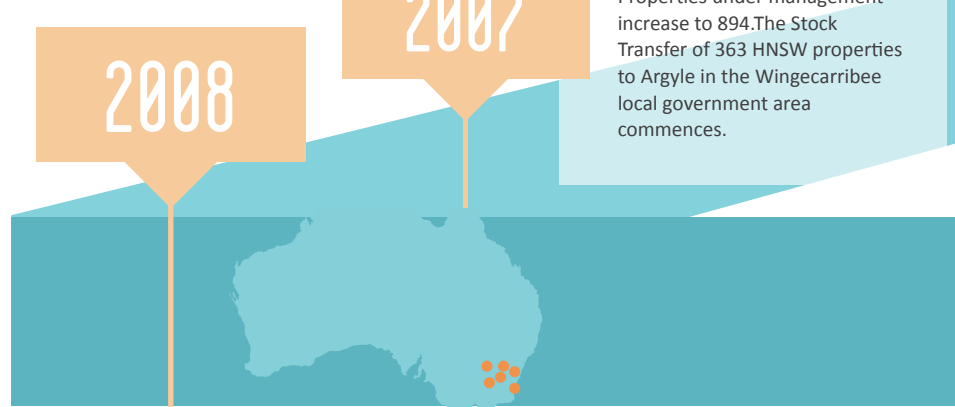
The Wingecarribee Community Tenancy Scheme and Macarthur Community Tenancy Scheme amalgamate to form Argyle Community Housing Association with a total of 120 dwellings.



Argyle is awarded its first 3 year accreditation. In collaboration with the Department of Housing, Argyle introduces the successful Claymore Intensive Management Program. This program transformed Proctor Way into a secure, clean neighbourhood with a growing sense of community pride. The program is extended to the Airds/Bradbury Area in an attempt to reduce vandalism and property damage.



Argyle changes its business status from Incorporated to Company Limited by Guarantee. Argyle, along with 4 other community housing providers, form BlueCHP Ltd. BlueCHP tenders for government funds to purchase or construct new housing in the geographic areas of the 5 community housing providers. Property numbers increase to 1,152. Argyle builds its first affordable home.



Argyle is awarded tender by the Housing and Community Service Directorate ACT for the tenancy management of Ainslie Village in Campbell, ACT. Argyle achieves Class 1 registration in NSW enabling it to pursue development activities and partnerships. Argyle partners with My Gateway and TAFE NSW to construct three affordable housing dwellings in Griffith, NSW – an initiative to assist unemployed indigenous youth in the community. Argyle refreshes its branding to a contemporary style, but retained the logo which is familiar to many. The number of properties under management at 30th June 2012 exceeds 2,100. As a sign of confidence in the capabilities of Argyle and the Community Housing Sector in general, the NSW Government transferred the ownership of 159 dwellings from the NSW State Government to Argyle in 2012.



# OUR

# HISTORY

## SNAPSHOT

2006

Argyle is a founding member of Powerhousing Australia – a peer network and business alliance of Australian non profit housing organisations.

New tenants and staff in Wagga Wagga, Griffith and Leeton. Property portfolio increases to 1,407 with Argyle taking on the management of an additional 212 properties. The Stock Transfer of 132 properties in the Wollondilly area is completed.

2009

Successful in tendering for title to 100 properties under Asset Ownership tender and a further 150 properties under Nation Building Economic and Stimulus tender. Housing Pathways introduced to streamline and centralise applications for social housing in NSW. The Stock Transfer of 287 HNSW properties to Argyle in Young, Yass and Crookwell commences.

2010



In partnership with the Young Shire Council, Young High School, North Young Primary School and a range of other partners Argyle delivered a major park upgrade for the benefit of Argyle's tenants and the community generally. With a focus on community engagement and inclusion the project has succeeded in not only achieving major functional and aesthetic improvements to the park but also involvement of local community members and High School children in the park works. The number of tenancies under management is just under 2,300.

2013



# CHAIRMAN'S

# REPORT



The last 12 months has been an interesting and challenging mix of consolidation, change and maturation to build momentum and be ready for the future.

Focusing first on a theme of consolidation, we recently reviewed our constitution and charters to ensure they reflect our current business model. I believe this will enable us to act on new business opportunities in both NSW and other jurisdictions.

With this in mind, the board adopted the NFP Good Governance Principles of the Australian Institute of Company Directors (AICD). This will help us shape our risk profile, risk assessment framework and decision making around sound stewardship and the effective utilisation of assets.

Customer opinion is important to us and our tenant survey conducted late last year acted as a compass to fine tune our service delivery and challenge the way we do things. We will repeat the survey towards the end of the year as we strive for increased levels of participation and targeted feedback on some of the changes we have made.

Much has changed at Argyle. We have evolved from a small community-based organisation into a commercial, customer focused business under the leadership of an energetic Chief Executive Officer.

Our annual strategic planning day held earlier in the year was a forum for directors to make 'think-tank' style presentations on alternative scenarios for the future. Participants were given an opportunity to explore various strategic ideas and options. This valuable exercise highlighted many individual and collective views on sustainable growth and opportunities for consideration.

In continuing to manage the process of change, we have appointed a new Non-Executive Director to join the Argyle board, John Peters. John has considerable expertise in construction and development and will chair our Asset Management and Development Committee. With three new board appointments over the last 18 months, together with existing directors, I believe we have a board that is focused on the best outcomes for our customers, has strong commercial depth and is committed to sound governance principles in decision making.

The Argyle board is committed to continuous improvement, good governance and probity. One of the ways we ensure this is by a regular review of the board and it's operation. The process results in an objective evaluation of the effectiveness and impact of the governing body. It also reviews the contribution of individual directors through a series of individual and peer assessments, all facilitated by an independent board consultant.

Our selection as a Phase 1 participant in the trial of the new National Regulatory System for Community

Housing Providers demonstrates the maturation of our business. Regulation compliance is a key indicator that our processes, procedures and principles are fit for purpose and confirms that Argyle is well positioned to deliver a high quality of social and affordable housing options to our customers. Robust internal and external audit systems are in place to ensure we operate in a way that not only satisfies our legal, statutory and funding program obligations, but also identifies opportunities for improvement. These systems enhance operational efficiency and in turn create a higher level of customer service.

Looking back over a busy year, the board has had the privilege of meeting customers and stakeholders in many of the communities within which we operate. I have particularly enjoyed these occasions and they have been a valuable and insightful way for us all to engage with the people we serve. Argyle takes its leadership role in the sector seriously and we continue to evolve the way we operate and engage with our communities to bring about meaningful change.

Over the past year, we have been building momentum, which is critical if we are to respond to the challenges the sector is facing in the next three to five years. Changes in government and limited funding resources are two adjustments that we need to confront and overcome. In addition, every jurisdiction in Australia is looking for opportunities to re-align and reposition public housing assets. Commercial opportunities of scale mean that we need to be equipped and positioned for change and we must be ready for the likelihood of mergers and new partnerships as a result of evolving national regulations.

It has been an exciting time of change and progress for all of us at Argyle Community Housing. I thank the board for their valuable work and I am confident that we are now more ready than ever to embrace the future.

**Chris Benton**  
Chairman



IT HAS BEEN AN EXCITING TIME OF CHANGE AND PROGRESS FOR ALL OF US AT ARGYLE COMMUNITY HOUSING. I THANK THE BOARD FOR THEIR VALUABLE WORK AND I AM CONFIDENT THAT WE ARE NOW MORE READY THAN EVER TO EMBRACE THE FUTURE.



# CEO'S REPORT



The 2013 financial year provided another solid result with net profit of \$2.6m and operating profit of \$1.7m. This result provides us with a very sound basis for building the scope and quality of our housing and other services into the future. However, our financial results are not the sole measure of success; rather these simply give confidence to the future sustainability of our business.

Our real benchmark for success is the difference we make to the lives of our customers as measured by the quality of our customer support, the quality of the properties we provide for our customers and the extent to which we help customers in need improve their personal circumstances and achieve a greater level of social inclusion.

It is pleasing to note that our customers, on the whole, believe we are doing a good job. Argyle Community Housing's 2012 tenant satisfaction survey results were very positive, with tenants giving Argyle an excellent overall combined satisfaction rating of 89% and with 93% satisfied that Argyle treats them fairly. It was also very pleasing that 36% of our customers took the time and effort to complete what was quite a long survey. The survey also provided insights into the areas in which we can improve, such as our approach to handling complaints. As a result we have reviewed

both our complaints policy and process to improve our customers' experience in this important area of organisation performance.

Given the advanced age of many of the properties under our management, our challenge is to provide our customers with an environment of reasonable quality within a cost structure we can manage. We believe that maintaining the standard of our properties to ensure our customers live in suitable, healthy and safe environments is a key differentiator of our service. To this end, during the 2013 financial year, we substantially increased the size of our internal maintenance team and revised our maintenance delivery model to achieve better quality outcomes and to improve consistency in our service delivery. We also spent \$2.9m on property maintenance and a further \$2.3m on upgrading existing properties to bring them to what we regard as an acceptable standard. The customer survey highlighted that 85% of our customers are satisfied with our repairs and maintenance service and 91% are satisfied with their home and its location.

Helping our customers to develop their life skills, identify and seize opportunities and achieve greater levels of engagement and social inclusion is central to our vision. We have facilitated the establishment of support arrangements for 9.4% of our customers (benchmark 5%) with over 20% of our new customers having support arrangements in place (benchmark 10%). These support arrangements provide real and tangible benefits to our customers' ability to support themselves, manage their health and other issues,

undertake training, gain employment and, ultimately, to maintain their tenancies. We have also assisted a number of customers prepare for renting in the private market through our Rent It, Keep It initiative facilitated by our staff in our metropolitan and regional offices.

In the community of Young where we manage 179 tenancies and related properties, we have progressed twin projects: Rotaract Park Redevelopment and Gardens on the Park to help improve the levels of engagement and social inclusion for our customers, many of whom live in houses surrounding the park. The Rotaract Park transformation is almost complete with construction of a tiered amphitheatre, a Covered Outdoor Learning Area (COLA), a BBQ shelter, electric BBQ, tables and chairs. Preparation of garden beds is underway, ready for the planting of over 400 plants during the 2013 spring season. The project, driven and substantially funded by Argyle, has seen the coming together of the Young community via a unique collaboration with the Young Shire Council, Young High School, North Young Primary School, Rotary, TAFE, the Men's Shed, the Live Works, Live Skills program and Argyle's customers. The park redevelopment has provided skills development opportunities for Young High School students, many of whom are children of Argyle customers, to participate in the park works including turfing, plus the workshop build and site construction of the COLA and BBQ shelter. Importantly, the park has provided a focal point for a process of engagement between Argyle customers and the broader Young community. It will also provide local residents with an enduring feature in an area short on community infrastructure.

The Gardens on the Park project will build on the Rotaract Park achievements by delivering street beautification to the streets surrounding the park. It will be implemented through a gardening competition for local residents together with the involvement of local nurseries, horticulture students, grants applications and private business donations for prizes and fundraising. Again, Argyle customers will be central to this project including participation on the steering committee.

These two projects have positively impacted the local community in which we work, and have provided Argyle with great learnings on initiating community engagement projects in the other communities in which we operate. Overall, 89% of Argyle customers are happy with their neighbourhood as a place to live, with 73% stating that their neighbourhood has improved in the last three years. Interestingly, in Young, where Argyle

took over managing the tenancies and properties from Housing NSW approximately three years ago, 88% of our customers state that their community has improved over the last three years.



2013 HAS BEEN AN INTERESTING AND CHALLENGING YEAR AND I WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK OUR STAFF'S FOCUS ON ACHIEVING BETTER OUTCOMES FOR OUR CUSTOMERS AND TO THE ARGYLE BOARD'S DILIGENCE AND COMMITMENT IN PROVIDING GOOD GOVERNANCE.

Argyle had a great many other successes during the 2013 financial year including selection in the ACT as the tenancy manager and construction partner for a Common Ground development. This involves up to sixty new housing units in Gungahlin town centre to house a mix of recently homeless and affordable housing tenants. Common Ground is a leading approach to addressing homelessness that originated in New York and has been adopted in most Australian jurisdictions. Argyle has been successful with its NRAS 'shovel ready' tenders in NSW (23 entitlements) and ACT (40 entitlements) and vesting of the balance Nation Building 89 dwellings (valuation \$12.1m). (Vesting has been confirmed by the NSW Government to be effective on 16 August 2013). Argyle was also selected to participate in the National Regulatory System for Community Housing Pilot. This has provided Argyle with an opportunity to help shape the new national registration system and to learn of its requirements. Argyle has also initiated development and implementation of a Reconciliation Action Plan (RAP) to help close the gap of disadvantage for Aboriginal and Torres Strait Islander communities. Argyle staff have worked with Reconciliation Australia, local Aboriginal and Torres Strait Islander groups and local community members to develop its RAP.

For Argyle, the 2013 financial year has also been one of consolidation after significant growth in prior years. We have undertaken a review of our service delivery model to identify how we might best and most efficiently deliver our services to our customers. The review involved detailed activity-based costing analysis. The finalisation of our chosen service delivery model will be completed in the 2014 financial year. We have also reviewed the appropriateness and suitability of our organisation policies and procedures and the changes agreed are progressively being implemented.

As Argyle has grown, our support IT systems have increasingly been highlighted as needing replacement. Consequently, we have initiated a process to select, acquire and implement a new enterprise IT system capable of efficiently providing for both Argyle's current and future needs. We expect the selection to be complete by the end of 2013 with implementation commencing early in 2014. We have achieved voluntary accreditation for our ACT Ainslie Village operations to complement our existing accreditation for our NSW operations. Our board also commenced a regular schedule of meetings in each of the regions in which we operate, with meetings held in Bowral, Young, Wagga Wagga and the ACT during the 2013 financial year. Through travelling to each of our regions, the board aims to gain a better understanding of the local needs and to meet local stakeholders and staff.

The community housing sector is expected to experience significant change driven by national registration, planned stock transfers in a number of jurisdictions, the commencement of the National Disability Insurance Scheme (NDIS) and the entry of the main stream faith-based organisations. Argyle is committed to being proactive in developing our response to these changes to ensure we remain a leading provider in Australia. The achievements during the 2013 financial year and our significant focus on operational consolidation means that Argyle is well placed to secure our future in the community housing sector and thereby help secure our customers' futures.

2013 has been an interesting and challenging year and I would like to take this opportunity to thank our staff's focus on achieving better outcomes for our customers and to the Argyle board's diligence and commitment in providing good governance.

Chris Bratchford  
Chief Executive Officer







# WIRADJURI COMPLEX, WAGGA WAGGA, NSW



# CUSTOMER & COMMUNITY



Over the past financial year, Argyle Community Housing embarked on a broad series of initiatives with positive outcomes for our customers.

- Argyle has actively reduced homelessness by providing housing solutions for low to moderate income earners struggling in the private rental market.
- We formed partnerships that aim to reduce disadvantage and engender social inclusion for all our customers.
- Our flagship project, the redevelopment of Rotaract Park in Young, was progressed and will be completed in December 2013.
- We again facilitated education and training for all age groups, through the highly successful Rent It Keep It course.
- We worked with youth and seniors to provide solutions that combat homelessness and provide a safe living environment.
- We began to develop our Reconciliation Action Plan (RAP) through close consultation with indigenous groups and associations across our regions.

## Reconciliation Action Plan

Together with Aboriginal communities across all our regions, we are developing our own RAP. This plan establishes a culturally appropriate consciousness in all aspects of our work. Though it is early days, it has already had a positive impact across the organisation. Our RAP steering committee is made up of tenants, community members and Argyle staff. It is an integral part of the Argyle family and will drive many of our Indigenous and tenant participation activities. Our Senior Manager in the ACT is overseeing the development of the Argyle RAP with the full support of our Chief Executive Officer and board. She liaises directly with Reconciliation Australia on this important initiative. We are also a proud partner with the Murra Mia Tenants Service, one of the organisations we are working with to develop the Argyle RAP.

## Positive Partnerships This Past Year

### Pathways Team

Housing Pathways is the system implemented by the NSW Government to assist people applying for social housing with one common application form, which is managed via a single housing register.

The Argyle Pathways Team consists of four staff whose task is to assess eligibility, manage waiting lists and allocate properties. Working closely with housing agencies, Argyle's customer service personnel have an in-depth understanding of the social housing system and have built relationships with local estate agents and

the private sector to maximize the potential of finding suitable accommodation.

### Queanbeyan Hub Project

This year, Argyle and St Benedicts in Queanbeyan have partnered to offer a range of services to create the Queanbeyan Hub. This unique model provides an early intervention, non-judgmental crisis response for homeless people. The Queanbeyan Hub came out of a need to assist people who were 'sleeping rough' or experiencing crisis and who may have no identity documents or resources to help themselves. We asked ourselves the simple question, "What happens to the people that services turn away?" - and the Queanbeyan Hub was formed.

The Queanbeyan Hub committee is represented by member agencies that provide their resources, circumventing 'red tape' with a focus on gaining a swift housing solution. Four people have been assisted into long term housing and an additional 12 people received assistance and support. The Hub continues to grow from strength to strength, with new member services continually joining. In the words of one of the service officers: "It's a no-brainer, that by breaking down the barriers and pooling resources, we can help people get some dignity back in their lives."

## Youth & Training

### WIN Child Family Youth Alliance

Argyle is part of the WIN (Wagga Impact Network) Child Family Youth Alliance, which reinforces non-government organisations (NGO) services within the Wagga community. The Alliance comprises 11 leading agencies that work to address service coordination, funding and role distribution.

### Riverina Youth Housing Strategy

We have worked closely with the Southern Riverina Youth Support Services (SRYSS) to help young people at risk of homelessness by supplying community housing. SRYSS has remodeled its services to provide case management support in line with SHS changes.

### Living Skills Course

Argyle's Campbelltown office has partnered with the University of Sydney to run the Living Skills course in Western Sydney. It is a member of the Macarthur Real Estate Engagement Program, an early intervention program to prevent homelessness. Recently it became a member of the Macarthur Homelessness Steering Committee.

## Seniors

Argyle manages a 53-unit seniors living complex in Conder, ACT. Conder tenants have participated in a number of events and activities over the year, including a Living in Harmony session, Tai Chi, Christmas in July, Floriade, safety and security seminars, and mobile polling. Argyle has also encouraged those Conder tenants with a green thumb to beautify their surroundings. They have responded by successfully growing vegetables and creating beautiful gardens. Argyle's commitment to addressing community issues is reinforced by our Abbeyfield Safe-Living project. Abbeyfield House is an aged care complex of social housing tenants who are 80 years of age and over. These elderly tenants often felt vulnerable and threatened by incoming Argyle tenants. A successful ClubsNSW grant enabled us to implement the Safe-Living project to resolve these concerns.



"A very big thank you for all the assistance you have given us."

## Rotaract Park Update

In October 2011, Young Shire Council agreed to support a proposal by Argyle in partnership with Live Works Live Skills (LWLS) to redevelop Rotaract Park. The local community was in full support of the project and the much needed recreational facilities it would bring. A master plan was drawn up and work began to bring the plan to fruition.

The earthworks commenced in October 2012 with the construction of an amphitheatre and irrigation system. The covered outdoor learning area (COLA) and BBQ are now complete and garden beds have been prepared for planting by local residents and school children.

In addition to the development, a strategic plan, Gardens on the Park, was implemented to reduce anti-social behaviour and build community participation. We are proud to witness the sense of ownership and pride that has been engendered amongst the residents that surround the park, most of them being Argyle customers. An event to celebrate the handover of the finished park to the community is scheduled for December 2013, just before Christmas.

The Rotaract Park project has been a wonderful success for all involved. It will be complete with the appointment of a resident caretaker from the local community who will communicate concerns and raise issues directly with the local area manager or customer services team.

## Successful Grant Applications

Argyle, being a not-for-profit organisation, relies on grant funding for some of our projects. We have been successful in obtaining grants for the following:

- Consortium of Women's Refuges – to investigate inefficiencies in the provision of Temporary Accommodation.
- Digital Storytelling for Seniors – life stories are recorded in digital form with photographs and music.
- Transitional Homelessness Project – providing funds to employ a Housing Support Worker for our seven transitional properties in Goulburn.
- Clubs NSW Grants Program – the Safe-Living project implemented in the seniors complex.



# THE YEAR AHEAD



ALTHOUGH 2013 HAS BEEN A BUSY YEAR TO CONSOLIDATE OUR MATURING ORGANISATION, WE PROUDLY REFLECT UPON THE WAYS IN WHICH WE HAVE IMPROVED THE FUTURE OF OUR CUSTOMERS. NOW WE EAGERLY LOOK FORWARD TO THE YEAR AHEAD AND THE MANY NEW IDEAS, STRATEGIES AND INITIATIVES TO BE IMPLEMENTED.

# OUR PEOPLE

# & CULTURE



The many changes we have made at Argyle Community Housing have had a significant effect upon all our employees and the culture within the organisation. These initiatives have had a positive influence on individual capability, employee working relationships and on the quality of service delivery to customers. Our employees have a clear understanding of our strategy and objectives. They consistently strive to achieve above and beyond expectations, genuinely care about the welfare of our clients and are passionate about their work.

## Senior Leadership

Over the past year, a change in leadership has repositioned Argyle for new opportunities and sustainable growth. Two new roles have been added to the leadership team: General Manager, Customer & Community Development, and General Manager, Business Development & Renewal. The General Manager, Customer & Community Development, was recently appointed from within our management team. The General Manager, Business Development & Renewal, was an external appointment from the community services sector. Argyle has an agenda of significant growth moving forward. These new roles, along with ongoing development of the management team, will ensure that the organisation is more than

ready to respond to commercial opportunities. As the sector develops, Argyle is poised to take on new challenges.

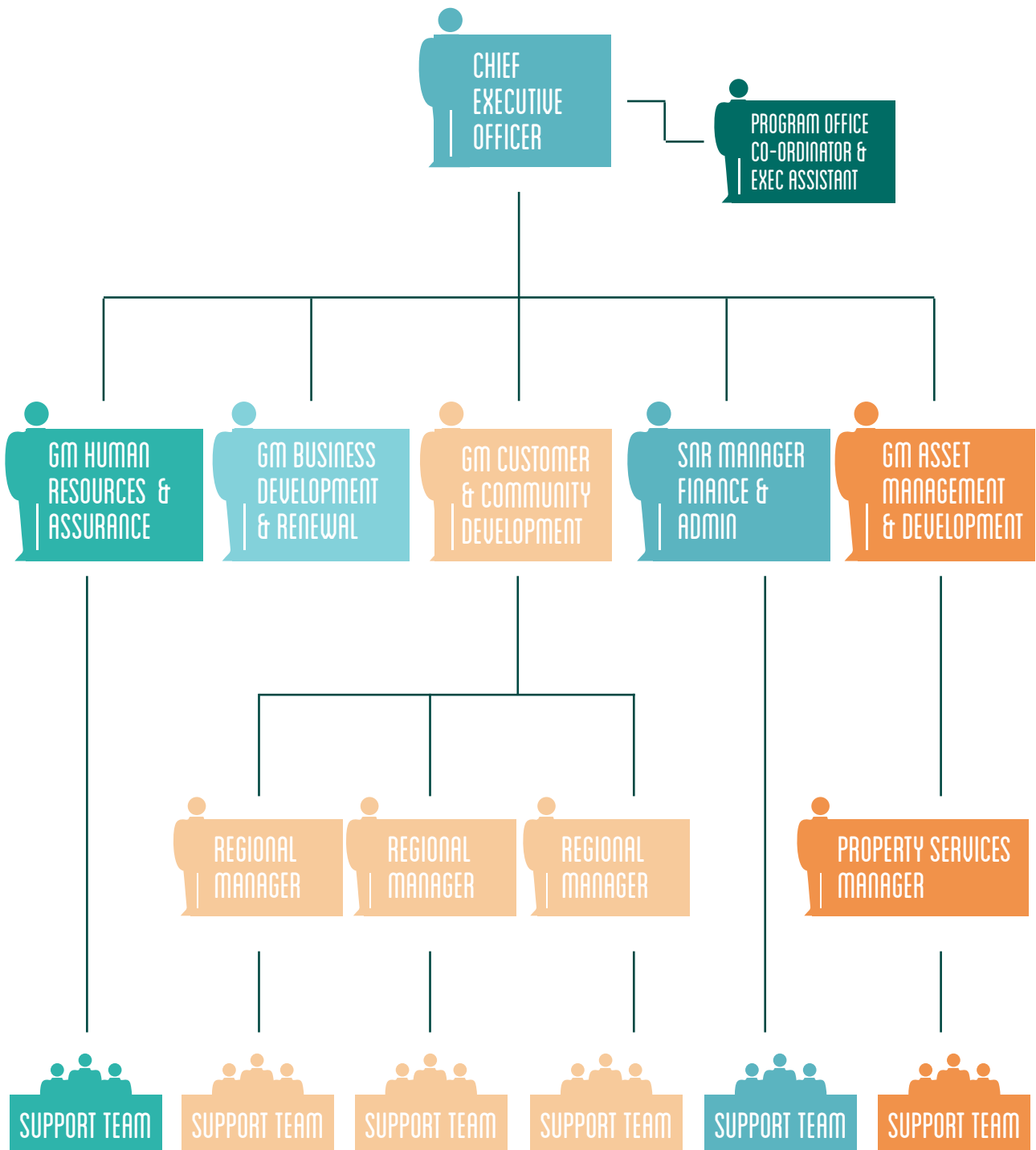
These changes have not been limited to the management team; a ‘whole of organisation’ focus on fundamental capabilities has also occurred. New initiatives have taken place in areas such as work, health and safety, performance management, leadership and employee engagement.

One of the key training initiatives implemented at Argyle this year was the Leadership Framework program. It is built on the philosophy that everyone is presented with opportunities to be a leader at some stage in their work life. The Leadership Framework creates a common language for all our staff and acts as a guide for leaders at all levels on expected leadership behaviours.

## Employee Engagement and Survey

During 2013, we conducted an Employee Engagement Survey. The results revealed that 41% of Argyle’s employees are engaged with the business – higher than the average of 36% across all Australian businesses. There were significant differences in engagement scores between Bowral and the other offices, which means we need to make extra effort to overcome the “tyranny of distance”.

# ORGANISATIONAL CHART



## Work, Health and Safety

The work, health and safety of our staff is of the utmost importance. Argyle has made this commitment to our employees, those contracted to perform work on our behalf, visitors to our premises, and anyone affected by our activities. We have implemented programs such as Client First, which aims to build an emotionally resilient workforce and equip staff to handle conflict and deal with challenges in their immediate environment. This workshop is particularly helpful in developing skills to support customers with complex needs or who present

with persistent emotional states. The suite of initiatives implemented this year are complimented with a more targeted Employee Assistance Program (EAP). The EAP service assists staff with work and/or personal conflict management and provides support through life events. We are proud to witness the positive effects on our organisation.

## Employee Value and Ongoing Change

Over the past two years, Argyle has undergone a substantial cultural transformation. The organisation has evolved from a localised, community-based housing provider to a commercially mature, multi-jurisdictional housing and development business.

This aggressive-change agenda required a strong investment in our people. Argyle has implemented a more targeted approach to training and development, embarked on a program linking performance to reward and is building a results-based culture focused on career development and progression. The employee value proposition has been significantly enhanced. Argyle has maintained its commitment to going above and beyond statutory award requirements. We provide a flexible work environment, featuring a 35-hour work week, providing additional leave, maintaining above-award remuneration and facilitating flexible arrangements, such as telecommuting and part-time work.

Argyle Community Housing has grown in size and complexity, but at the same time has been careful to retain the essence of what the organisation is about – people. We opt for an approach that acknowledges and values the contribution made by our colleagues and customers to the journey we are on.

Geoff Blackburn, General Manager Human Resources & Assurance, succinctly describes the concept when he says:

**WE MUST RESPECT THE PAST, EMBRACE THE PRESENT AND IMAGINE THE FUTURE.**



THE ORGANISATION HAS EVOLVED TO A  
COMMERCIALY MATURE,  
MULTI-JURISDICTIONAL HOUSING AND  
DEVELOPMENT BUSINESS.



## SENIOR MANAGEMENT TEAM



Chris Bratchford  
Chief Executive Officer

Chris was appointed to the role of CEO at Argyle Community Housing Limited in November 2010 and continues in that role.

Chris has spent much of his career helping organisations, both nationally and internationally, make the transition to robust, sustainable and successful businesses. His previous roles include Board and Executive positions with strategic, operational, financial and change management focuses in a variety of financial services and not-for-profit organisations including:

- Non-Executive Director, NSW Federation of Housing Associations (current).
- Non-Executive Director of Professional Insurance Australia Pty Ltd, an APRA regulated insurer.
- COO and CFO of Avant, an APRA regulated insurer.
- CEO of Ample, a UK based online direct to consumer financial services business.
- Strategy Manager for AMP's Australian operations.

Chris has strong customer, commercial and financial acumen and highly developed skills in leading people and organisations through periods of change and transformation. Chris holds a range of relevant qualifications including Graduate of the Institute of Company Directors, Masters of Business Administration and Bachelor of Laws.



Geoff Blackburn  
General Manager,  
Human Resources & Assurance

Geoff brings a rare blend of technical HR expertise and strong operational and commercial experience to the organisation having held Executive positions in the finance and property industries over the last 15 years.

As the Director of Operational Services, Capital Finance, Geoff was instrumental in establishing an accelerated development program and was selected as a mentor for identified high potential individuals. Geoff was also a key driver of flexible working arrangements and work/life balance initiatives in his role as General Manager, Human Resources and Operation Services at HBOS Australia.

Geoff holds a Bachelor of Arts (Education and Sociology) amongst his many other qualifications.



**Angela D'Adam**  
Senior Manager, Finance & Administration

Angela has worked with Argyle since March 2009 predominantly in the role of Finance Manager, and was in July 2012 appointed to the role of Senior Manager Finance and Administration.

Angela has a Bachelor of Business (Accounting) and holds CPA designation. Angela has seen Argyle grow from a turnover of \$11.8m to \$24m. Angela has previously worked as a Cost Accountant for a mining division of a large multi-national company and as Lead Auditor for a public practice firm predominantly auditing not for profits and registered clubs.



**Alex Pontello**  
General Manager Asset Management & Development

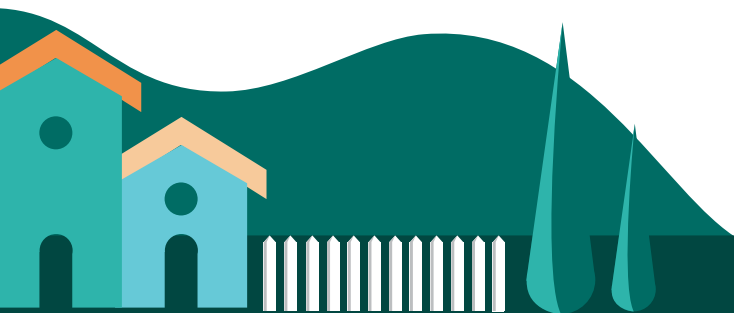
Alex has over 20 years experience in the property and construction industry.

Beginning his career as a tradesman, Alex gained his 'clerk of works' qualification and worked as a Project Manager and Builder completing a wide range of commercial, residential, and industrial projects. Alex has also worked as a registered Property Valuer for over 10 years specialising in development feasibilities and valuations of high end residential properties.

The last six years has witnessed Alex working in Senior Asset Management positions for Housing NSW and the Community Housing sector, where he is currently the General Manager Asset Management & Development at Argyle Community Housing Limited.

Alex is a NSW Licensed Builder, Certified Practising Valuer, has completed numerous tertiary property qualifications including a Graduate Diploma in Urban Estate Management and a Masters Degree in Property Development.

Alex is also an Associate Member of the Australian Property Institute.





**Debbie Skelton**  
General Manager Customer &  
Community Development

Debbie has approximately 20 years experience working in the social housing and disability sector in policy and program development and delivery of services.

During her diverse career she has held management positions working across operational and policy teams in State, Territory, Commonwealth and in non-Government organisations. Debbie blends her passion for social justice with a strong focus on customer service and continues to look for innovation through pooling resources and creating partnerships. She has led Intensive Tenancy Management teams in Housing Estate regeneration, worked closely with Aboriginal Communities on the North Coast of NSW and remains an advocate for achieving better social outcomes.

Among her qualifications she holds a Bachelor of Social Science and a Diploma in Social Housing Policy. Debbie is also a food writer and contributes a regular column for the Canberra Times newspaper and national website.



**Wendy Middleton**  
General Manager Business  
Development & Renewal

Wendy has over 30 years experience working in community services both in the government and not for profit sectors in NSW and Victoria.

Wendy has had the opportunity to work across many domains in both public policy and service delivery.

Prior to commencing in this position Wendy was CEO of a medium sized organisation in Wimmera, Victoria. Throughout this time Wendy was instrumental in securing funding and services for rural and remote areas.

One of the most rewarding and significant achievements in Wendy's career was her involvement with a resident led community renewal project for a public housing estate. Most recently through partnerships and a tenacious approach Wendy assisted in securing funding for the development of a community hub that provided one place for the community to access the assistance they needed.

Wendy holds qualifications in welfare and human services research and evaluation. She has recently moved to the District on a small property with cows and sheep.

# ASSET MANAGEMENT

## Primed for the Future

The year to June 2013 has been another busy one for Argyle Community Housing’s Asset Management and Development Team. The team have focused on developing a number of key areas, including: changing the maintenance service delivery model to improve service levels to our customers; managing delivery of \$2.332m in upgrades to over 200 properties to improve our customers’ properties; and designing plans for a number of new developments to deliver up to 60 additional social and affordable dwellings in the coming years.

We commenced construction of one of these new developments: a purpose- built, new generation boarding house that targets improving the lives of homeless youth in the Southern Highlands. We will partner with a local support agency to ensure that, once completed, this new accommodation will not only provide youth with a place to live, but also opportunities for improving their lives. We also assisted the former residents of Sunshine Lodge in Mittagong to remain within the Southern Highlands by the purchase of suitable local accommodation.

## Maintenance Services

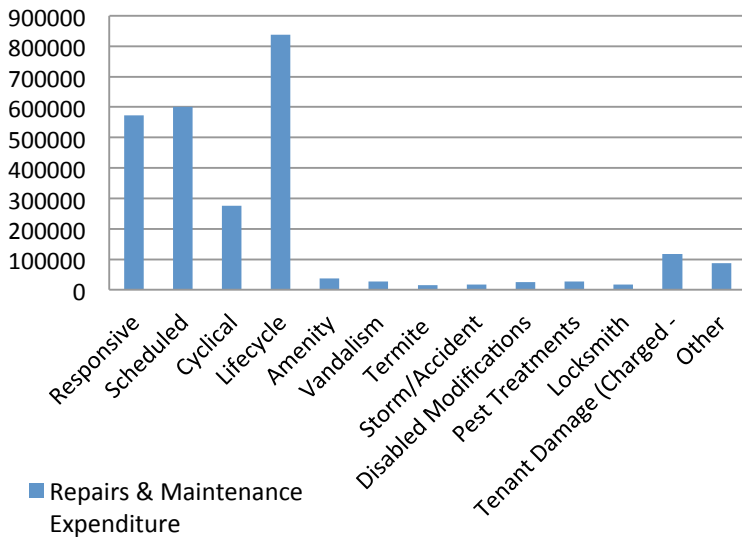
In 2012, we announced the restructure of the Maintenance Unit. During the year, we established a new Maintenance Contact Centre located in our Campbelltown offices. The objective for the change is to achieve higher levels of customer service, improved efficiency and clearer accountability.

This new model has improved cost control, transparency in contractor procurement and is expected to improve quality of work. The new maintenance request triage process is more efficient, allows review of requests in a more timely manner and provides more control over scheduled maintenance and inspection services. It is anticipated that the Maintenance Contact Centre will also foster a heightened culture of property care and preserve existing relationships with local contractors.

In the year ahead, we aim to improve processes relating to legislative maintenance requirements. These include: smoke alarm testing, servicing thermostatic mixing valves, RCD pushbutton tests and the implementation of an asbestos notification register.



## Repairs & Maintenance Expenditure

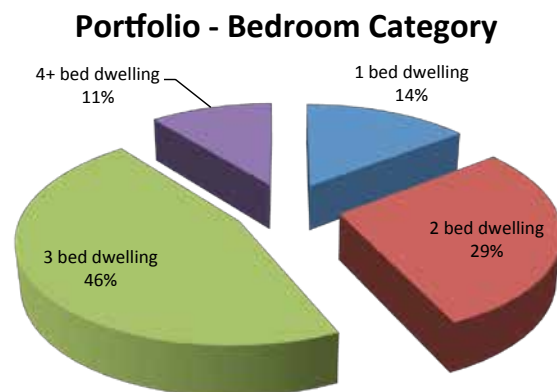
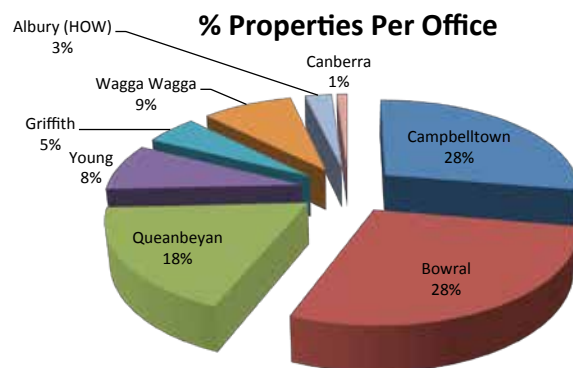


## Asset Vesting

Under the terms of tenders won in 2010, Argyle entered into a contract with the NSW Government. In return for Argyle acquiring or developing an additional 65 dwellings for the provision of social and affordable housing, the government would transfer title to land upon which 250 existing dwellings were constructed. The transferred properties were intended to provide security for borrowings to deliver the additional 65 dwellings. The government vested title in Argyle of 161 of these dwellings. However, after the O’Farrell Government came to power, the terms of asset vesting to community housing providers were reviewed and the transfer of the balance of titles were put on hold. (In the case of Argyle Community Housing, 89 dwellings valued at approximately \$12m). The government sought business cases from community housing providers to satisfy it that transferring the balance properties provided the best value to NSW.

Argyle’s business case succeeded and the government proposed a new contract be entered into on different terms. The main change proposed was to require the delivery of the additional 65 dwellings as an ‘absolute requirement’, rather than the previous contract requirement for ‘best endeavours’. The Argyle Board assessed and accepted the changed terms and executed the new contract. We have been advised that title deeds to the balance 89 properties have been prepared ready for handover to Argyle during the 2014 financial year. This is great news as it will increase Argyle’s net assets by approximately \$12m and will allow these properties to be used as security for borrowings to deliver additional housing.

## Statistics at a Glance



## Sunshine Lodge - Keeping Residents at Home

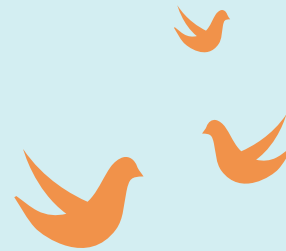
In October 2012, following the death of its owner, Sunshine Lodge in Mittagong closed down. Amid controversy, the residents were relocated to the old Kenmore Hospital site in Goulburn.

Argyle responded to calls in the community for the long-term residents to be allowed to remain in the Southern Highlands. In collaboration with the NSW Government Department of Aging and Disability, Argyle sourced and secured suitable dwellings in the Southern Highlands for Sunshine Lodge residents. This included the acquisition of a large multi-bedroom house that well suited the needs of a number of former Sunshine Lodge residents.

These efforts allow these residents to remain in the region close to family and friends, living in the five properties sourced by Argyle. The efforts of our staff, along with the fantastic support of the various agencies involved, have also helped six of these residents transition to independent living arrangements.

## Leading the Way – New Generation Boarding House

In the Wingecarribee local government area, Argyle has commenced construction of a new generation boarding house for homeless youth. The purpose designed dwelling incorporates six self-contained units together with community space. A key design principle has been to accommodate the needs of support agencies to allow them to most effectively assist these youth in areas such as life skills development, education and training.



**MORE OPPORTUNITIES  
TO HOUSE MORE  
PEOPLE IN NEED**

The future of Argyle's development credentials were strengthened with successful applications for funding under the Federal Government's National Rental Affordability Scheme (NRAS). Argyle has secured funding to assist with the development of 23 dwellings across the Wingecarribee, Wollondilly and Campbelltown local government areas, and 40 new dwellings in the ACT under the Common Ground initiative.

# SUNSHINE LODGE PROJECT, WILLOWVALE, NSW



# NEW GENERATION BOARDING HOUSE, UNDER CONSTRUCTION







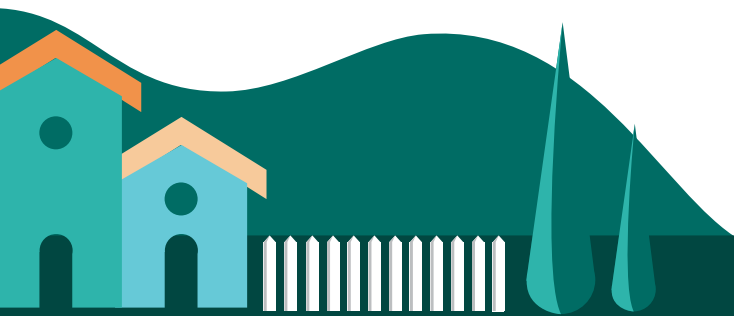
# OUR BOARD

## Primed for the Future

Governance or how an organisation is governed is really important to ensure that organisations operate in a manner that is compliant with legislation, adhere to the highest ethical principles and demonstrate equity and fairness in decision making. These factors are particularly important for community housing providers and Argyle considers them to be paramount.

Argyle has made a significant investment in ensuring that its Board operates at the highest standards of probity and integrity. Ours is a skills based Board which means that each of the Directors brings extensive commercial expertise and insight to the challenges of our sector. We have a commitment to the continuous improvement of our Board through individual Director and “whole of Board” assessments and subsequent development plans. We have adopted the AICD Good Governance Principles and Guidance for NFP’s, which is a framework for applying good governance practice and providing a reference point for Directors duties and responsibilities.

As a further response to the need for transparency and probity we have made the decision to engage outsourced company secretariat services to ensure we meet our compliance obligations and to provide specialist compliance and governance advice to our Directors.



"Securing Argyle's future is important if we are to make a difference."



### Chris Benton, JP, MAICD Chairperson

Chris Benton is the owner manager of the Bank of Queensland branch in Bowral. Chris has been in banking and finance for over 33 years. Before becoming self employed in 1995, Chris spent sixteen years working with one of the major banks. Chris is a Justice of the Peace and a member of the Australian Institute of Company Directors. Chris has owned the Bowral branch of the Bank of Queensland since 2006. He is past president of the Rotary Club Bowral/Mittagong, a volunteer fire fighter and foundation treasurer of the Southern Highlands Renal Appeal. Chris has been a Director of the Argyle Community Housing Ltd Board since 2001.

"To me, 'securing the future' means ensuring that opportunities for enhancing the wellbeing of our customers are pursued with vigour, and undertaken in a sustainable and cost-effective manner."



### Dr Terry Spencer, BSc (Hons 1), PhD, MAICD Deputy Chairperson

Terry has had a long and varied career in science management, project/program management, business analysis and business process re-engineering, predominantly in the public sector. He has also served as an expert consultant to national and international bodies in areas as diverse as technical advice, regulation and process auditing. Terry was the Australian Government Analyst (the Commonwealth's senior laboratory management position) from 2003 to 2005 when he changed career emphasis away from science to business management. He has served the community in both Queanbeyan (his home town) and Benalla (Victoria) through executive involvement in a number of community organisations. This includes two terms as a councilor of the City of Benalla, life membership of Apex and current membership of the Rotary Club of Jerrabomberra. Terry is currently engaged by the Australian Federal Police to assist in the planning and construction of a multimillion dollar new forensic facility located in Canberra. He also has a 'paid hobby' as a part-time teacher of prospective builders at the Canberra Institute of Technology. Terry has been a Director with Argyle Community Housing Ltd since 2007.

"Good financial management with a social conscience is an imperative for Argyle."



**Ian Cropper**  
BA, Dip Ed, JP, MAICD

Following a number of years in industry, Ian taught Business Studies in TAFE before moving into educational administration. He held a number of Deputy and Principal positions and had regional area responsibilities as well as being a Member of the Board of the Illawarra Institute of Technology. Prior to and during his retirement, Ian has worked on a series of short term volunteer projects both in South East Asia and the Pacific Islands. Ian has successfully completed various governance courses run by the NSW Federation of Housing Associations and the Australian Institute of Company Directors. Ian has occupied various Board/Committee positions within his local community and has served as a Director for Argyle Community Housing Ltd since 2004.

"It is incumbent upon all of us to make well-informed, responsible decisions now, in order to continue to grow and deliver affordable options for the community we will serve in the future - for as the late, great Jacques Cousteau once said, "The present is on loan from the future".



**Nicolette McAdoo,**  
MAICD

For thirty one years Nikki worked as a makeup artist in film and television both in Australia and the United Kingdom. After moving to the Southern Highlands Nikki decided on a change of direction studying welfare management. She then took on the role of Manager at the Highlands Community Centres (HCC). HCC offered a range of services to the Southern Highlands local community, including Emergency Relief, Youth Services, Community Development, No Interest Loans and Domestic Violence Court Support. During her 17 years at HCC, Nikki successfully lobbied for additional funding for many new services in the area. When Nikki retired in 2009, she joined the Committee of the Southern Highlands University of the Third Age (U3A) as Course Co-ordinator with the challenge of finding a variety of courses for their 900 local members. Nikki has been a Director for Argyle Community Housing Ltd since 2005. She brings to the Argyle Board valuable insights into the community due to her previous experiences in human rights advocacy. She believes strongly in social justice thus making her a strong advocate for Argyle tenants.

"The key purpose of Argyle Community Housing is the provision of homes for our customers. Strong management assists in securing the future of these customers."



**Trevor Fair**  
B Bus (Accounting/HRM), CPA, MAICD

Trevor commenced his working career with East West Airlines as an apprentice avionics engineer before undertaking studies in Accounting and Human Resource Management at Charles Sturt University. He also worked for a number of years with the NSW Department of Education and Training as a management accountant with the Catholic Education Office. After completing his CPA, Trevor worked in public practice in Bowral before becoming a partner of Oxley Partners Chartered Accountants in January 2005. Trevor is Secretary of the Rotary Club Bowral-Mittagong, Secretary /Treasurer of the Southern Highland Community Transport and Treasurer/Secretary of the Rotary District 9710. Other voluntary roles held by Trevor include Treasurer of the Southern Highlands International Piano Competition, Treasurer of Oxley College P&F and he is an active member of the Bowral Public School P & C. Trevor was appointed to the Argyle Community Housing Ltd Board in 2008.

"Securing the future means a financially sustainable Argyle, ideally independent of government funding, delivering social and affordable housing to our customers, enabling them to have the security of housing whilst they pursue improvement in their personal situation."



**Terry Downing**  
B Comm, M Mgmt, CPA, FAICD, FCSA, ANZIIF Fellow

Terry is an experienced non-executive director holding positions in both the public and private sectors across a range of organisations and industries including energy utilities, superannuation, general insurance, investment management and the private health insurance prudential regulator.

His prior experience includes senior executive positions in the financial services sector and consulting to service industries including insurance, banking, funds management, superannuation and aged care.

Terry brings extensive financial, risk management, corporate governance and commercial experience to the Argyle board. Terry was appointed to the Argyle Community Housing Ltd Board in April 2012.

"Securing the future for Argyle's customers means expanding our business to provide more homes for more people on low to moderate incomes or who are in housing stress."



**Pamela Edwards**  
BA/LLB (UNSW), MAICD

Pamela has been in the legal profession and investment management business for over 25 years and worked in the United Kingdom and Europe for 18 years in the insurance, investment management and pensions businesses. Prior to that Pamela was a partner in a prominent Australian law firm. She has served the community on the boards of Australian arts organisations and was a founder member/director of a fund-raising committee for the charity now known as Red Kite. Pamela is a former Vice President of the Corporate Counsel Association, Europe and is a member of the Australian Institute of Company Directors. Pamela was appointed to the Argyle Community Housing Ltd Board in April 2012.

"In the underfunded sector of the state economy, working cooperatively with government to direct limited resources where they are most needed, and ensuring they are not wasted."



**John Peters,**  
B. Arch., Adv. Dip. BCM., ARAIA.,GAICD.

Based on the foundation skills as an architect, John has worked in various facets of property in the UK, New Zealand and throughout Australia, for over 35 years. Much of this experience was with Lend Lease as a Project Manager, Asset Manager, and Qld Manager and Director, Lend Lease Commercial.

John set up his own property development company in 1995, and his primary activities during this time were within the residential, retail and office sectors in SE Queensland. John has also consulted to investors and financial stakeholders during this time, including Merrill Lynch, GPT, Thiess, St George Bank and Multiplex.

John is a graduate of the Australian Institute of Company Directors, a non-executive director of Mirvac Group and an executive director of a number of unlisted companies. He joined the board of Argyle Community Housing in 2013.



# FINANCIAL CAPACITY TO SECURE A SUSTAINABLE FUTURE

We regard the achievement of good financial performance as critical to Argyle Community Housing's sustainability, and therefore to the sustainability in provision of housing and other services to our customers. While we are a not-for-profit organisation by definition, we must achieve sound profits each year to protect the viability of the very business our customers depend on. We also must ensure that we have sufficient cash reserves to provide for that inevitable 'rainy day'. However, the key difference is that, unlike for-profit organisations, we do not distribute the profits we make to owners or shareholders, rather we re-invest these funds back into our core purpose – 'by providing housing as the foundation, assist our customers and their communities to achieve a better future'. We might better characterise our business as one of 'profit for a purpose' rather than not-for-profit.

Taking this 'profit for a purpose' concept into account, the 2013 financial year can be regarded as a resounding success. We achieved net profit of \$2.559m, including a \$872k positive revaluation on investment properties we own. Importantly, we achieved a strong operating profit of \$1.687m, despite expenditure of \$2.332m on upgrading the quality of the properties we provide to our customers. Argyle's net assets moved to \$49.396m including property assets used to provide housing to our customers of \$40.652m.

We also had cash assets of \$8.517m. These cash assets include a sinking fund of \$1.2m for future maintenance expense, a cash buffer for that 'rainy day' and, importantly, will help fund an ambitious property acquisition and development program of up to 60 dwellings over the next five to seven years. Delivery of these new properties will also require Argyle to put in place, during the 2014 financial year, a substantial borrowing facility. We are well advanced on securing this critical source of funding. Further, our sound financial standing positions us well to service the principal and interest on the borrowing facility, while also allowing us to pursue other opportunities to help our customers achieve a better future.





# FINANCIAL STATISTICS

REVENUE \$24.3m

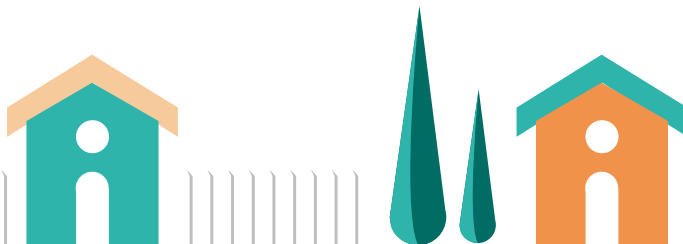
OPERATING PROFIT \$1.7m

PROFIT \$2.6m

NET ASSETS \$49.4m

MAINTENANCE EXPENDITURE \$2.9m

PROPERTY UPGRADE EXPENDITURE \$2.3m



# CONTACT

# DETAILS



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