



Strategic Plan 2009-2012

Version	Date	Comment
1.0	5 October 2010	Initiating Draft
Final	11 October	Board Approved

Table of Contents

1. Our Business Strategy	3
1.1 Purpose of this Strategic Plan.....	3
1.2 Our Strategic Vision	3
1.3 Our Critical Success Factors	4
1.4 BHL Three Year Financial Projections.....	7
1.5 Linking our Strategic Plan with our Business Plan	8
2. Organisational Context	9
2.1 Growth and Development	9
2.2 Current Activities	10
2.3 Partnerships	11
2.4 Governance and Regulatory Environment.....	12
3. Operating Environment	14
3.1 Public Policy Environment	14
3.2 Business Environment	15
3.3 Local Factors.....	16
4. Positioning Bridge Housing Limited	19
4.1 Our Key Strengths	19
4.2 What role will BHL play over 2009-2012.....	19

1. Our Business Strategy

1.1 Purpose of this Strategic Plan

BHL's Strategic Plan 2009-2012 identifies

- a viable future direction for Bridge Housing Limited
- critical success factors through which we will deliver on our social mandate
- short term objectives (within 12 months) to establish groundwork to realise our strategic vision over three years
- medium and longer term milestones to attain our strategic vision
- longer term future direction of the business

1.2 Our Strategic Vision

The Board and Executive held its strategic planning day on 30 September 2009. We reviewed the operations, examined external factors affecting our operations, core competencies, the future of community housing sector, assessed current and planned resources and how BHL can best deliver housing and related services.

The Board undertook to review the strategic plan in August 2010 following BHL securing

- 200 Housing NSW properties through the Property Transfer Program in November 2009
- 50 properties through Nation Building Economic Stimulus Package Stage 1, Class 1 Registration in February 2010 and
- 190 properties in the Parramatta LGA through tendering for NBESP Stage 2 in April 2010.

The latter has a significant impact on BHL through the first significant transfer of title to community housing association, it will increase BHL's balance sheet, require BHL to procure/develop affordable housing through leveraging the NBESP cashflows, manage the exposure to increase financial and development risk and extend BHL's operational area to the Parramatta LGA.

The BHL Board has approved the strategic plan set out below.

Vision Statement

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

Mission Statement

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

Value Statement

Our business values are

Business Values	What does BHL Mean by this ?
Professionalism	Our services are delivered with proficiency, knowledge and expertise
Customer focused	Providing a service which exceeds customer expectations
Team work	We deliver our services through effective team work
Innovation	We seek to improve and add value to our services and systems
Empathy	Empathises with position of clients and deliver housing services on a fair and consistent basis

Personal Values

BHL engenders the following personal values in its organisation

Personal values	What does BHL Mean by this ?
Honesty and Integrity	We have a culture which engenders and delivers good governance, accountability, responsibility, transparency, honesty and fairness.
Competence	We delivers services by employing skilled staff and providing training and development opportunities to help staff improve performance
Service focus	We deliver quality services which meet the needs of our tenants and applicants. .
Communication and Accountability	We work as a team, are accountable for our decisions and seek feedback to improve our performance.
Open minds	BHL seek innovative solutions in working with applicants, We work with our tenants, support partners and the community to seek innovative solutions to housing need

1.3 Our Critical Success Factors

The Strategic Plan 2009-2012 identifies seven critical success factors which will drive BHL which BHL will implement as three year and one year objectives and how we measure achievement. These critical success factors will drive the development of annual *BHL Business Plan*.

Critical Success Factor	What is Success by 30 June 2012 ?	What is Success by 30 June 2010
1.Strategic Portfolio Growth	BHL achieves a minimum of 700 properties in (350pa) through the Property Transfer Program	200 properties through the Property Transfer Program
	Complete the Transfer of 200 NBESP by June 2011	50 units secured through Economic Stimulus Package Stage 1
	Commence the procurement/developments of 50 properties through the NBESP Property cashflows	15-20 properties delivered either through procurement or development in the inner metro region
	Secure additional existing Fee for Service contracts through pursuing NRAS opportunities	Identify new affordable housing opportunities and develop strategy to secure.
	Maintain Class 1 Registration under the NSW Regulatory regime.	Secure Class 1 or 2 registration under the NSW Regulatory regime
	Pursue strategic mergers within operating area	Scoping paper with engagement strategy prepared
2.Quality Service Delivery	Maintain tenant satisfaction levels at an average of 96% over each of the three years..	Maintain tenant satisfaction levels at an average of 96%
	Introduce one new service delivery initiative per annum which improves tenant services	Implement one new initiative which enhances service delivery to tenants –eg 24 hour call centre, no interest loan program, sessional services within core operating region
	Community building programs implemented to build BHL teant and community capacity .	Prepare discussion paper on options for community integration/regeneration.
	Tenant Advisory Group is well established	Tenant Advisory Group is established and viable.
	BHL understands the communities within it operates	Community profiles arepletion of Community Profile and Human Services Network
	CALD and indigenous access reflects their community composition across service area	Undertake review to determine access by those households and develop access strategies
3.Managing our Housing Assets	Asset Management Plan drives strategice procurement, maintenance and disposal of our assets.	Asset Management Plan approved by Board
	20 Year Asset Maintenance Plans -Annual update- are approved by the board.	Asset Maintenance Plan 2009/10 is implemented Asset Maintenance plan 2010/2011 is approved
	A new service initiative which enhances delivery of asset maintenance is introduced annually	Establish a 24 hour call service for responsive and emergency repairs.
	Tenant satisfaction with asset maintenance is maintained at 75% plus in annual tenant survey .	Tenant satisfaction with asset maintenance is maintained at 75% plus in annual Tenant Survey .

Critical Success Factor	What is Success by 30 June 2012 ?	What is Success by 30 June 2010
4.Effective Governance	BHL board expertise sufficient for the scope of BHL operations	Annual review to address the capacity and effectiveness of the Board
	Maintain a clear separation of Board and Management responsibility	Approval of BHL Governance Principle Annual review of Schedule of Delegations
	Ensures the highest level of probity in its operations-Fraud and Probity Procedures implemented	Fraud and Corruption Policy approved
	BHL develops a three year strategic plan 2012/15 and annual business plan	Business Plan 2009/10 reviewed and amended
5.Business Sustainability	Implementation effective IT Management system which integrates tenant, asset and financial management	Scoping study and options on enhancing the integration of tenant, asset and financial management system
	BHL is financially sustainable	BHL delivers financial performance to meet Class 1 or 2 Registration
	BHL undertakes internal audits and Quality Assurance reviews to ensure robust internal systems	Options paper on the proposed external QA system review
	Development Policy and Procedure revised to ensure that this occurs within a strategic framework	Development Policy and Procedures approved by the Board
6. Developing our People	Senior management positions filled for sustainable growth	Senior management positions are identified
	BHL recruits, develops and retains high quality staff	Existing HR policies reviewed to meet best practice HR policies Annual Staff Temperature Survey
	BHL has a highly skilled and flexible workforce	Performance Management and Development system implemented to coach, train and develop staff
7 Increasing our Profile and Reputation	BHL has high level of recognition amongst key stakeholders	Develop communications strategy for engagement with key stakeholders local and federal members, local government
	BHL is an effective advocate for affordable housing supply in operating area	Commission one or two key policy papers on housing related issue effecting inner metropolitan region
	BHL is recognised as innovative in service delivery	Enter and secure state and national awards

1.4 BHL Three Year Financial Projections

Section 2 of this Strategic Plan outlines BHL growth plans for the three year period. These financial projections incorporate the 250 properties transferred to BHL in 2009/10 through the property transfer program and Stage 1 of the Economic Stimulus Package. It assumes transfer of 300 properties in each of the following years 2010/11 and 2011/12.. All other assumptions asset maintenance spend, staff complement remain constant across the two scenarios

	Actual 09/10	Budget 10/11	Variance	Variance	Forecast 11/12	Forecast 12/13
Statement of Financial Performance						
Total Operating Income	19,569,527	23,028,672	3,459,144	18%	23,969,992	25,105,275
Total Expenditure	18,578,787	22,820,851	4,242,065	23%	23,119,019	25,063,812
Operating Net Profit (Loss)	990,741	207,820	-782,920	-79%	850,973	41,463
EBDA (operating profit plus addback Depreciation)	1,125,768	799,047	-326,721	-29%	1,607,364	999,012
	Actual 09/10	Budget 10/11	Variance	Variance	Forecast 11/12	Forecast 12/13
Statement of Financial Position						
Total Assets	12,047,004	61,412,291	49,365,287	410%	73,824,042	75,240,925
Total Liabilities	4,066,665	2,034,875	-2,031,791	-50%	13,595,653	14,971,074
Net Assets	7,980,339	59,377,416	51,397,077	644%	60,228,389	60,269,852
Retained Earnings	3,877,481	4,085,301	207,820	5%	4,936,274	4,977,737
Equity / Reserves	4,102,858	55,292,115	51,189,257	1248%	55,292,115	55,292,115
Total Equity	7,980,339	59,377,416	51,397,077	644%	60,228,389	60,269,852
Total Equity Less property transfer	7,980,339	8,188,159	207,820	3%	9,039,132	9,080,595
	Actual 09/10	Budget 10/11	Variance	Variance	Forecast 11/12	Forecast 12/13
Statement of Cash Flows						
Total Cashflows from Operating Activities	3,548,040	-1,325,558	-4,873,598	-137%	662,493	937,911
Total Investing Cash flow	-414,932	-52,551,654	-52,136,723	12565%	-14,781,170	-2,409,878
Total Financial Cash Flow	184,056	51,182,093	50,998,037	27708%	11,830,558	1,275,705
Net Cash flow	3,126,299	-2,695,119	-5,821,418	-186%	-2,288,119	-196,262
Opening Cash balance	4,619,418	7,745,717	3,126,299	68%	5,050,598	2,762,478
Closing Cash balance	7,745,717	5,050,598	-2,695,119	-35%	2,762,478	2,566,216

1.5 Linking our Strategic Plan with our Business Plan

The Strategic Plan will be operationalised through our annual Business Plan. Our Business Plan drives our annual objectives and outcomes.

Our Strategic plan will be reviewed annually and interlocked with business action through

-

- 1 Communicating Strategic Plan to all staff
- 2 Communication of steps necessary to achieve Strategic Plan objectives
- 3 Incorporation of Strategic objectives into annual Business Plan(s) and budget
- 4 Progress Reports to the Board and staff and the development of longer term strategic objectives
- 5 Measuring the attainment objectives through KPI reporting, independent benchmarking, independent assessment (by Community Housing Division , Tenants fee for service, support and private sector partners)

2. Organisational Context

Bridge Housing Limited purpose is to link people to a better future through providing of affordable housing solutions to people on low to moderate incomes to build sustainable communities.

BHL works with government, community, local councils and the private sector to provide affordable housing to low and moderate income families.

2.1 Growth and Development

BHL has a history of growth, adaptation and renewal. This Strategic Plan 2009 -2012 builds upon our strong foundations through the achievement of our Strategic Plan 2006-2009. These include

- Appointed as Growth Provider in 2008
- Absorbing the operations of Burwood Area Community Housing (BACH) in September 2008
- Merging with Eastern Suburbs Rental Housing Association (ESRHA) in April 2009
- Successfully converting from a co-operative to a company limited by guarantee in March 2009
- Negotiating and securing our first debt equity project delivering 8 affordable housing units and adding our first significant property asset to our balance sheet
- Developing effective responses to homelessness through the My Place Initiative and more recently the Premiers Homelessness Initiative Program by working with partner agencies to offer homeless people long-term housing combined with support to ensure sustainable tenancies.

Over 2006-2009 BHL property portfolio increased by 80% 650 to 1100 properties and our operations across 14 LGA's: [Ashfield](#), [Auburn](#), [Botany Bay](#), [Burwood](#), [Canada Bay](#), [Canterbury](#), [Leichhardt](#), [Marrickville](#), [Parramatta](#), [Randwick](#), [Strathfield](#), [Sydney City](#), and [Waverley](#).

Over 2009-2012 BHL will increase its capacity to provide affordable community housing by growing our property portfolio. In the first year (2009-2010) of this strategic plan we

- Achieved Class 1 Registration under the Community Housing Registration System (February 2010)
- Commenced the first inner metropolitan Property Transfer Program of 120 properties in the in South Coogee estate (November 2009) and 60 units in Balmain (July 2010)
- Secured 50 Stage 1 Nation Building Economic Stimulus Package Properties
- Successfully tendered for 193 Stage 2 NBESP properties in the Parramatta LGA

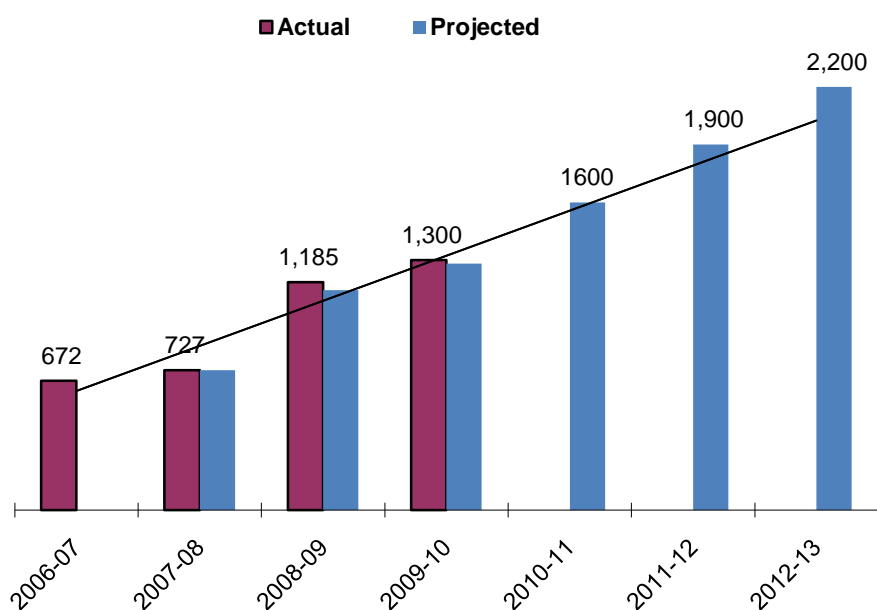
This provides a strong foundation for BHL

- Extend our housing services across the region bound by the two CBDs of the City of Sydney and Parramatta, the most high cost housing region in Australia¹.
- Build BHL balance sheet from \$8m to approximately \$50M through the transfer of title associated with Stage 2 NBESP once the transfers are completed.
- Provide an asset base, cash flow, and increase our ability to source debt to procure or develop affordable housing.
- Develop asset management strategies to improve the use and life of our properties
- Maintain quality service delivery to our tenants and increase the range of services to tenants and applicants
- Build new capacity to develop capacity in community regeneration through the transfer of estates
- Develop our organisational capacity and infrastructure to support this growth.

In Year 1 (2009-2010) of this Strategic Plan BHL's property portfolio will increase by a 250 dwellings through the Property Transfer Program and the Economic Stimulus Package. By 2012/13 we expect our portfolio to double from 1100 dwellings to 2200 properties. The chart below shows these growth forecasts.

¹ *City of Cities - Strategy for Sydney Metropolitan Strategy, Department of Planning 2005*
www.metrostrategy.nsw.gov.au. BHL operates across the following subregional areas Sydney City, Eastern, Inner West, and sections of South-(Marrickville, Canterbury) and West Central (Auburn, Holroyd, Parramatta)

BHL Property Growth 2006-2013



2.2 Current Activities

BHL core functions are to provide:

- secure and affordable housing for people in housing need in the inner metropolitan area of Sydney
General needs housing
- Partner with other organisations to provide sustainable housing solutions for high need clients
Timely and cost effective housing and asset management services
- Mainstream and fee for service program:

Properties By Program	Social Housing	Affordable Housing	Supported Housing
Owned		8	
Social Housing Subsidy Program		27	
Home Purchase Assistance	2		
Community Housing Leasehold Program CHLP			
• Capital Program	501		46
• Private Rental	574		87
Leased HNSW (scheduled for redevelopment or sale)	39		11
Fee For Service			
• Local government	57	27	
• Other Community Organisations	45		22
Total	1218	62	166*

Supported Housing is a subset of the total Social Housing dwellings, which means the total housing stock as 30 June 2010 is 1280 dwellings

Fee for Service Program	Target Group	Properties
Waverley Council		
• Affordable Housing	Moderate income households in Waverley LGA, pay 75% of market rent	27
• Waverly Housing For Older Persons	Older people living in the Waverly LGA	51
• Waverly Community Living Program	People with mild intellectual disabilities living in the Waverly LGA	6
Settlement	Indigenous households	7
Aids Council of NSW	People with HIV Aids	7
Department of Juvenile Justice	Young people leaving the juvenile justice system	6
Ningana Housing Co-operative	Provision of financial management services	52
Total		156

2.3 Partnerships

To achieve its objectives BHL partners with:

Government- Federal, State and local Government to increase the opportunities for affordable housing supply

Private Sector

Community services agencies to provide support for high needs groups to ensure sustainable tenancies

Not for Profits and Government to develop community building partnerships to link tenants to resources and opportunities to assist return to employment, education or reduce social isolation.

Government Partnerships

BHL develops relationships with the following NSW state departments, agencies and local government

HousingNSW (Community Housing Division). Housing NSW provides the majority of our properties through the Community Housing Leasing Program. The CHLP provides properties for our capital program and subsidies to lease properties from the private rental market. Through the Centre of Affordable Housing we can access advice and NRAS funds, a federal government initiative.

The Department of Planning. Up until the establishment of the Affordable Housing SEPP in 2009 BHL was the preferred recipient of SEPP 10 developer contributions. BHL has collected \$1.3M in contributions (June 2010). These funds will be used to maximise the effect of NBESP to procure or develop affordable housing.

State development agencies including the Barangaroo Delivery Authority and the Sydney Metropolitan Planning Authority² to maximise affordable housing outcomes in designated redevelopment areas

The Department of Disability and Aged Care Service to provide housing to people with disabilities.

Local government in particular the City of Sydney and Parramatta Council through their respective affordable housing strategies³ and working with 14 local governments across our operating region

Support Partnerships

Our 42 supported housing partnerships increase our ability to provide sustainable tenancies for high need tenants. We have over 42 supported partnerships which include:

² Sydney Metro Planning Authority established in September 2010 subsumes the Redfern Waterloo Authority

³ City of Sydney developed [Sustainable Sydney 2030](#) to set out strategic plan for the City's .In December 2009, Council endorsed the [City of Sydney Affordable Rental Housing Strategy 2009-2014](#)
Parramatta Council strategic plan *Parramatta Twenty 25*, a 20 year strategy for Parramatta which includes a program for Affordable housing

Client Group	Agencies
Homeless people	Oasis, Mission Australia, Mathew Talbot Hostel, Mercy Arms, Naemi, Haymarket foundation, Station
HIV Aids	Aids Council of NSW, ADAPHT, Bobby Goldsmith Foundation
Young People leaving juvenile justice	Catholic Care (Centrecare)
Seniors	Waverley Council
Adults leaving the prison system	Community Restorative Centre
Women escaping domestic violence	The Marian Centre (St Vincent de Paul)
Older Indigenous women	Wyanga Aboriginal Elders Program;
Young Womens program	The Australian Red Cross

Appendix One provides further details on all 42 supported housing partnerships.

Community Capacity Building

To increase the benefits to our tenants Bridge Housing will work with other not for profit organisation. This includes initiatives to link households to computers through Building the Digital Divide project where we partnered with Work Ventures and sought funding from Philanthropic Trust and Employment opportunities through such initiatives as Waterloo Green Provision of routine maintenance by social housing tenants in partnership with the head maintenance contractor (Spotless)

2.4 Governance and Regulatory Environment

Governance

BHL is a company limited by guarantee subject to the Corporations Act 2001 and regulated by the Australian Securities and Investment Commission. We have seven directors with skills sets that incorporate asset management, finance, accounting, social housing provision, human resources and law. The Board operates under the *BHL Governance Principles* (www.bridgehousing.org.au)

Regulation

Bridge Housing Limited achieved Class 1 Registration under the *Housing Act 2001 (NSW)* and NSW *Housing Regulation 2009* in February 2010. The Registrar of Community Housing (www.rch.nsw.gov.au) authorises and regulates community housing providers under the *Housing Act 2001 (NSW)* and *Housing Regulation 2009*. All housing associations operating Provider performance is assessed across 8 performance areas:

1. Fairness and resident satisfaction
2. Sustainable tenancies and communities
3. Asset management
4. Sound governance
5. Standards of probity
6. Efficient and competitive delivery of Community Housing
7. Protection of Government investment
8. Development projects

Accreditation

As part of its quality assurance review BHL undergoes accreditation every three years. The quality of our organisational policies, practices and processes are assessed against 7 National Community Housing Standards:

1. Tenancy management;
2. Asset management;
3. Tenants rights and participation;
4. Working with the community;
5. Governance and organisational management;
6. Management systems;
7. Human resources management.

BHL underwent accreditation in 2006. Renewed accreditation will not be sought until the organisational changes that have flowed from the recent mergers with BACH and ESRHA and the transfer of 200 properties in 2009/10 from Housing NSW are completed and absorbed – a period of around 12 months is anticipated for this task.

Legislation

BHL adheres to the following Commonwealth and State legislation.

- 1 *Corporations Act 2001*
- 2 *Fair Work Act 2009*
- 3 *Housing Act 2001 (NSW)*
- 4 *Housing Regulations 2009*
- 5 *Keep Them Safe [Children Legislation Amendment \(Wood Inquiry Recommendations\) Act 2009](#)*
- 6 *NSW Anti-Discrimination Act 1977*
- 7 *NSW Disability Services Act 1993*
- 8 *NSW Workplace Surveillance Act 2005.*
- 9 *Occupational Health and Safety Act 2000*
- 10 *Privacy and Personal Information Protection Act 1998*

3. Operating Environment

Bridge Housing's operating environment, ability to deliver services and meet housing demand is impacted by public policy, the general business environment and local factors

3.1 Public Policy Environment

Our Strategic PLAN is developed in an expansionist public policy environment at State and Federal levels which provides opportunities for increasing the growth of BHL.

Housing NSW Property Transfer Program

BHL capital properties are secured through Housing NSW under a five year lease. Housing NSW is transferring additional capital properties to the community housing sector under the National Affordable Housing Agreement (NAHA) and in response to their *Community Housing Strategy Planning for the Future* endorsed by the Minister in April 2007. This will be growth driver for community housing providers, however allocation numbers and methodology for future years has not been announced

BHL received 200 properties in 2009/10 we will seek a minimum of 300 properties per annum in the 10/11 and 11/12.

Nation Building Economic Stimulus Package (NBESP)

Housing NSW has received \$1.76b under the NBESP to build approximately 6,000 dwellings by December 2012 with 75% completed by June 2010. Delivery is through two stages. Stage 1 involves bringing forward for construction social housing dwellings which were already planned and approved, and will deliver approximately 850 homes. Stage 2 will deliver the balance of the program through approved tender for new construction, including the spot purchase of house and land packages for use in social housing these properties will be Transferred with title and will strengthen BHL balance sheet, the cashflows will be used to expand affordable housing provision of through procurement and development

BHL received 50 properties through NBESP Stage 1 in 2009/10 and successfully tendered for 200 properties in 2009/10 and will model the additional properties secured through the NBESP cashflow with BHL equity

Title Transfer

On June 2009 the NSW State Government announced the transfer of properties to Community Housing Providers. This includes 500 properties under existing community housing management and all the new supply through the NBESP. Properties will be transferred with full title (subject to caveats to protect the government's interest) for nil consideration. Housing Association are required to use the cash flows and debt to increase affordable housing supply Modelling by BHL indicate that we can achieve 50 additional properties over 10 years. Community housing providers are responsible for all management, maintenance and stock replacement costs, Government will retain an ongoing interest in the properties and its consent will be required for any sale or redevelopment.

Bridge Housing Limited has modelled the impact of the title transfer on its balance sheet and borrowing levels which are financially prudent leveraging

National Rental Affordability Scheme

The Federal Government's National Affordable Rental Scheme (NRAS) provides direct subsidies to non-government organisations (NGOs) and tax credits to private sector has had limited impact in the inner metropolitan region because of high land costs. BHL will explore the use of NRAS funds in the Parramatta LGA where land costs are lower.

BHL will pursue opportunities through future NRAS rounds to assist in development and fee for service management opportunities with the private sector.

Housing Pathways

Housing Pathway's (www.housingpathways.nsw.gov.au) provides a single access point for social housing applicants. Applicants only need to make one application for social housing through any HousingNSW or community housing provider office and receive information on their progress on the housing register from any of the participating organisations

Housing Pathways will impact on Bridge housing as major housing provider in the inner metro through establishment of housing pathways team and demands on existing office infrastructure to manage the increased demand for social housing

BHL will monitor the resource demand of Housing Pathways on its service delivery and work with other providers and housing NSW to develop a streamlined application process for social housing.

Homelessness

The Federal Governments *National Partnership on Homelessness* and the *NSW Homelessness Action Plan 2009-2014* and the regional homelessness action plans will increase the demand on community housing associations. In particular two major strategies of the action plan the prevention of eviction from all kinds of tenures and transition and maintain people exiting statutory care/correctional and health facilities into appropriate long-term accommodation. BHL will examine how it can develop effective service responses to *Regional Homelessness Action Plans 2010-2014 for Coastal Sydney and Greater Western Sydney*. This will build upon BHL involvement in the My Place Initiative and the Homelessness Intervention Program (HIP)

BHL will work closely with support services and building on existing partnerships to ensure that implement the goals identified in the Regional Homelessness Action Plans.

Affordable Housing State Environmental Planning Policy (SEPP)

The Affordable Housing SEPP was introduced in August 2009 to help promote the development of affordable housing. BHL will monitor the SEPP and seek to use its provisions to deliver affordable housing in the Inner Metropolitan area. Its immediate impact for BHL is negative as we would no longer be the recipient of future SEPP10 developer contributions. These will be directed to Housing NSW for Boarding Houses. (The change will not affect the \$1.0m BHL has collected to date through SEPP 10 contributions from developers)

BHL will monitor the SEPP and seek to use its provisions to deliver affordable housing in our operating region

3.2 Business Environment

The business environment will be influenced by the following policy settings and a number of changes affecting the shape of the industry:

Regulation

The NSW regulatory regime and BHL regulatory status will be a pre-condition of establishing partnerships and winning government tenders. Only Class 1 and 2 providers will be eligible to tender for housing supply through the NSW government, future title transfer or accessing NRAS funds. This applies both to BHL as a community housing provider and the choices it will need to make about partners it chooses. Also, BHL's performance will determine success in securing additional housing eg through future property transfers

Property Transfers

Property transfers by Housing NSW to community housing providers will be the growth driver for Community. Housing NSW is yet to indicate the scale, location and rate of property transfers beyond 2009-2010 .or the allocation process direct allocation or tenders. BHL future success will depend on the successful completion of the Property Transfers at South Coogee (120) and Balmain (60). Now operating over a larger region from the City of Sydney to the City of Parramatta BHL opportunities for further transfers will increase.

Tendering and Competitive Bidding

Housing NSW has not released its resource allocation strategy for transferring properties to the community housing sector. As this will result in the transfer of significant state government assets (land values) to the community housing providers BHL believes that tendering will be NSW State governments preferred strategy. This is consistent with the approach for the allocation of NBESP Stage 2 properties and the Asset Transfer Program. This will require BHL to develop scenarios and internal capability to respond quickly to Tenders as they arise.

Rationalisation and New Entrants

There will be increased rationalisation and mergers to form larger and better resourced housing providers. This will be accelerated through the new registration requirements and new entrants to the community housing sector eg Mission Australia. Bridge Housing Limited has become the most significant housing provider in the inner metropolitan region and is well placed to undertake a strategic merger with other housing associations over the term of the strategic plan. Mergers will require rapid organisational change and emphasis on business integration; bringing in challenges in servicing a wider area. A number of associations are achieving competitive strength by creating or joining consortia, eg BlueCHP

Housing Plus

The NSW state government is increasingly interested in the capacity of housing associations to expand their community development role into community regeneration and economic development.

Redevelopment Opportunities

Significant government-led redevelopment opportunities are emerging in our operating area to partner in redevelopment projects. Examples are; Glebe Estate, Redfern Waterloo Redevelopment Authority and Barangaroo development. These provide the scope to develop larger affordable housing portfolios either through the transfer of affordable housing, affordable housing development contributions and /or affordable housing management opportunities

Role of Private Sector

Further management and fee for service opportunities may emerge as the private sector takes up NRAS and uses the Affordable Housing SEPP. BHL believes that NRAS opportunities may emerge in middle ring suburbs around Parramatta. Fewer opportunities will be available in the inner metropolitan region where most of the affordable housing is required because the subsidies are too shallow to provide an adequate return on investment.

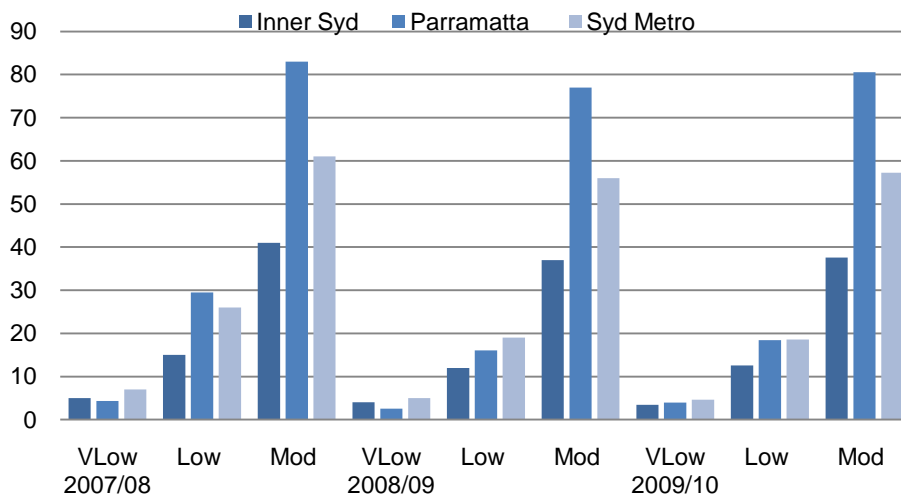
3.3 Local Factors

The Market, Housing Affordability and Demand

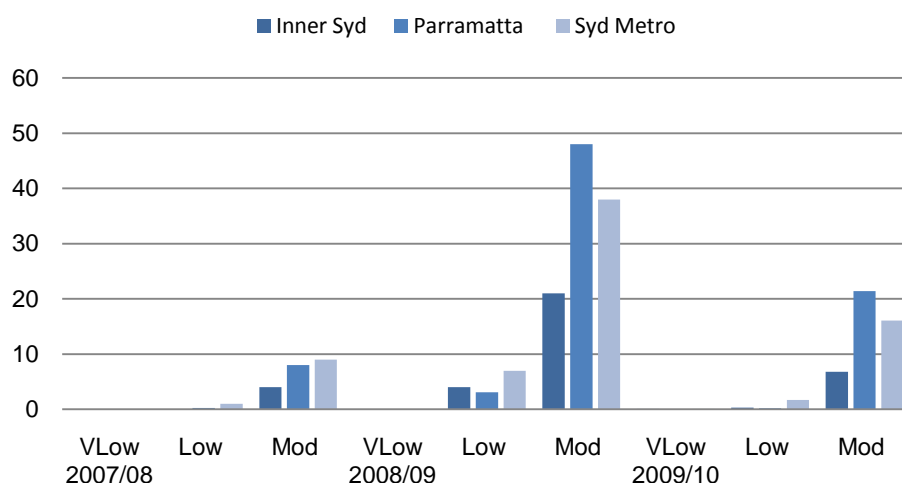
BHL operating region is associated with low levels of housing affordability for low and moderate income renters and purchasers. The low levels of affordability are associated with high land costs in the region and decreasing supply of affordable rental and purchase housing. Higher housing costs are concentrated in the inner and middle ring and less intense in Parramatta for moderate income households. However as the two charts below show there are is no easing of affordability pressures.

BHL ability to deliver positive outcomes will be limited by the higher costs of development arising from the land, construction and the planning regime in the metropolitan region and Regulatory barrier restricting BHL from accessing sites for redevelopment - eg Green Square.

% Affordable Rental by Income 2007-2010

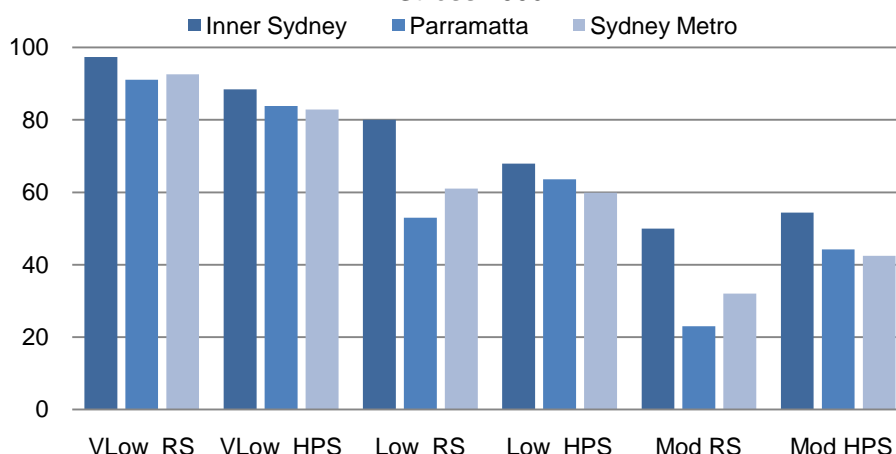


% Affordable Purchase by Income 2007-2010



BHL operating area has high levels of housing affordability stress compared to the Sydney metropolitan region⁴

% Households by Income Rental and Home Purchase Stress 2006



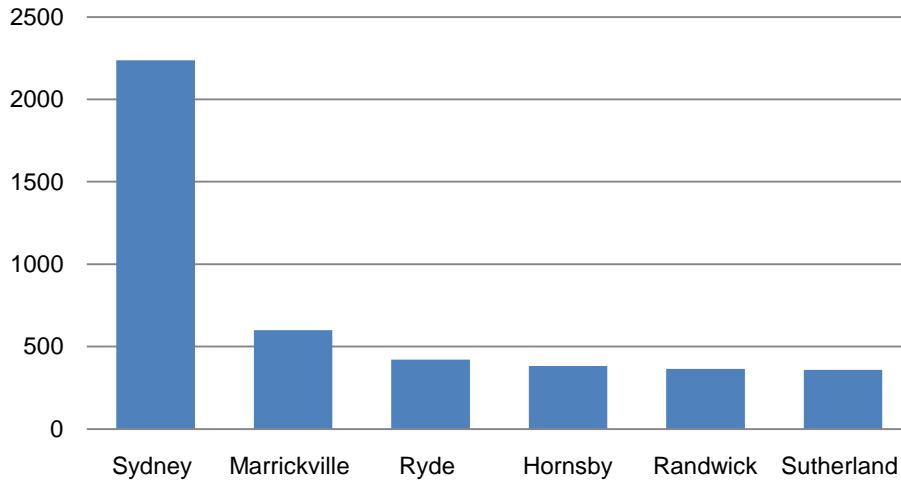
Homelessness

The rate of homelessness varies across BHL operating region Coastal Sydney⁵ accounted for 37% of the homeless population in 2006. The 2006 Census counted over 10,000 people as homeless in Coastal Sydney including over 400 Indigenous homeless. Over 2,200 homeless households were in the City of Sydney LGA followed Marrickville and Randwick. Western Sydney accounted for 12% of the homeless population in 2006. In BHL operating region Parramatta LGA has the highest number of homeless households 599, followed by 397 in Auburn and smaller numbers in other Western Sydney LGAs. The following charts provide further information on the distribution of homelessness.

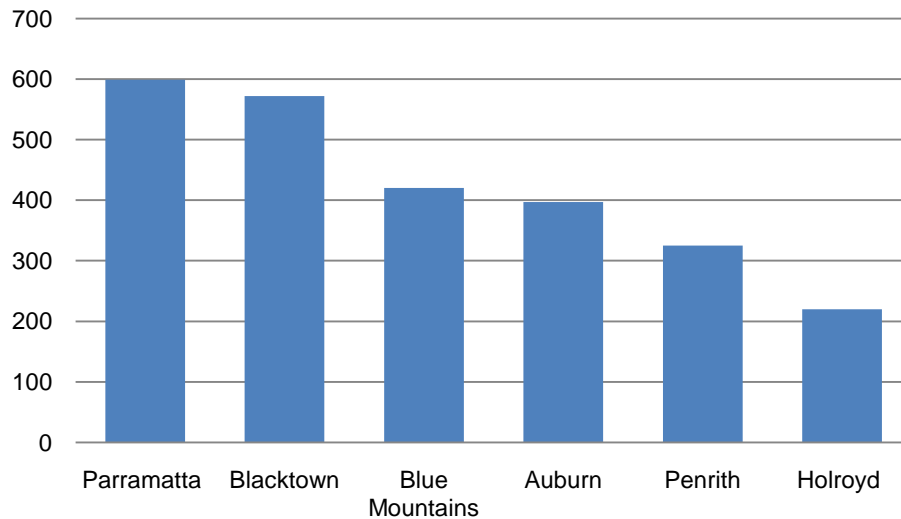
⁴ **Source:** Census 2006. Housing stress is defined as households incurring housing cost above 30% of their Equivalised household income. Very Low Incomes is below 50% of the Census Median Equivalised Income. Low Incomes is 50% - 80% of the Census Median Equivalised Income Moderate Incomes is 80% - 120% of the Census Median Equivalised Income For further information refer to www.housing.nsw.gov.au/Centre+for+Affordable+Housing/

⁵ Coastal Sydney incorporates 27 Local government Areas (LGAs), extending from Hornsby in the North to Sutherland in the south. See *Regional homelessness Action Plan 2010-2014 Coastal Sydney* pp 9

Homeless Households by LGA, Coastal Sydney



Homeless Households by LGA, Greater Western Sydney



Partnership Opportunities

All local governments in the region have or are undertaking affordable housing policies, increasing the opportunities for affordable housing developments and the scope for BHL to offer them solutions. The Inner Metropolitan Mayors Forum has successfully applied for HAF to examine options for affordable housing. There are large sites in the region flagged for redevelopment Glebe Estate, North Eveleigh site (Redfern Waterloo Authority⁷ and Barangaroo Site (see Barangaroo Development Authority www.barangaroo.com). This increases the possibility of providing affordable housing opportunities or ownership in the inner city area.

There is a significant presence of support agencies in the region. BHL could expand its list of support partners to provide additional housing for tenants who need a higher level of ancillary support to live independently in the properties we manage.

⁷ Subsumed Sydney Metropolitan Planning Authority from September 2010

4. Positioning Bridge Housing Limited

BHL is well placed to take a prominent position within that future operating environment.

4.1 Our Key Strengths

- Culture of renewal and adapting to meet new circumstances
- Governance skills from having experienced directors with broad skills base encompassing general management, broad government, community housing, not for profit and private sector experience
- Experienced management team and staff with commitment to manage and grow its current operations
- A track record of successful operation and performance from providing diverse services to meet client needs and a strong engagement with community partners.
- A track record of successful operation and performance
- Recognition within the region as the lead partner and housing provider – particularly with local government
- Well established credentials with community housing sector, all levels of government, tenants, property agents, community based organisations, suppliers, service contractors and potential tenants
- Cash flow which enables it to meet its operational needs (including planned maintenance expenditure). BHL also has the reserves to meet future planned maintenance commitments
- Systems, procedures and personnel capable of managing a higher level property portfolio.

4.2 What role will BHL play over 2009-2012

Growth provider

To be a leading housing association engaged in the delivery of quality service housing management services in new areas of business for community housing, including development.

Inner and Middle Ring Provider

BHL will operate over a region extending from the City of Sydney to City of Parramatta. Our focus is to operate across the high cost inner and middle ring metropolitan region and the particular housing needs of that district. However, from this base, BHL will examine opportunities in other areas to support and leverage its core work

Development Opportunities

BHL will pursue development opportunities available through in inner and middle ring metropolitan brown field and redevelopment sites, while looking to opportunities to develop affordable housing in lower cost areas

Diverse Housing Responses to Meet Housing Needs

BHL will continue to focus on housing services for the homeless and high needs groups in the inner city. Then, drawing on its growth provider position, it will build its business as an affordable housing provider for moderate income working households – particularly key workers – priced out of the inner city.

Social Enterprise

BHL can increase its capacity in community development and regeneration built around its core service as an affordable housing provider. We will consider how to bring our particular resources to effective partnerships with education, employment and training providers and philanthropic institutions to develop new programs and services

Support Agency	Tenancies	Client Group
ACHA - Assistance with Aged Care and Housing for the Aged	10	Older people in need of affordable housing
ACON - Aids Council of NSW	6	Housing people living with HIV & AIDS
ADAHPS - AIDS Dementia & HIV Psychiatry Service	4	People with complex/mental health needs and HIV Aids
Banardos - Redfern-Waterloo IFSS (Intensive Family Support Service)	3	Aboriginal people who are homeless or at risk of homelessness
BGF - Bobby Goldsmith Foundation	11	Tenancies for people living with HIV/AIDS and often complex support needs
Bmiles	1	Single women affected by mental illness who are at risk of becoming homeless
Bondi Youth Accommodation	4	Young people with diverse needs
Catholic Care (CAP Crisis)	2	People who are homeless or at risk of homelessness
Catholic Care (Alive program)	3	Adults Living Independently via Empowerment - young people who are homeless or at risk of home
CRC - Community Restorative Justice Centre	4	Ex-prisoners & families
Deli Womens & Childrens Centre Inc	1	Women living with/escaping DV
Haymarket Foundation	7	Homelessness Intervention Project - chronic homeless people with complex needs
Mission Australia	5	Homelessness Intervention Project - chronic homeless people with complex needs
Independent Community Living Programme ICLA	3	3 x 2 bedroom units Tenants with intellectual disabilities
Inner City Homeless Outreach and Support Service (ICHOSS)	1	Supported tenancies for vulnerable people at risk of homelessness with complex needs
JC - Jewish Care	6	Aged family, community & disability services
JTAP - Joint Tenancy Assistance Programme	3	Young people in, or exiting the juvenile justice system
Killara Women's Refuge	3	1 tenancy plus 2 CAP properties for Aboriginal women & children escaping DV
Marian Centre (St Vincent De Paul)	6	Women and children escaping DV
Marrickville Mental Health Services	1	People with mental health related support needs
Matthew Talbot Hostel (My Place)	2	My Place initiative tenancies

Support Agency	Tenancies	Client Group
Mercy Arms	10	Housing for homelessness, plus nominations and My Place initiative properties
NAH - Norman Andrews Housing - Bondi Beach Community Centre drop in	13	Supported tenancies
OASIS (Salvation Army Youth support - My Place)	5	Homeless and disadvantaged young people
OYH - Options Youth Housing, programme of Caretakers Cottage Inc.	3	Homeless young people
RCYWHP Red Cross Young Women's Health Program	9	Young pregnant women/young mothers
Royal Rehabilitation Centre Sydney	1	Supported tenancy
SCARBA - Eastern Sydney SCARBA (The Benevolent Society)	1	Child Protection Services
Stepping Out	3	Women & children affected by child sexual assault
The Crossing Mission Australia	1	Young people with complex support needs
The Station	4	Supported tenancies
Theba Young Womens Service	3	Young women at risk of homelessness
Twenty10	1	nomination
Wesley Mission (My Place)	2	My Place Initiative tenancies
Wyanga - Aboriginal Aged Care	4	Aboriginal Aged Care
YPWDLG (Lifestyle Solutions)	1	Partnership allocations for young people with a disability leaving care - run jointly with DADHC
YWCA	1	Single women affected by mental illness at risk of homelessness
Fee for service		
WHOP - Waverley Housing for Older People	48	Older people 65+
Waverley Community Living Program	6	3x independent tenancies, 3 x share tenancies for people w intellectual disabilities
Waverley Affordable Housing Program	29	Affordable Housing - Fee for Service Program
The Settlement	7	ATSI dedicated
Ningana	52	Fee for Service-financial services