



Business Plan

2011-2012

Prepared by the BHL Executive Management Team

| Version | Date | Comment | Who |
|----------------|-------------|-----------------------|------------|
| 1.0 | 20 May 2011 | Initial Draft | CEO |
| 2.0 | 30 May 2011 | Updated draft | JAB |
| 3.0 | 6 June 2011 | Approved by BHL Board | BHL board |

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1. Overview

The Business Plan 2011-2012 describes the goals and actions required to deliver the final year of the Bridge Housing Limited (BHL) Strategic Plan 2009-2012.

Bridge Housing's Strategic Plan projected a target of 1600 properties by 2010-11 and 1900 properties by the end of 2012. We are well on the way to achieving this target with 1500 properties now under management. This target will be achieved predominantly through a significant property transfer program and we await the state government's announcement on its property transfer program for 2011-12.

To ensure that Bridge Housing can leverage off its success in managing future property transfers and property develop opportunities, the Business Plan for 2011-2012 is focussed on strengthening our existing operations and infrastructure. This process already commenced in 2010-11 with the appointment of an executive management team who will lead and focus on building and improving our housing services, asset management, people, financial and systems capabilities.

2. Vision, Mission and Values

Vision

To be one of Australia's pre-eminent non profit providers of quality, affordable housing

Mission

To build sustainable communities through the provision of affordable housing for low to moderate income earners

Values

Professionalism – our services are delivered with proficiency

Customer focussed – we provide a service which exceeds customer expectations

Teamwork – we deliver our services through effective team work

Innovation – we seek to improve and add value to our services and systems

Empathy – we empathise with our clients and deliver housing services fairly and consistently

3. What We Achieved in 2010-11

Strategic Portfolio Growth

Our property portfolio has increased to 1500 from 1300 properties, against a target of 1600 properties.

| | 09/10 | 10/11 | 11/12 |
|---------------|-------|-------|-------|
| Target | 1200 | 1600 | 1900 |
| Actual | 1300 | 1500 | NA |

The key growth drivers for our property portfolio growth in 2010/11 were the transfer of:

- 80% of properties on the South Coogee and Balmain estates through the NSW state government's Property Transfer Program.
- 100% of 193 Nation Building Economic Stimulus Program (NBESP) properties at Parramatta.

Our property portfolio will grow during the 2011-12 year through the:

- Successful tender for 300 properties through proposed Housing NSW Property Transfer Program 11/12¹
- Completion of 25 units at Camperdown scheduled February 2012
- Identification procurement and development sites to deliver a minimum of 14 affordable housing properties
- 153 senior units at Cowper Street, Glebe, on a public housing redevelopment site to be delivered in partnership with Housing NSW by 2013.

Our successful tenders in 2010-11 which secured the NBESP properties and Cowper Street provide the platform for BHL to undertake the financing, procurement and development of affordable housing, through the employment of an experienced development manager, vesting of title on Parramatta properties.

We won our first National Rental Affordability Scheme (NRAS) bid in May 2011, enabling BHL to increase its borrowings by 200% from \$3m up to \$10m to contribute to the cost of Cowper Street redevelopment. Our bid also secured the first substantial allocation of NRAS funds to an inner metropolitan development in Sydney. We successfully submitted a tender for the NRAS 4 Housing NSW in December 2010 winning the right to redevelop the Seven Hills site which will yield up to 160 units, to be delivered through 2015/17

Service Delivery

The Housing Team managed the smooth transfer of South Coogee and Balmain properties , NBESP properties in record time (10 days compared to 14 day benchmark) and successful- implementation and management of Housing Pathway.

We extended our services delivery, introducing an after hours maintenance service and centralising our responsive maintenance service. We further developed our communication with tenants through building the effectiveness of the Tenant Advisory Group. BHL completed its innovative Bridging the Digital Divide project by delivering the system to 80 households. These service improvements resulted in BH achieving an 88% overall satisfaction rating in the 2010 Tenant Survey BHL, compared to 71% for public housing and 82% for community housing sector.

Managing Our Housing Assets

This year we continued to improve the efficiency of our responsive and planned maintenance with the implementation of a new Asset Module (IT system). The new Asset Module allows for greater analysis of contractors, costs and properties as well as enhancing the planning for future works. BHL have undertaken technical property scopes on over 98% of the portfolio which are all loaded into the new Asset Module. This ensures all future maintenance liabilities are costed and planned. We delivered 2,300 responsive maintenance jobs at a cost of \$530k and delivered planned maintenance services to in

¹ Housing NSW has not announced the size of the Property Transfer Program for the 11/12 FY. Therefore this indicator assumes a PTP will be in place for which BHL can tender.

excess of 200 properties at a cost of \$2.1m. This includes completing all backlogs and planned maintenance works on the South Coogee and Balmain properties. The team worked successfully with Housing NSW and the project managers to ensure that 193 NBESP dwellings were completed to the appropriate standard before being transferred to BHL's management and reduced the number of works required during the defect liability period.

Effective Governance

Bridge Housing seeks to improve its governance arrangements achieving 80% of its key business plan objectives, this is reflected in achieving our Class 1 Registration Bridge Housing. We also:-

- Reviewed and revised our Risk Management Plan 2008-2010 producing Risk Management Plan 2011-12. The new plan identifies and has in place mitigation strategies to manage new key risks in our financing procurement and development role, our ability to recruit, retain and develop our staff and strengthened our compliance systems to meet our legal and regulatory responsibilities.
- Strengthened our Probity policies and procedures encompassing Fraud Control, Whistle Blower and Gift Policy and training for staff in June 2011
- Approved an Internal Audit Policy, developed an internal audit strategy and appointed RSM Bird Cameron as our Internal Auditor.
- Commissioned the Walton Group to undertake a comprehensive review of the BHL Board. Their report identified considerable strengths in the Board vision, strategic sense, a clear understanding of the Board's and managements roles and responsibilities and areas for improvement in integrating compliance reporting.

Business Sustainability

BHL commenced work on a substantial upgrade of our existing IT system to build an integrated information management system (IMS) for housing management, finance and asset management functions. We improved our responsive and planned maintenance functions in our existing IMS system which has led to improved information on these programs, delivery of services and contractor management. Our ability to win two significant tenders for NBESP Properties and Cowper Street was assisted by the development of effective financial modelling and planning tools. This has been built off a base of further improvements in our systems to produce financial reports and budget preparation.

The table below provides further information on our comparative financial performance compared to previous years.

| KEY PERFORMANCE INDICATORS | 10/11 | 09/10 | 08/09 |
|---|---------|--------|--------|
| Tenant Satisfaction | | | |
| Overall satisfaction with the organisation(%) | 88 | N/A | 96 |
| Service Development | | | |
| Total properties | 1,473 | 1,280 | 1,144 |
| Finance Management | | | |
| Staff Cost as % of Total Revenue(%) | 9 | 8 | 7 |
| Property Costs as % of Total Revenue(%) | 79 | 84 | 85 |
| Administration Cost as % of Total Revenue(%) | 5 | 4 | 3 |
| Cash at end of year | \$11.4m | \$7.7m | \$4.6m |

| KEY PERFORMANCE INDICATORS | 10/11 | 09/10 | 08/09 |
|---|---------|--------|--------|
| Net profit | \$1.6m | \$1m | \$2m |
| Reserve for future planned maintenance | \$2.2m | \$2.2m | \$2.2m |
| Retained Profit (NBESP Fair value of \$43.0m) | \$49.0m | \$4m | \$3m |
| Ratio Analysis | | | |
| EBITDA Margin - EBITDA /Operating Revenue (%) | 7 | 5 | 15 |
| Total Debt / Equity(%) | 1 | 6 | 6 |
| EBITA Interest Cover -EBITDA/Interest Expense | 54 | 30 | 126 |
| Operating Cash Inflows to Operating Cash Outflows | 1.05 | 1.13 | 1.25 |
| Housing Management | | | |
| Arrears (2%) | 1.8 | 1.4 | 1.3 |
| Void Days (28) | 35 | 24 | 17 |
| Vacant Days (14) | 15 | 11 | 17 |
| Number of evictions | 6 | 8 | 10 |
| Human Resources | | | |
| Ratio of staff to lettable properties | 1:49 | 1:57 | 1:70 |
| Number of full time equivalent staff | 30 | 22 | 16 |

Developing our People

BHL increased the depth of its management team through the recruitment of General Manager Housing and Community, General Manager Assets and General Manager Finance and Corporate Services. These positions will build BHL's capacity to deliver excellent housing services, capability to undertake development and procurement and broaden our financial and human resources and IT skills.

Staff complement increased to 30 from 22 EFT positions and BHL will focus on building its HR capacity to provide an effective system of recruiting and retaining good performing staff through the implementation of performance and development system and maintain a clean OH&S record.

Increasing our Profile and Reputation

BHL continued to increase its reputation through winning three awards in the 2010 NSW Federations Housing Excellence Awards - Overall Excellence, Annual Reporting and Creative Solutions.

The CEO delivered presentations on **Planning for Title Transfer** - "Strategies and models to prepare for the title transfers" at the NSW Community Housing Conference in November 2010 and Amalgamations— best practice at The National Community Housing XChange in April 2011.

4. Link to the Risk Management Plan 2011-2012

The Risk Management Plan 2011-2012 (RMP 2011-2012) was the outcome of a review of our internal and external operating environment identifying the risks and mitigation strategies available to Bridge Housing. The significant risks identified is the step change from a housing management entity to one undertaking property procurement and development; strengthening our business sustainability through implementing a new ICT system and improvements in the recruitment and retention of staff; and improvements in our compliance systems. The RMP 2011-2012 identifies our Top 20 Risks.

The Business Plan 2011-12 takes the mitigation strategies identified in the RMP 2011-12 and provides further detail on how they will be managed. .

5. Executive Financial Summary

In 2011-12 Bridge Housing is projecting a surplus of \$1.085m to meet its short and long term goals and objectives outlined in the Strategic Plan 2010-2013 and the Business Plan 2011-2012.

The major drivers of the budget and key highlights of BHL's commitment include:

- Maintaining portfolio growth through the completion of the Property Transfer Program including South Coogee, Balmain and Economic Stimulus 2, securing affordable housing opportunities through NRAS, commencing a portfolio review to identify sites to deliver the NBESP affordable housing requirements, managing delivery of Camperdown.
- Increased staffing through the employment of one additional Housing Manager to manage Economic Stimulus 2 properties, one support staff to relief and assist Housing Managers, replacement of temporary positions to full time positions including Pathways administration officer, Community Development and receptionist.
- Building organisational and infrastructure capacity through the procurement of a Information Management System (IMS). We estimate six months in back filling of key roles that need to be dedicated on to the IMS project. These roles include Finance & Administration Manager, Asset Officer, Team Leader and part of General Manager Finance & Corporate Services.
- Delivering Asset Maintenance Plan for designated capital properties.

6. Key Budget Principles 2011-12

The drivers for the 11/12 budget are drawn from BHL's **Budget Principles and Guidelines**.

| INCOME | |
|--|---|
| Rental Income | Qtr 3 Jan11-March11 actual annualized, CPI of 3.3 % (Source: RBA March 2011), per unit value applied to new property estimates. |
| Voids and Bad Debts | 1.5% of Rental Income |
| CHLP Leasehold Subsidy | Calculated using the difference between the total Rent income charge to tenants plus 2% arrears and total rent paid to landlord |
| CHLP Leasehold Repairs | Based on \$295 per property per year |
| CHLP Management Subsidy | Based on \$1500 per property per year |
| External FFS & Internal Contribution to Management Fee | External Fee for Service as per service agreement \$142,195 and Internal contribution to management charge of \$1,100 |
| PROPERTY EXPENDITURE | |
| Contribution to Management | \$ 1,100 per property per annum, charged to Capital Programs for distribution of Job 45 costs. |
| Insurance | As per the 2010/11 Insurance policy schedule. (\$298 per capital property, \$ 3.66 per leasehold property). |
| Cap R & M - Responsive | \$350 applied for new transferred properties and \$700 applied to existing properties |
| Cap R & M - Planned | Based on Revised 11/12 20y Asset Maintenance Projected costs for the year |
| Cap R & M - Communal Planned | Based on Revised 11/12 20y Asset Maintenance Projected costs for the year |
| Reimbursement to FFS | Surplus refunded (Difference from total received income and the total expenditure after taking out management fee) |

| | |
|----------------------------------|--|
| Depreciation | Based on Revised Depreciation Schedule of existing capital items and projected Capex and disposal. Including Depreciation of Property transfers of National Stimulus 2. Rate of 2.5% (40years) on building portion (43%) of total property transfer value. Refer to Asset and Dep Schedule |
| Insurances | As per the 2010/11 Insurance policy schedule. Including Public and product liability, Voluntary workers, Associations Liability, Special Contingencies, Motor |
| ADMINISTRATION COSTS | |
| Consultants | Based on Consultant Calculation Worksheet prepared to reflect proposed work to be conducted to achieve strategic goals outlined in the business plan for 2011-12. |
| Legal | Based on provision of \$35k for reviewing agreements relating to NBESP2 Cowper St, IMS Contracts. |
| Staff Training | Based on provision of \$1k per staff in alignment with HR performance Development |
| Tenant Participation | Based on provision of \$21k based on 2 block meetings, tenant conference and training, publicity material. |
| Other Administration costs | Qtr 3 Jan11-Mar11 actual annualized, CPI of 3.3% |
| SALARIES AND ON COSTS | |
| Salaries including leave loading | Based on Salary Calculation Worksheet prepared to reflect proposed salaries forecast for permanent staff, inc increments as per the award or enterprise agreement & CPI increase of 3.3% |

7. Budget 2011-12 Highlights

7.1 Analysis of Statement of Financial Performance (Operating Budget)

| | Actual YTD April- Forecast June 2011 | Budget 11/12 | Var \$ | Var % | Forecast 12/13 | Forecast 13/14 |
|---|---|--------------------|------------------|------------|-------------------|--------------------|
| Statement of Financial Performance | | | | | | |
| Total Operating Income | \$21,467,351 | \$22,863,583 | \$1,396,232 | 7% | \$22,669,347 | \$25,354,711 |
| Total Expenditure | \$20,580,619 | \$22,541,156 | \$1,960,537 | 10% | \$22,979,060 | \$24,886,411 |
| Operating Net Profit (Loss) | \$886,732 | \$322,427 | -\$564,305 | -64% | -\$309,713 | \$468,300 |
| EBDA (operating profit plus add back Depreciation) | \$1,183,299 | \$1,085,644 | -\$97,655 | -8% | \$453,504 | \$1,591,981 |

7.1.1 EBDA (\$97k decrease)

Earnings before depreciation is budgeted to decrease by 8% or \$97k from prior year. This decrease has taken the following factors into account:-

- Remaining properties yet to be transferred. Including 36 Balmain Program, 9 South Coogee, 48 NBESP 2.

- Asset Maintenance Plan 2011-2012 to include additional un-scoped capital properties yet to be transferred for Balmain and South Coogee.
- Additional staff and backfill of key roles for the implementation of the IMS system.
- Building organisational and infrastructure capacity through increased consultant fees to meet goals and objectives outlined in the Strategic Plan 2010-2013 and the Business Plan 2011-2012.

One of the key indicators of profitability is the profitability ratio EBDA Margin (EBDA/operating income) of 4% is above last year budget KPI of 3%.

7.2. Analysis of Statement of Financial Position (Balance Sheet Budget)

| | Budget 10/11 | Forecast 11/12 | Var \$ | Var % | Forecast 12/13 | Forecast 13/14 |
|--|---------------------|---------------------|------------------|-----------|---------------------|---------------------|
| Statement of Financial Position | | | | | | |
| Total Assets | \$62,012,124 | \$62,812,766 | \$800,642 | 1% | \$70,958,694 | \$117,539,154 |
| Total Liabilities | \$2,103,217 | \$2,581,432 | \$478,215 | 23% | \$11,037,071 | \$21,449,234 |
| Net Assets | \$59,908,907 | \$60,231,335 | \$322,427 | 1% | \$59,921,623 | \$96,089,921 |
| Retained Earnings | \$4,425,927 | \$4,748,354 | \$322,427 | 7% | \$4,438,642 | \$4,906,940 |
| Equity / Reserves | \$55,482,981 | \$55,482,981 | \$0 | 0% | \$55,482,981 | \$91,182,981 |
| Total Equity | \$59,908,907 | \$60,231,335 | \$322,427 | 1% | \$59,921,623 | \$96,089,921 |
| Total Equity Less property transfer | \$8,719,650 | \$9,042,078 | \$322,427 | 4% | \$8,732,366 | \$44,900,664 |

7.2.1 Total Assets (\$801k Increase)

The increase in the total assets position is due to asset purchases of 1x Motor vehicle , office improvements, Information Management System, increase in debtors due to increase in revenue.

7.2.2 Total Liabilities (\$479k increase)

The increase in total Liabilities position is due to increase in fees in advance and increase in Payables due to increase in Expenditure.

Short- term liquidity ratio- working capital ratio (current assets/ current liabilities) of 4 times is below last year budget KPI of 5 times.

7.2.3 Total Equity (\$322k increase)

The increase in equity is related to the net movement of assets and liabilities.

Return of equity ratio – net profit / equity of 1% above last year budget KPI of .35%.

7.3 Analysis of Cash Flows (Cash Position Budget)

| Statement of Cash Flows | Budget 10/11 | Forecast 11/12 | Var \$ | Var % | Forecast 12/13 | Forecast 13/14 |
|--|--------------------|--------------------|------------------|------------|--------------------|--------------------|
| Total Cash flows from Operating Activities | \$340,741 | \$1,034,770 | \$694,029 | 204% | -\$264,381 | \$1,298,802 |
| Total Investing Cash flow | \$4,068 | -\$449,251 | -\$453,319 | -11144% | -\$11,599,122 | \$47,915,272 |
| Total Financial Cash Flow | -\$122,221 | \$0 | \$122,221 | -100% | \$9,171,331 | \$46,068,910 |
| Net Cash flow | -\$1,759,980 | \$585,520 | \$2,345,500 | -133% | -\$2,692,171 | -\$547,560 |
| Opening Cash balance | \$7,401,399 | \$5,640,397 | -\$1,761,002 | -24% | \$6,225,917 | \$3,533,745 |
| Closing Cash balance | \$5,641,418 | \$6,225,917 | \$584,499 | 10% | \$3,533,745 | \$2,986,185 |

The increase in the closing Cash Balance of \$584k or 10% is due to two main factors being expenditure of DADHC \$1m in 10/11 and IMS spend of \$400k in 11/12. Cash flow ratio – operating cash inflows to operating outflows of 1.05 times is above last year budget KPI of 1 times.

7.4. Analysis of Operating Budget**Variance Analysis of Key Operating Drivers**

| | 10/11 | 11/12 | Variance | Variance |
|----------------------------|------------------|------------------|----------------|------------|
| Rental Income | 10,898,556 | 12,181,749 | 1,283,193 | 12% |
| Subsidies | 9,259,735 | 9,443,949 | 184,214 | 2% |
| Other Income | 1,309,060 | 1,390,105 | 81,045 | 6% |
| Property Rent Expenditure | 12,851,740 | 13,237,500 | 385,760 | 3% |
| Capital R&M Responsive | 535,510 | 495,338 | -40,172 | -8% |
| Capital R&M Planned | 1,867,584 | 1,943,181 | 75,597 | 4% |
| FFS Reimbursements | 487,171 | 569,623 | 82,452 | 17% |
| Insurance | 194,282 | 238,784 | 44,502 | 23% |
| Other Property Expenditure | 1,606,211 | 1,770,808 | 164,597 | 10% |
| Salaries & on costs | 1,943,974 | 2,498,335 | 554,361 | 29% |
| Other Administration costs | 797,580 | 1,176,590 | 379,010 | 48% |
| Operating EBDA | 1,183,299 | 1,085,644 | -97,655 | -8% |

7.4.1 Operating Revenue**Rent Income (\$1.3m increase)**

Rental Income is budgeted to increase by 12% or \$1.3m. This increase has taken the following factors into account:

- 36 additional properties for Capital Balmain Program
- 9 additional properties for Capital South Coogee
- 48 additional properties for NBESP Stimulus 2
- 2 rent reviews in Nov 2011 and Mar 2012

7.4.2 Operating Property Expenditure

Responsive Repairs & Maintenance (\$40k decrease)

Capital R&M responsive is budgeted to decrease by \$40k or 8% due to high incidence of water heaters being stolen in previous year.

Planned Repairs & Maintenance (\$75k increase)

Capital R&M planned expenditure is budgeted to increase by 4% or \$75k. This increase is due to updated Asset Maintenance Plan 2011/12 which takes into account \$757k of Property transfer program South Coogee and Balmain which is reimbursed via Property Transfer project income.

Other Property Expenditure (\$164K increase)

Other Property Expenditure is budgeted to increase by 10% or \$164k. This increase is due to increase in utility costs such as electricity, water rates and council rates which are also impacted by increased in transferred properties.

Operation ratio- property expenditure as a percentage of total income of 79% is below last year budget KPI of 83%.

7.4.3 Salaries and Administration costs

Salaries and on costs (\$554K increase)

\Salaries are budgeted to increase by 29% or \$554k. This increase has taken the following factors into account, recruitment of:

- Full year impact of 3 x General Managers and CEO salaries
- 1x Housing Manager for NBESP Stimulus 2
- 1x Housing Support Officer
- 3 x back fill relief of staff to support IMS implementation for 6mths

Operation ratio- salaries and on costs as a percentage of total income of 11% is above last year budget KPI of 9%.

Administration Costs (\$379k increase)

Administration costs are budgeted to increase by 48% or \$379k. This increase is primarily due to increase in consultancy fees:

- Undertake planning and feasibility review of development/sales potential of existing capital property portfolio \$138k
- Fire Safety Audit and Cyclical Scope \$80k
- 12mth Part Time HR \$73k
- IMS \$50k
- Valuation of vested 193 properties \$68k

Operation ratio –of administration costs as a percentage of total income of 5% is above last year budget KPI of 4%.

Business Plan 2011-12 Critical Success Factors and Goals

The Bridge Housing Business Plan 11/12 translates the Strategic Plan 2009-2012 Critical Successful Factors into the detailed goals and actions and provides a plan of how these are to be achieved.

| Critical Success Factors | Goals | Targets (Performance Measures) |
|---------------------------------------|--|---|
| 1. Strategic Portfolio Growth | 1.1 Complete existing Property Transfer Program 1.2 Complete NBESP2 Package Transfer 1.3 Identify Development Opportunities 1.4 Complete existing development projects 1.5 Identify Affordable Housing Opportunities 1.6 Review Strategic Merger Opportunities | <ul style="list-style-type: none"> • BHL property portfolio grows from 1500 to 1900 dwellings • BHL financing development opportunities identified for implementation in 2012/13 • Strategic merger opportunities identified |
| 2. Quality Service Delivery | 2.1 Ensure Bridge Housing has the service infrastructure to manage its programs 2.2 Bridge Housing introduces new community development and building initiatives. 2.3 Implement tenant participation strategies to encourage a broad range of tenant involvement in the organisation 2.4 BHL delivers a high quality service to tenants 2.5 BHL identifies service improvements to tenants with high support needs | <ul style="list-style-type: none"> • Housing and Community Strategy approved by Board • BHL customer service charter implemented • Successful new funding grants = \$25k • Comprehensive Tenant Survey > sector benchmarks |
| 3. Managing Our Housing Assets | 3.1 Ensure Asset management Plan provides a strategic framework for the procurement, management and disposal of BHL property portfolio 3.2 Ensure Planned Maintenance is effective in ensuring the best outcomes for the organisation, tenants and the community 3.3 Ensure Responsive and cyclical Maintenance is effective in ensuring the best outcomes for the organisation, tenants and the community | <ul style="list-style-type: none"> • Asset Management Plan = on time, in full and to standard • Supplier Performance = 95% works completed on time = Actual vs budget (\$700k per property) |

| Critical Success Factors | Goals | Targets (Performance Measures) |
|-----------------------------------|---|--|
| | 3.4 Ensure customer satisfaction with delivery of asset services 3.5 Balance sheet reflects portfolio value. 3.6 New initiatives | <ul style="list-style-type: none"> • Customer satisfaction > 75% industry benchmark • Balance Sheet reflects portfolio value • Business case for environmentally sustainable design |
| 4. Effective Governance | 4.1 Robust Corporate Planning 4.2 Risks are identified and mitigation strategies in place 4.3 Improve Compliance Framework 4.4 Skilled and experienced directors who drive our strategic direction 4.5 Build a OHS Aware Culture | <ul style="list-style-type: none"> • Strategic Plan 2013 to 2016 and Business Plan 2012/13 approved by Board • Risk Management Plan approved and meets 31000:2009 standard • Nil significant and material compliance breaches • Board Charter approved • Board succession plan in place • Nil loss time OH&S incidents |
| 5. Business Sustainability | 5.1 Implement an integrated Information Management System for Business Process Improvements 5.2 Implement online Payroll system 5.3 Ensure Robust Financial processes and systems are in place 5.4 Continuously improve financial planning, reporting and accountability 5.5 Ensure Insurance Policies meet the organisations needs to mitigate risks | <ul style="list-style-type: none"> • Integrated IMS implemented and 100% milestone plan achieved • Nil significant and material breaches from internal audit or external audited accounts • Customised financial modelling developed |
| 6. Develop our People | 6.1 Develop HR capability to support the current and future organisations needs 6.2 Review Remuneration and Benefits Policy to attract, retain and reward staff | <ul style="list-style-type: none"> • 100% achievement of HR improvement plan • Remuneration and benefits policy approved by Board • Performance Management system in place |

| Critical Success Factors | Goals | Targets (Performance Measures) |
|--------------------------------|--|---|
| | 6.3 Implement a Performance Management Program to develop our people 6.4 Ensure Training & Development plans are in place to increase to meet the future needs of the organisation | <ul style="list-style-type: none"> • Training and development and succession plans in place • Staff turnover < than industry benchmark • Employee satisfaction survey benchmark |
| 7. Increase our Profile | 7.1 Develop profile building strategy 7.2 Instigate profile building activities 7.3 Develop initiatives which increase BHL thought leadership in the sector 7.4 Increase BHL policy influence | <ul style="list-style-type: none"> • Communication and Marketing Strategy completed • BHL website redesigned • No. of state and national awards won • No. of staff/directors presentations • No. of meeting with state and federal MPs |

Each Goal has:-

- Action
- Target (Performance measure(s)).
- Quarter Date by which an output or outcome is deliverable.
- Who - specifies is responsible for delivering the goal: Chief Executive Officer (CEO); Assets, Finance and Corporate and Housing and Community
- Budget Impact- references the revenue/cost impact identified in the Business Plan to the detailed 2011-12 Budget

Reporting

Management will monitor Business Plan performance by exception every month. The Board will be provided with a by exception report every quarter according to the below schedule.

| REVIEW | PERIOD | BOARD MEETING |
|------------------|----------------------------|----------------------|
| Quarter 1 | 1 July-30 September 2011 | October 2011 |
| Quarter 2 | 1 October-30 December 2011 | December 2011 |
| Quarter 3 | Jan -30 March 2012 | April 2012 |
| Quarter 4 | 1 April –30 June 2012 | August 2012 |

| 1. Strategic Portfolio Growth | | | | | |
|---|--|--|------------------------|-------------------|-----------------------------------|
| GOAL | ACTION | TARGET (Performance Measure) | QUARTER DUE | WHO | BUDGET |
| 1.1 Complete existing Property Transfer Program | 1.1a Develop strategy to complete transfer program for South Coogee (37) and Balmain (12) Estate. | Balance of properties transferred-Strategy approved by CEO | Q1 | GMHC GM Assets | AMP 11/12 Staff salaries |
| | 1.1b Develop estate management plan for Balmain and South Coogee | | Q1 | GMHC GM Assets | |
| | 1.1c Procure properties through the successful Property Transfer Property Tender | Win tender to secured 300 properties | Q4 | GMHC GM Assets | |
| 1.2 Complete NBESP2 Package Transfer | 1.2a NBESP properties transferred | 60 properties. | Q1 | GM Assets | |
| 1.3 Identify Development Opportunities | 1.3a Analyse existing capital properties for development opportunities (internal) | Identify 14-20 properties (at minimum satisfy NBESP leveraging commitment) | Q2 | GM Assets | Consultancy- Development/Sales |
| | 1.3b Analyse potential development sites or property procurement opportunities (external) | Identify sites that have self financing opportunities | Q3 | GM Assets | |
| | 1.3c Review AMP for strategic asset growth | Strategic growth strategy approved by CEO | Q1 | GM Assets | |
| 1.4 Complete existing development projects | 1.4a Facilitate the completion of the Camperdown project | 25 units completed and tenanted | Q3 | GM Assets | Staff salaries |
| | 1.4b Facilitate and participate in Cowper Street (Glebe) housing project. | Project progressing with HNSW project plan | Ongoing | GM Assets | |
| | 1.4c Complete modification works to 3 Pembroke Street Ashfield (ADHC House) and develop housing management plan. | House occupied by tenants | Q2 | GM Assets GMHC | |
| 1.5 Identify Affordable Housing Opportunities | 1.5a Secure Affordable Housing management opportunities from AHSEPP | 30 affordable housing opportunities secured | Q4 | GM Assets | Staff salaries |
| | 1.5b Develop Affordable Housing strategy | Affordable Housing strategy approved by CEO | Q2 | GM Assets GMHC | |

| 1.6 Review Strategic Merger Opportunities | 1.6a Monitor strategic merger and amalgamation opportunities | Potential opportunities identified | Ongoing | CEO | Staff salaries |
|--|--|--|----------------|-------------------|---------------------------|
| 2. Quality Service Delivery | | | | | |
| GOAL | ACTION | TARGET (Performance Measure) | QUARTER DUE | WHO | BUDGET |
| 2.1 Ensure Bridge Housing has the service infrastructure to manage its programs | 2.1a Review the structure of the Housing and Communities Team. | Implement new structure | Q4 | GMHC | Salaries |
| | 2.1b Develop a Leasehold Strategy | Report approved by the Board | Q2 | GMHC GM Assets | |
| 2.2 Bridge Housing introduces new community development and building initiatives. | 2.2a Investigate alternative sources of funding for community development activities | Submit 4 funding applications Secure \$25,000 of new funding. | Q4 | GMHC | Salaries |
| | 2.2b Implement community development activities from 2011/12 community profiles | Implement 4 new activities | Q4 | GMHC | Administration TP |
| 2.3 Implement tenant participation strategies to encourage a broad range of tenant involvement in the organisation | 2.3a Review the existing TP structure | Establish other access opportunities for tenants to become involved. | Q4 | GMHC | Administration-TP |
| | 2.3b Resource the capacity building of TAG | Establish a governance structure and training plan for TAG officers. | Q3 | GMHC | Administration-TP |
| 2.4 BHL delivers a high quality service to tenants | 2.4a Develop a Housing & Community Strategy | Strategy approved by Board | Q2 | GMHC | Staff salaries |
| | 2.4b Identify the customer service standards that BHL need to deliver to provide an excellent service. | Implement BHL customer service charter | Q3 | GMHC | Staff salaries |
| | 2.4c Redesign 2011 Tenant Survey to maximise feedback from tenants. | Survey response to exceed sector benchmarks | Q2 | GMHC | Staff salaries |
| | 2.4d Review Housing & Community policies and procedures | Implement standard operating procedures | Q2 | GMHC | Consultancy-Policy Review |

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| | 2.4e Review existing tenant handbook and investigate alternatives | Launch revised document | Q3 | GMHC | Administration –TP |
| | 2.4f Review and develop Housing & Community key performance indicators | Implement revised KPIs | Q1 | GMHC | Staff salaries |
| 2.5 BHL identifies service improvements to tenants with high support needs | 2.5a Review existing strategy and policy on supported housing provision and give recommendations for service improvement to better address identified need. | Report approved by Board – | Q1 | GMHC | Staff salaries |
| 3. Managing Our Housing Assets | | | | | |
| GOAL | ACTION | TARGET (Performance Measure) | QUARTER DUE | WHO | BUDGET |
| 3.1 Ensure Asset management Plan provides a strategic framework for the procurement, management and disposal of BHL property portfolio | 3.1a Update Asset Management Plan 2012 | AMP updated and revised | Q1 | GM Assets | AMP 11/12 Salaries |
| 3.2 Ensure Planned Maintenance is effective in ensuring the best outcomes for the organisation, tenants and the community | 3.2a Implement Asset Maintenance Plan 2011/12 | \$ Spend - (actual vs. budget) No. Properties-(act vs. project) % prop meeting BHL standard | Monthly | GM Assets | AMP 11/12 Salaries |
| | 3.2b Develop Asset Maintenance Plan 2012/13 | AMP approved by board | Q4 | GM Assets | AMP 12/13 |
| | 3.2c Review and determine PM KPIs which drive cost efficiencies and maintain works to meet at min Housing NSW standards | PM KPI's established and approved CEO PM KPI's met | Q1 | GM Assets | Salaries |
| 3.3 Ensure Responsive and cyclical Maintenance is effective in ensuring the best outcomes for the organisation, tenants and the community | 3.3a Retender tender and formalise contractual relationship with suppliers (Responsive and cyclical suppliers) | All suppliers have contracts in place. | Q1 | GM Assets | Salaries |
| | 3.3b Monitor suppliers performance to contract standards | KPI 1 – 95% works completed within allocated time frame KPI 2 – Actual vs Budget (\$700 allowance per property) | Monthly Monthly | GM Assets | Consultancy fee- Audit |
| | 3.3c Establish new KPI's for service delivery (within new IT system) | New KPI established and approved CEO | Q2 | GM Assets | Salaries |

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| 3.4 Ensure customer satisfaction with delivery of asset services | 3.4a Undertake customer satisfaction survey for responsive and planned maintenance. | Completed survey showing satisfaction levels greater than industry benchmark 75% | Q1 + then each quarter | GM Assets | Salaries |
| 3.5 Balance sheet reflects portfolio value. | 3.5a Valuations undertaken and completed on vested properties | Valuation completed Balance sheet reflects Portfolio value | Q1 | GM Assets/ GMFCS | Consultancy- Valuations |
| 3.6 New initiatives | 3.6a Review program funding available to increase environmental performance of BHL properties | Business case established for Environmentally Sustainable Design (ESD) measures | Q2 | GM Assets | Staff salaries |

| 4. Effective Governance | | | | | |
|---|--|--|--------------------|---------------------|--|
| GOAL | ACTION | TARGET (Performance Measure) | QUARTER DUE | WHO | BUDGET |
| 4.1 Robust Corporate Planning | 4.1a Strategic Planning Process Reviewed | Review Completed Methodology approved | Q2 | CEO Board | Consultancy- Strategic Plan review |
| | 4.1b Strategic Plan 2013-2016 developed and communicated to internal and external stakeholders | Strategic Plan 2013-2016 approved by Board | Q4 | Board | Consultancy- Strategic Plan review |
| | 4.1c Develop Business Plan 2012-2013 | Business Plan 2012-2013 approved | Q4 | CEO GMs | Consultancy- Strategic Plan review |
| 4.2 Risks are identified and mitigation strategies in place | 4.2a Risk Management Plan 2011-12 monitored through quarterly reports on Top 20 risks | Quarterly Reports to Board | Every Quarter | CEO GMs | Staff salaries |
| | 4.2b Risk Management Plan methodology reviewed to meet AS/NZS ISO 31000:2009. | Review completed | Q2 | CEO/ GMs FARC | Staff salaries |
| | 4.2c Risk Management Plan 2013-2016 developed and approved to feed into completion of the Strategic plan | RMP meets ISO 31000:2009 RMP approved | Q3 | CEO/ GMs | Staff salaries |

| 4. Effective Governance | | | | | |
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| GOAL | ACTION | TARGET (Performance Measure) | QUARTER DUE | WHO | BUDGET |
| | | | | FARC | |
| 4.3 Improve Compliance Framework | 4.3a Review Compliance framework and reporting system-OHS, Complaints register, Legal and Regulatory requirements | Review completed | Q2 | CEO GMs Board | Consultancy |
| | 4.3b Develop compliance management and reporting system to meet AS 3806—2006 to ensure BHL meets legal and regulatory requirements for senior management and board to mitigate key risks | Reporting system approved No significant breaches | Q2 | CEO GMs Board | Consultancy |
| 4.4 Skilled and experienced directors who drive our strategic direction | 4.4a Implement board approved recommendations from the BHL Governance Review 2011 | Board approves | Q1 | CEO Chairperson | Consultancy-Board Review and Training |
| | 4.4b Board Charter developed | Board approves charter | Q1 | CEO Consultant | Consultancy-Board Review and Training |
| | 4.4c Undertake gap analysis of directors skills and succession planning | Board approves succession plan | Q2 | Chairperson CEO HR committee | Consultancy-Board Review and Training |
| | 4.4d Develop a Directors Service Agreement- which includes individual and collective director development plans and approved budget | Board approves Directors service Agreement | Q3 | CEO Consultant | Consultancy-Board Review and Training |
| | 4.3e Implement directors intranet site for key governance policies and board papers | Intranet site functional | Q2 | CEO Consultant | Consultancy- Intranet Review |
| 4.5 Build a OHS Aware Culture | 4.5a Implement recommendations of the OHS Review to and assess impact of the changes to OHS act | Recommendations implemented | Q1 | GMFC | |
| | 4.5b Review business processes to remove or eliminate OHS Risk | Nil OHS serious incidents Nil loss time injuries | Q2 | GMFC GMs | |
| | 4.5c Review the benefits of an online OHS Management reporting system-if positive implement | Review completed Implement | Q2 Q3 | GMFC | |

| 5. Business Sustainability | | | | | |
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| GOAL | ACTION | TARGET (Performance Measure) | QUARTER DUE | WHO | BUDGET |
| 5.1 Implement an integrated Information Management System for Business Process Improvements | 5.1a Appoint successful vendor in line with BHL procurement Guidelines and Evaluation Plan | Contract signoff by Project Board and ICT Committee- Aug11 | Q1 | GMFC | Consultancy-IMS Asset Register-IMS |
| | 5.1b Appoint Project team and start implementation in line with Project Management Hierarchy and Vendor Implementation Plan | Milestone- Aug 11(TBC) 40% Plan Achievement | Q1 | GMFC | Salaries- Temps |
| | 5.1c Data Conversion from TMS to ERP system | Milestone- Oct 11(TBC) 50% Plan Achievement | Q2 | GMFC | Consultancy-IMS |
| | 5.1d Key User Training and acceptance testing | Milestones- Oct 11(TBC) 70% Plan Achievement | Q2 | GMFC | Consultancy-IMS |
| | 5.1e Go Live on new system | Milestone- Nov 11(TBC) 100% Plan Achievement | Q2 | GMFC | Consultancy-IMS |
| 5.2 Implement on line Payroll system | 5.2a Implementation of User Requirements | Sign off by Finance & Administration Manager | Q1 | GMFC | Consultancy –IMS Administration- IT |
| | 5.2b Key User Training on on-line payroll software | Sign off by Team leaders and Supervisors | Q1 | GMFC | Consultancy –IMS Administration- IT |
| | 5.2c Full staff training workshop | Sign off by Team Leaders and Supervisors | Q1 | GMFC | Consultancy –IMS Administration- IT |
| | 5.3d Go Live on on-line payroll software | 1 st Payroll run in full for the Financial Year on Talent2 online software | Q1 | GMFC | Consultancy –IMS Administration- IT |
| 5.3 Ensure Robust Financial processes and systems are in place | 5.3a Review existing financial policies and develop and update to best practice | 1x policy reviewed and approved by the Board | Q2 | GMFC | Staff salaries |
| | 5.3b Educate BHL staff in financial policies and practices to ensure adherence | Staff educated | Q3 | GMFC | Staff salaries |

| 5. Business Sustainability | | | | | |
|--|---|--|----------------|------|--------------------------|
| GOAL | ACTION | TARGET (Performance Measure) | QUARTER DUE | WHO | BUDGET |
| | 5.4c Conduct internal Financial audits to ensure compliance | Internal Financial audit conducted with Nil significant breaches | Q2 | GMFC | Administration-Audit |
| | 5.4d Ensure External Audit is conducted on time with no material issues | Audit Accounts approved by FARC with no material breaches | Q2 | GMFC | Administration - Audit |
| 5.4 Continuously improve financial planning, reporting and accountability | 5.4a Review Financial Analysis and budgeting process with recommendations for improvement | Approved by CEO Approved by FARC | Q3 | GMFC | |
| | 5.4b Provide financial training to Executive and team leaders to develop financial skills and accountability | Financial training completed GMs and team leaders are able to present and explain their P&Ls. | Q3 | GMFC | |
| | 5.4c Seek feedback from the FARC ,Board and Executive Management on current financial and organisational performance reports and implement improvements | Benchmarks reviewed to determine lead and lag BM Est comp with industry BM | Q2 | GMFC | |
| | 5.4d Improve existing Financial Long Term Leveraging planning tools to provide scenario analysis and impact on core business. | Customised Financial Planning Model developed | Q3 | GMFC | Asset Register-IMS |
| 5.5 Ensure Insurance Policies meet the organisations needs to mitigate risks | 5.5a Conduct Annual Insurance Review to identify any gaps between the organisations insurance requirements and the insurance cover in place. | Insurance Broker review with minimal and immaterial recommendations. | Q2 | GMFC | Administration-Insurance |

| 6. Develop our People | | | | | |
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| GOAL | ACTION | TARGET (Performance Measure) | QUARTER DUE | WHO | BUDGET |
| 6.1 Develop HR capability to support the current and future organisations needs | 6.1a Audit current HR policies, process and systems and develop a plan for improvement | HR Audit conducted HR Improvement Plan Approved | Q1 | GMFC Consultant | Consultancy Fee- HR |

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| | 6.1b Implement HR Improvement plan | 25% Achievement to Plan 50% Achievement to Plan 75% Achievement to Plan 100% Achievement to Plan | Q1 Q2 Q3 Q4 | GMFC Consultant GMs | Consultancy Fee- HR |
| 6.2 Review Remuneration and Benefits Policy to attract, retain and reward staff | 6.2a Conduct remuneration review and benchmark remuneration to current market and relevant awards | Review completed | Q3 | GMFC Consultant HR Committee | Consultancy Fee- HR |
| | 6.2b Develop Remuneration and Benefits Policy and make recommendations | Recommendations accepted by HR Committee Policy approved by the Board | Q3 | GMFC Consultant HR Committee | Consultancy Fee- HR |
| | 6.3c Develop plan for implementation of remuneration reviews and implement changes | Remuneration reviews conducted on time and in budget | Q2 | GMFC Consultant HR Committee | Consultancy Fee- HR |
| 6.3 Implement a Performance Management Program to develop our people | 6.3a Develop a Performance Management Program that fosters feedback and improves staff performance and capability. | Performance Management Program approved | Q1 | GMFC Consultant HR Committee | Consultancy Fee- HR |
| | 6.3b Conduct Performance Management Reviews for all staff. | Performance Reviews conducted | Q2 & Q4 | CEO GMs | Consultancy Fee- HR |
| 6.4 Ensure Training & Development plans are in place to increase to meet the future needs of the organisation | 6.4a Conduct a training needs analysis from outputs of the performance management program. | Training Recommendations Approved | Q2 | CEO GMs Consultant | Consultancy Fee- HR |
| | 6.4b Develop a personal and professional development plan for all staff | Training Plans in place for all staff 50% of training plans achieved | Q4 | CEO GMs Consultant | Consultancy Fee- HR |

7. Increase our Profile

| GOAL | ACTION | TARGET (Performance Measure) | QUARTER DUE | WHO | BUDGET |
|---|--|--|----------------|---------------------------|--------------------------------------|
| 7.1 Develop profile building strategy | 7.1a Develop and BHL Communication and Marketing Strategy for brand consistency | Coms and Marketing Strategy completed | Q1 | CEO Consultant | Consultancy |
| | 7.1b Implement communications and marketing strategy recommendations | Recommendations implemented. User Survey | Q2 | CEO GMHC Consultant | Consultancy |
| | 7.1c Redesign website in light of 7.1a to increase user friendliness and marketing | Website redesigned User survey No hits | Q4 | CEO Consultant | Consultancy- Web and Intranet Review |
| 7.2 Instigate profile building activities | 7.2a Enter State and National Awards-Housing, HR, Assets | Awards entered Awards achieved | Ongoing | CEO | Staff salaries |
| | 7.2b Achieve positive media in local regional or state media | 3 mentions in local, regional or state media. | Ongoing | CEO | Staff salaries |
| | 7.2c Give presentations at conferences/workshops | No of invitations to give presentations No of presentations given by staff /directors | Ongoing | CEO GMs | Staff salaries |
| 7.3 Develop initiatives which increase BHL thought leadership in the sector | 7.3a Explore sponsorship initiatives- Federation of Housing Associations, Australian Housing Institute, private sector organisations | No of initiatives developed | Q3 | CEO | Staff salaries |
| | 7.3b Sponsor research or prize for best paper on affordability urban development or housing theme. | One sponsorship initiative in 2012/13 | Q3 | CEO | Staff salaries |
| 7.4 Increase BHL policy influence | 7.4a Maintain CEO as member of the state industry peak - NSW Federation Board | CEO maintains position on Federation board. | On-going | CEO | Staff salaries |
| | 7.4b Meet with all local governments in operating region to discuss affordable housing opportunities | Key message strategy competed All LG visited | Q1 Q2 | CEO | Staff salaries |
| | 7.4c Meet with all state and federal members in operating region | No of meetings with State and Fed members | Q3 | CEO | Staff salaries |