

#### **ABOUT THIS REPORT**

The Evolve Housing Limited (Evolve) Annual Report and accounts highlights our activities during 2017–2018. This report tells the Evolve story to our stakeholders by showcasing our successes, identifying growth areas, promoting initiatives, and sharing residents stories. We have set out to:

- outline Evolve's purpose and strategy
- provide information on our performance and review how we are delivering on business plans against Key Performance Indicators (KPIs)
- · share stories and successes of residents and staff
- share our future goals and direction.

#### **ACKNOWLEDGEMENT OF COUNTRY**

Evolve would like to acknowledge the traditional custodians of the land on which we work.

We pay our respects to elders, past, present and future.

#### **ENVIRONMENT**

Evolve cares about the environment. This Annual Report is printed on FSR® certified paper traceable to certified sources.

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Inspirational Team Member at the Australasian Housing Institute Awards 2017, Joy Sneesby



Rising Star Award 2017 PowerHousing Australia Awards, Mat Toailoa



Silver Award in Architecture, Residential-Constructed category, 2018 Sydney Design Awards (awarded for Harts Landing alongside our development partner PAYCE)



Silver Award in Graphic Design, Illustration and Type category, 2018 Sydney Design Awards (awarded for Harts Landing alongside our development partner PAYCE)



Parramatta Light Rail Excellence in Sustainability Award, 2018 Western Sydney Awards for Business Excellence



Highly Commended, Exceptional Community Partnership across a Region, 2018 Zest Awards (awarded for School Holiday Fun Day alongside Mission Australia Housing and St George Community Housing)

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#### **OUR VISION**

Thriving communities for all people.

### OUR Purpose

To deliver housing solutions and services that empower people on their journey to greater independence.

### CORE VALUES: I HEAR

#### INSPIRATION

We approach opportunities and challenges with creativity and enthusiasm. We encourage those around us to imagine, learn, innovate and to do things better.

#### **HONESTY & INTEGRITY**

We are honest, fair and ethical in all interactions. We do the right things for the right reasons all the time.

#### **EMPATHY**

We are aware of, and sensitive to, the feelings and perspectives of others and use that understanding to guide our actions.

#### **ACCOUNTABILITY**

We act with professionalism and take responsibility for our decisions and actions.

#### **RESPECT**

We treat others how we would like to be treated. We value individuality and diversity.

### ABOUT EVOLVE HOUSING

One of the main components of Evolve's strategy is to relieve housing stress by increasing the quality and availability of our housing portfolio, building socially inclusive communities and influencing public policy. This strategy is designed to break the cycle of poverty and help people create better futures for themselves and their families.

We believe in everyone's right to a home—somewhere to feel safe and secure and to be part of a community.

#### Who we are

Evolve is one of the largest not-for-profit housing providers in Australia. We are based in New South Wales, but also have a presence in Tasmania through our joint venture with Centacare Evolve Housing (CEH).

#### What we do

At Evolve, we provide:

- safe and secure housing for people experiencing homelessness or those on lower incomes experiencing housing stress
- relevant opportunities to empower individuals, build their capabilities, and provide pathways to greater independence, and
- quality, accessible, affordable housing developments that build strong, integrated and sustainable communities.

We provide social and affordable housing to people living on very low to moderate incomes, who are unable to pay for appropriate housing in the private market. We grow the supply of social and affordable housing to help to meet a growing demand. We also supply fit-for-purpose properties to meet the diverse requirements of people who are disadvantaged.

We help people to reach their potential, and create successful communities, by providing support

solutions and programs. These include education and skills programs to encourage increased participation in the workforce, support with managing rental responsibilities to help sustain tenancies, and social activities to bring people together.

We work hard to reduce homelessness and housing stress, and to increase the wellbeing of our residents so they can live better lives in thriving communities.



### CHAIRPERSON REPORT PAUL HOWLETT

When reflecting on the past year of Evolve Housing,
I am uplifted by the commitment shown by the entire
Evolve team to meet the objectives outlined in our strategic
plan, as evidenced by the organisation's performance over 2017–18.

In each of our four key strategic areas we have achieved, and in some instances exceeded, the goals we set ourselves. We have implemented projects, empowered residents, and delivered much needed social and affordable housing.

#### **Grow Capacity**

We built and delivered 254 apartments during the year — more than 5% above our target to provide even more social and affordable housing to those in need.

Our property management team at Echo Realty now manage some 800 properties in the greater Sydney region and the Central Coast of NSW, largely through the relationships we have established with property developers and investors.

We also established robust and mutually beneficial partnerships with the City of Parramatta Council and Willoughby City Council, managing properties on their behalf.

We successfully transitioned more than 200 people living with a disability into our accessible housing because of our accreditation as a National Disability Insurance Scheme (NDIS) provider.

These achievements have been validated by prestigious awards for Harts Landing including the 2018 Australasian Housing Institute Silver Award in Architecture — Residential (Constructed

category); and the Silver Award in Graphic Design (Illustration and Type category) at the 2018 Sydney Design Awards.

Our landmark development at Clyde Street Guildford made Evolve one of the first affordable housing providers in the sector to use revolutionary modular construction technology, with multiple sustainability and cost saving benefits.

#### **Enhance Business Practices**

Behind the scenes, we are consistently looking for more efficient ways of doing business to reduce costs and reinvest in the services we provide to the community.

We have achieved efficiencies in processes, reporting, service delivery, and information technology. These changes have increased our responsiveness and reduced our operating costs.

Through our *Evolving Green Energy Action Initiative* launched in May 2017, we have reduced power prices for our low-income residents and helped the environment by reducing carbon emissions. Estimated savings are \$1.94m or 745,000 kWh of energy over the next ten years. This translates to potential savings of up to \$859 per household per year.

We have identified ways of generating revenue through managing outsourced maintenance work on the NSW Department of Family and Community Services (FACS) properties. Not only do we generate revenue by undertaking these services but we receive 'economies of scale' savings for our own maintenance requirements.

**Sustain Tenancies** 

The challenges facing many of our residents are significant. For individuals and families who have been unable to free themselves from the cycle of intergenerational disadvantage, or for women, children and young people who are escaping domestic violence, an affordable home for the medium term can make all the difference in helping them to regain stability in their lives.

We address the individual needs of each resident through our network of support services. Since August 2017, every resident who has entered into a tenancy agreement with us has had the option to work with our Support Unit to develop their own individual support plan based on their needs. 67 per cent have already received their full support plan.

#### **Strengthen Communities**

Of all of our achievements in this financial year, and there have been many, some of the most significant have been the participation by residents in a number of exciting community building projects.

Video Storytelling is an inspiring project that brought together residents to share their experiences of living in Western Sydney and the challenges they have faced in their lives. Residents participated in a series of workshops that trained them in the art of videomaking using their own mobile phones. In addition to the project's premiere screening, a private screening was attended by Ms Julie Owens MP. Federal Member for Parramatta.

Other projects included the expansion of our community gardens, which provide residents with fresh, sustainable fruit and vegetables; the launch of our local street libraries; and the 'bin caretaking

project', which encourages residents to be accountable for the cleanliness of their common areas.

We are doing everything we can to make our community safe for all of our residents. Residents who are escaping domestic violence have been particularly supported this year. We rolled out the domestic violence toolkit to provide housing professionals with the skills and support that may be required when arranging a family's accommodation. We are aware that survivors of domestic violence may be discriminated against in the private rental market. For that reason, they may be inclined to conceal their plight for fear of ongoing prejudice. We want to make sure that they no longer feel victimised and are able to access whatever they need to get back on their feet. Most of all, we want to do all that we can to ensure their safety and security.

Evolve actively contributes to the broader community by collaborating with other organisations on initiatives like Western Sydney Homeless Connect, The LikeMinds Partnership and the School Holiday Fun Day, to name a few.

This is an exciting time in the life of our organisation. We have many innovative projects that will materialise in the next year and in the years to come. We can build on our successes this year and we have learnt much about how we can collaborate with all of our stakeholders to build a brighter and better future for the people we support.

Our success relies on our relationships with our many stakeholders and our dedicated staff. To all, I extend my thanks and congratulations on a most successful and productive year.

**Paul Howlett** 

Board Chair, Evolve Housing



# MANAGING DIRECTOR & CEO REPORT ANDREA GALLOWAY

In the 2017–2018 financial year, Evolve identified and delivered on more innovative and sustainable ways to provide social and affordable housing for people in need in NSW.

In December 2017, it was reported that the average Sydney rental property had reached \$550 per week. To many people, this was just another indication that Sydney had become a very expensive place to live. But for low and even middle income earners struggling with the enormous cost of living, the announcement was a disheartening sign that the Sydney rental market had become practically inaccessible to them.

Evolve exists to serve these people, who may otherwise face housing stress or homelessness, and in the last financial year we made steady progress in meeting this purpose.

We have a suite of completed, under construction and planned developments to provide accommodation for people across Sydney and on the Central Coast. These developments include social, affordable and accessible housing to meet a diverse range of needs. Our expansive project pipeline includes more metropolitan, coastal and Hunter Region development.

At Evolve, we believe in supporting people on their journey to independence. For many people, affordable accommodation is the medium term relief that allows them to stabilise their personal circumstances before re-entering the private rental market.

As the demand for housing has increased, Evolve has become more collaborative and innovative in the way we form partnerships and develop additional homes. The efficiencies we make in the delivery of projects are reinvested in the services that we provide to our residents.

Many of our services extend beyond the immediacy of providing short to medium term housing stability. As important as that purpose is, the breadth of services we provide reflects the needs that exist within our very special community. Many of the people we support have been marginalised by domestic violence, disability, mental health issues and multi-generational disadvantage.

We partner with service providers to offer our residents a tailored support program designed to help them achieve greater autonomy and freedom. Residents may be offered a wide range of services including counselling, job-seeking assistance, and skills workshops.

This past year we have further brought our community together through projects like *Video Storytelling*, where our residents learnt how to use a visual medium to articulate and share their experiences for their own personal development and for the benefit of others. These types of projects

provide the foundation and skills that many people need to engage with the broader community.

We also delivered incredible savings to our community with our award-winning *Evolving Green Energy Action Initiative*, which involved installing solar panels on selected properties and upgrading inefficient energy equipment. This has reduced power bills for both residents and Evolve, while also reducing carbon emissions and our environmental impact.

In the 2017–2018 year, we have demonstrated our ability to respond to market pressures through successful collaborations and partnerships, while also addressing the diverse, and often urgent, needs of the people we serve.

I am proud of our achievements this year and the dedicated Evolve staff who work tirelessly to support our residents. We look forward to continuing our hard work in 2019 to create affordable housing for those who need it, provide services to improve their lives, and help them reach greater independence.

andrea Galloway

Andrea Galloway

Managing Director and CEO, Evolve Housing



### MARKET OVERVIEW

### OVERVIEW OF OPERATING ENVIRONMENT

#### Situation

Evolve operates within a context that is constantly changing — the property market is fluctuating, government policy is gradually shifting to recognise the need for affordable housing, and the number of people who require our services grows daily.

Against the backdrop of policy changes and house price fluctuations, there is one singular factor that remains stable: there is a dire, urgent need for more social and affordable housing in NSW.

Models created for the Community Housing Industry
Association of NSW (CHIA) indicate that at least 12,000
new social and affordable homes would need to be
created each year until 2026 to meet current demand
and the projected population growth in our state.

The recently published 2018 Household, Income and Labour Dynamics in Australia (HILDA) Report similarly highlights the need for substantially more social and affordable housing stock.

This report also identifies single parents and older people in low-income households as being particularly vulnerable to housing stress and poverty.

#### Our response

As a proven market leader in asset and tenancy management and property development, and with robust scalable processes and systems in place, Evolve is well placed to be a key contributor to all future growth opportunities.

With the above alarming statistics in mind, and taking into consideration Australia's ageing population, it is vital that Evolve continues to grow its housing portfolio and creates a diverse range of housing options to meet the needs of the community.

To do so, Evolve maintains strong relationships with existing stakeholders and is prepared to reach out for new opportunities or partnerships. We believe that by working together we can achieve more.

As an innovator with an eye for future growth,
Evolve has a dedicated Community and Business
Growth team who monitor trends in the community
housing industry, stay informed of relevant
government policy at a local, state and national
level, and use our respected position to influence
decision making.

### NATIONAL RENTAL AFFORDABILITY SCHEME Situation

One of the biggest challenges in housing policy at present is the oncoming expiration of the National Rental Affordability Scheme (NRAS), which is expected to begin taking effect in the 2018–19 financial year.

The scheme provided a subsidy to investors who committed to leasing out their property as affordable housing to low-to-moderate income households for at least 10 years at 20% below market rent.

The subsidy underpinning the program (funded by the Federal and State Government) has now ceased, with no replacement identified.

It is likely that over the next eight years, many of the private investors who participated in the NRAS program will either sell or rent their properties at full market value unless a new subsidy is introduced.

By 2026, more than 36, 000 properties nationwide could be affected, and Evolve stands to experience financial pressure in retaining 400 affordable housing properties that we currently manage for private owners.

#### Our response

As a leader in the community housing sector dedicated to advocating on behalf of our residents and all very low to moderate income earners, Evolve has been actively lobbying at both a Federal and State level. Potential policy solutions that are being considered include a tax-offset discount to landlords who lease their properties out at sub-market rates, or a replacement scheme similar to NRAS. With upcoming Federal and State elections in 2019, we are calling on all sides of politics to address this critical issue.

### NATIONAL HOUSING AND HOMELESSNESS AGREEMENT Situation

Despite the uncertainty surrounding affordable housing subsidies, there have been some positive policy developments in the last financial year.

The National Housing and Homelessness Agreement (NHHA) will commence in 2018–19, and is an agreement between the Commonwealth and State governments to work together to improve the supply of housing.

Under the Agreement, they are also required to jointly

work on factors that impact the housing market, including Commonwealth and State taxes, regulations in the financial sector, immigration, income support and rental subsidies.

As part of the NHHA, the Commonwealth will provide the NSW Government \$477 million to be used on housing-related activity, indexed annually from 2019–20.

#### Our response

As one of the most awarded and largest CHPs in Australia, Evolve is ready to support any housing related activity generated by the NHHA.

### INCLUSIONARY ZONING Situation

At the state level, there has been a recent policy shift towards addressing the housing crisis, with the NSW Government formally adopting the 5-10% inclusionary zoning target for affordable housing proposed by the Greater Sydney Commission (GCS).

While this is a positive step forward, the lack of a statewide legal mechanism to enforce these targets means that at present, it is difficult to track their effectiveness.

Similarly, private industry is also contributing their own solutions with Landcom releasing an Affordable Housing Policy, which commits to providing 5–10% affordable housing in all of their land releases.

#### Our response

Evolve, through our licensed real estate agent Echo Realty, manages one of the largest portfolios of affordable housing in Australia. The Echo model has been developed to scale in response to growing market demands. Known as the preeminent affordable housing manager, our team services developers, local government and private property investors. We are ready to respond to the growing need for affordable housing management across NSW and Australia by providing quality advice, service and strategic input.

### COMMUNITIES PLUS Situation

The Communities Plus initiative is a promising NSW Government project, which involves the redevelopment of key existing social housing sites.

These sites will be developed into new mixed communities where social housing blends in with private and affordable housing, and residents have better access to transport, employment, community facilities and open spaces. We applaud the Government for this program as it will add critical supply to both social and affordable housing.

#### Our response

Evolve is very excited to be involved with this program, as a partner CHP for a number of sites across Sydney. Working with a number of partners, we have projects in various stages of development and look forward to further participation in this program.

### BEYOND SYDNEY Situation

While much of the conversation about housing affordability centers on capital cities such as metropolitan Sydney, very low to moderate income earners in regional centres are increasingly experiencing housing stress. Increases in rental stress and evidence of worsening rental affordability puts extra pressure on demand for social housing.

#### Our response

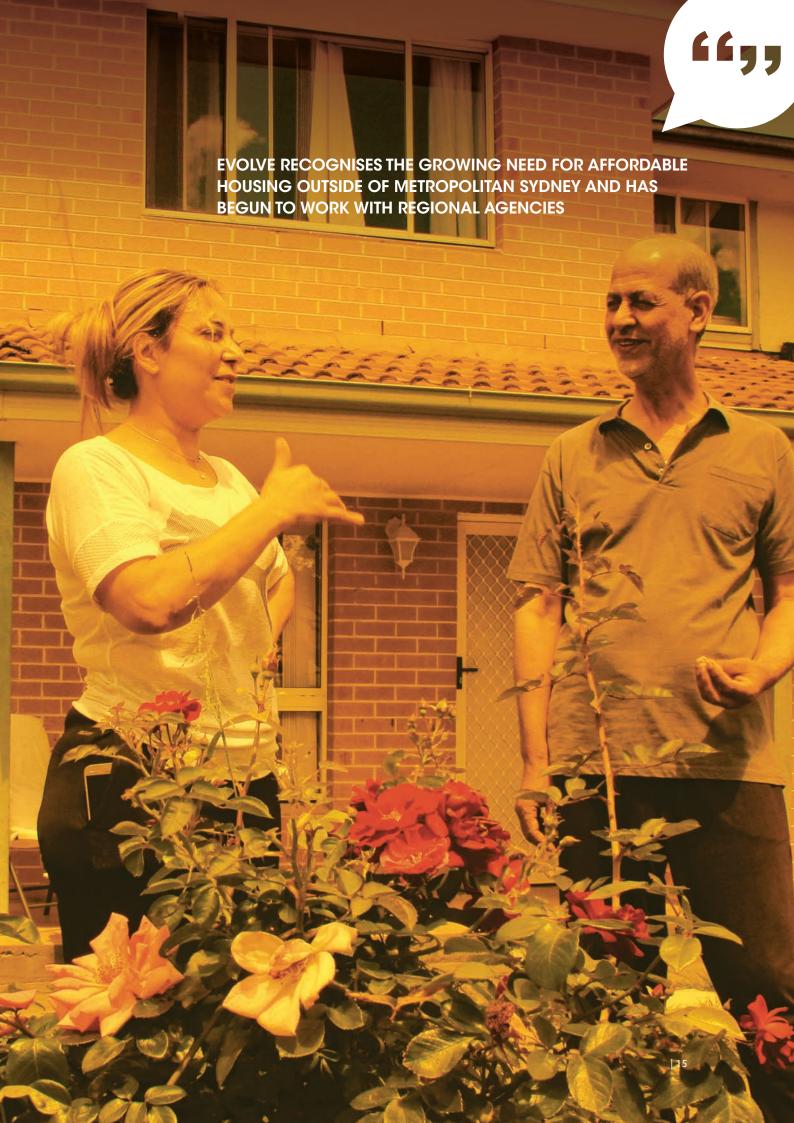
Evolve recognises the growing need for affordable housing outside of metropolitan Sydney and has begun to work with regional agencies and councils such as the Hunter Development Corporation (HDC) to deliver innovative solutions tailored to local environments. Recently, Evolve acquired land on the Central Coast with a view to dramatically increasing the supply of affordable housing where it is critically needed. As our vision is thriving communities for all people, this regional expansion is a natural progression and we will continue to work with local communities to address their individual needs.

#### THE FUTURE LOOKS BRIGHT

With so many Australians living in extreme housing stress, there has finally been widespread political acknowledgement of the need for more affordable and social housing. We expect to see growing opportunities to partner with government and the private industry over the next few years.

Another trend that Evolve is taking advantage of is 'social impact investments', which fund solutions to complex social problems such as housing and homelessness.

As a large, respected CHP, Evolve is well-equipped to respond to these opportunities to create even more stable, secure and affordable housing options for those who need them.



## THE TYPES OF HOUSING WE PROVIDE

In the last 12 months, we have consolidated our position as one of Australia's leading CHPs. As of June 2018, we are managing more than 3,500 tenancies with 235 in the pipeline. These properties are in thriving, integrated communities, backed up by a broad range of support networks to provide greater security for residents.

#### **Social Housing**

Social housing is secure, affordable housing for people on very low to low incomes who need accommodation. It includes public, community and Aboriginal housing. Public housing is managed by FACS while community housing is managed by non-government organisations. Aboriginal housing is specifically for Aboriginal people and these properties are managed by FACS or CHPs, including Aboriginal CHPs. Most social housing tenants are charged rental rates of 25% of their income.

#### **Affordable Housing**

Evolve owns affordable housing dwellings and also manages affordable housing on behalf of developers, private investors and local councils. Affordable housing is for low to moderate income households and is priced so that residents are able to meet their other basic living costs such as food, clothing, transport, medical care and education. Affordable housing residents pay a percentage of market rent — usually 74.9% if the property is owned by Evolve, or 80% if managed by Evolve on behalf of an investor owner.

#### **Youth Housing**

Evolve Housing for Youth (EHY) provides transitional housing support services for up to 95 young people at any one time in the Parramatta and Cumberland Local Government Areas. Our EHY clients are people aged 16 to 25 who are homeless or at risk of homelessness. They may be accompanied by their children.

Alongside our partners, we offer our EHY clients support services including expert case management, advocacy, referral services, brokerage, exit housing support and living skills development.

#### **Disability Housing**

Built for purpose, accessible housing gives people living with disability the opportunity to experience greater independence and exercise choice and control in the pursuit of their goals.

Evolve is a registered Specialist Disability

Accommodation (SDA) provider under the National

Disability Insurance Scheme (NDIS), and we work

closely with other registered Supported Independent

Living providers to provide high-quality homes for our

residents.

#### **Supported Housing**

The Supported Housing Initiative is a three-way partnership between Evolve, support providers, and the clients of the support providers. Evolve offers housing for the clients on a short-term to mediumterm basis while the agency working with their client provides for their support needs.

#### **Domestic Violence Housing**

Safe Foundations is a partnership between Women's Community Shelters and Evolve that supports survivors of domestic violence into safe and affordable accommodation.

Evolve provides a secure transition from crisis accommodation into safe and affordable independent living. The transition is strengthened by formal support plans that are designed to improve the health and wellbeing of domestic violence survivors and to provide them with opportunities for training and employment.

#### **Aboriginal Housing**

Evolve has an agreement with the Aboriginal Housing Office (AHO) to manage affordable housing properties designated for use by Aboriginal or Torres Strait Islander (ATSI) people. We currently manage AHO properties in Jordan Springs and Harts Landing in the Penrith area. The properties have NRAS incentives attached, and rent is set at a maximum of 30% of the resident's income plus the resident's Commonwealth Rent Assistance (CRA) entitlements. One of the criteria set by the AHO for eligibility is dependent on residents being employed, which is consistent with our philosophy that affordable housing is a pathway to greater independence. Rent is capped at 74.9% of the market rent value.



Evolve Housing © 2018

### THE JOURNEY HOME®

ECONOMIC INDEPENDENCE AND SOCIAL PART

### SOCIAL HOUSING

(Community, Public, Aboriginal)

### AFFORDABLE HOUSING

PRI\

#### SOCIAL HOUSING

#### TYPES:

- Crisis
- Transitional
- Supported
- Low Income

#### **RENT:**

25% of Gross Household Income

#### **ELIGIBILITY:**

- CentreLink
- NSW Housing Pathways
- Federal CRA (Commonwealth Rental Assistance)

#### AFFORDABLE HOUSING

#### **TYPES**

- CHP owned
- Investor and developer owned

#### **RENT**:

- 74.9% of market rent (CHP owned)
- 80% of market rent (Investor and developer owned)
- Generally capped at 30% of gross household income

#### **ELIGIBILITY:**

- Low to moderate gross income
- Key and essential workers
- Also intended to be a stepping stone from social housing

### **TICIPATION**

### VATE ITAL

### SUPPORTED HOME OWNERSHIP

### HOME OWNERSHIP

### STRENGTHENING COMMUNITIES

- Provides secure homes in communities for individuals and families to live in privacy and dignity
- Offers stability where children can thrive and achieve optimal education outcomes
- Greatly enhances health and well being
- Establishes a strong foundation for employment and asset and wealth creation

### PERSONAL CENTRED SOCIAL OUTCOMES

- Direct individual economic benefits
- Broader education
- Health
- Employment benefits

The social return on investment is the empowerment of individuals on their journey to independence and the strengthening of communities.



## Evolve Housing © 2018

### NETHANGIE'S JOURNEY A NEW COUNTRY, A NEW START

After moving to Australia with her mother, who had recently remarried, Nethangie experienced almost a decade of hardship, moving from house to house, until she settled in Harts Landing. Now with her living circumstances finally stable, Nethangie is free to pursue her passion for medical science without having to worry about the future.

Nethangie, who will turn 21 in December, moved to Sydney from Sri Lanka with her mother Ajanthie in 2009 when she was just 11 years old.

Despite the cultural barriers she faced, and the fact that she didn't speak much English in Sri Lanka, Nethangie quickly mastered her new language and settled into school life with ease.

While Nethangie flourished in the classroom, her home life was marred by domestic violence, and in late 2011 her mother Ajanthie made the decision to leave an abusive relationship and move with her daughter into a women's refuge in Doonside.

The next few years of Nethangie's life were plagued with uncertainty and constant uprooting, as the family shuffled back and forth between the women's refuge and the home Ajanthie jointly owned with her ex-partner.

After a stressful court case, the home was finally sold in 2013 and the pair moved into temporary affordable housing specifically for victims of domestic violence. While it was a relief to find a home, Nethangie said she struggled with the uncertainty of this period of her life.

"In terms of moving houses, my school was really helpful and mum had a really good caseworker, but it was just the uncertainty of things that made it difficult," Nethangie said. "I don't cope with uncertainty well; I like things to be settled and to know what's going to happen."

After enduring so many moves in such a short amount of time, Nethangie and Ajanthie were again packing boxes in March 2014, shifting to a private rental property in Werrington using a government subsidy.

In the meantime, Nethangie was still attending her old school in Quakers Hill, doing well in her studies and desperate to not add another destabilising change to a life that was already so much in flux.

Nethangie finished her HSC a year later, and gained admission to Sydney University to study a Bachelor of Medical Science. However, the uncertainty of her family's housing situation still troubled both her and her mother

When they saw advertisements for Evolve's new integrated housing development, Harts Landing, in early 2018 the timing was perfect: their landlord in Werrington had just attempted to raise their rent by a significant proportion per week.

Ajanthie's rental application to Harts Landing was successful, and the family moved yet again, this time into a secure, affordable and newly built apartment building located in a lifestyle development right next to Penrith station...and they haven't looked back. "It's been good, especially having everything so close."







"Having the Westfield shopping centre on the other side of train line is really good and being able to catch the Blue Mountains Line train to university also helps," Nethangie said.

But while the accessibility, safety and location are all major factors that appealed to the family, Nethangie said her mum also enjoyed a more aesthetic aspect of their new home: being able to see the sunrise every day from their apartment tower.

Finally settled in affordable housing, Nethangie hopes to pursue medical research and medical activism, following in the footsteps of her grandfather, who moved upward from a poor childhood to being one of Sri Lanka's top lecturers, and also worked in research.

"I grew up in a family where education was considered a vital thing for getting yourself out of hardship," Nethangie said.

She recently gained admission to the Honours program at Westmead Kids Institute for 2019, and will be conducting breakthrough research on maternal immune activation.

On top of her busy study schedule, Nethangie has also been an active contributor to the community, volunteering with the Australian Red Cross and other charitable organisations.

Although Nethangie's success is entirely due to her hard work and perseverance, she also believes that having access to affordable housing has helped her and her mother stabilise their lives and focus on pursuing their personal goals.

"If there's one less thing, like housing, that's taken out of the equation then you don't have to worry about that; you can put more effort into other things that can really change your life from what it used to be".





## STRATEGY 01

#### **OUR STRATEGY**

Our current Strategic Plan provides direction from 2018–22, and is supported by annual business plans and a reporting framework. We follow a thorough planning process, involving market evaluation, a business snapshot, plan formulation, strategy adjustment, an operational action plan for each area of the business, and evaluation.

2018-2022 2022 FOUR YEAR STRATEGY STRENGTHEN COMMUNITIES Number of people's lives we are positively impacting by providing THRIVING COMMUNITIES AND THE OFFICE 6,000 tenancies SUSTAIN **TENANCIES OUR PURPOSE** To deliver housing solutions and services that empower people on their journey to greater independence **ENHANCE** BUSINESS **PRACTICE** 2018 GROWING CAPACITY Number of people's lives we are positively impacting by providing 3,500 tenancies

### **OUR STRATEGIC GOALS**

At Evolve, we have a clear purpose for our organisation and an ambitious vision. Our Strategic Plan provides a structure to set our priorities, focus our energy and resources, strengthen our operations, and establish agreement around the intended outcomes and results of our business. It is a tool we will use to assess and adjust the organisation's direction in response to a changing environment and helps to ensure that our employees, stakeholders and partners are working towards common goals. Now at the start of our 2018–2022 four-year strategic plan, we are embarking on new focus areas, including further growth.

KEY STRATEGIC OBJECTIVES	BY 2022 WE WANT TO:
1.1 Increase and diversify revenue streams 1.2 Build on our partnerships 1.3 Increase and diversify our housing portfolio  Enhance Business Practice 2.1 Invest in our people	<ul> <li>Grow revenue by 20%</li> <li>Increase external revenue from non-traditional sources by 5%</li> <li>Deliver innovative development models including disability, youth, DFV and Indigenous housing models</li> <li>Tenancies under management by 2022: 6,000 (including 2,000 affordable housing tenancies)</li> <li>Deliver on Performance and Development Management Framework</li> </ul>
2.2 Be a governance leader     2.3 Drive efficiencies and be responsive to new opportunities	<ul> <li>Be recognised as a best practice governance leader in the community housing sector</li> <li>Achieve third party certification for disability standards</li> <li>Meet and seek to exceed NRSCH and FACS compliance standards</li> </ul>
Sustain Tenancies 3.1 Align housing and support services to residents' needs 3.2 Assist residents on The Journey Home   3.3 Influence housing policy to drive improved outcomes	<ul> <li>Increasing number of tenancies sustained</li> <li>Deliver continuous improvements in our Customer Service Strategy</li> <li>Adapt our Resident Engagement Strategy to our changing tenants profile</li> <li>Increased proportion of clients at risk assessed before they become homeless</li> </ul>
<ul> <li>Strengthen Communities</li> <li>4.1 Measure and maximise positive social outcomes</li> <li>4.2 Enhance social and economic participation of our residents</li> <li>4.3 Develop and participate in programs to deliver integrated communities</li> </ul>	<ul> <li>Deliver our social outcome framework</li> <li>Increase the number of residents engaged in community activities, study, training or employment</li> <li>Increased proportion of tenants transitioning from social housing to affordable/private housing</li> <li>Residents report high neighbourhood satisfaction and feel engaged with their community</li> </ul>

COFFS HARBOUR WE HAVE A SUITE OF COMPLETED, UNDER CONSTRUCTION AND PLANNED DEVELOPMENTS TO PROVIDE **ACCOMMODATION FOR PEOPLE ACROSS SYDNEY AND** ON THE CENTRAL COAST. OUR EXPANSIVE PROJECT PIPELINE INCLUDES MORE METROPOLITAN, COASTAL AND HUNTER REGION DEVELOPMENT. ANDREA GALLOWAY, MANAGING DIRECTOR & CEO HUNTER CENTRAL COAST **SYDNEY TASMANIA** CENTACARE evolve 28 | Evolve Housing Annual Report 2017–18

#### **OUR PARTNER PORTFOLIO**

Evolve works with a wide range of key stakeholders and partners to deliver business objectives and meet our residents' needs. With a collaborative approach to business, large-scale progress can be achieved by establishing and fostering partnerships with other organisations. We partner with government, financiers, developers, councils, service providers and other community based organisations to deliver greater social outcomes for individuals and communities.

#### **CentaCare Evolve Housing**

Portfolio size: 1,360 properties

Location of portfolio: Across Tasmania

Name of partnership: Affordable Community Housing Alliance Tasmania Pty Limited, trading as CentaCare Evolve Housing

Together with CatholicCare Tasmania, Evolve is a member of CentaCare Evolve Housing. CentaCare Evolve Housing manages approximately 1060 dwellings in Bridgewater and Gagebrook in northern Hobart, as part of Housing Tasmania's Better Housing Futures program. In addition, CentaCare Evolve has also contracted with Housing Tasmania to build approximately 300 dwellings.

#### **Evolve Pacific Developments**

Portfolio size: 84 units (30 completed so far)

Location of portfolio: Woy Woy, Canton Beach and Roselands

three projects which will deliver 84 new social and affordable properties.

Evolve Pacific Developments brings together Evolve and Pacific Link Housing. The Joint Venture was established to develop innovative solutions in the affordable, community, social, and disability housing sectors. By combining our resources and knowledge Evolve Pacific Development is able to complete projects which deliver benefits to communities on the Central Coast and Western Sydney. Evolve Pacific Developments is currently developing





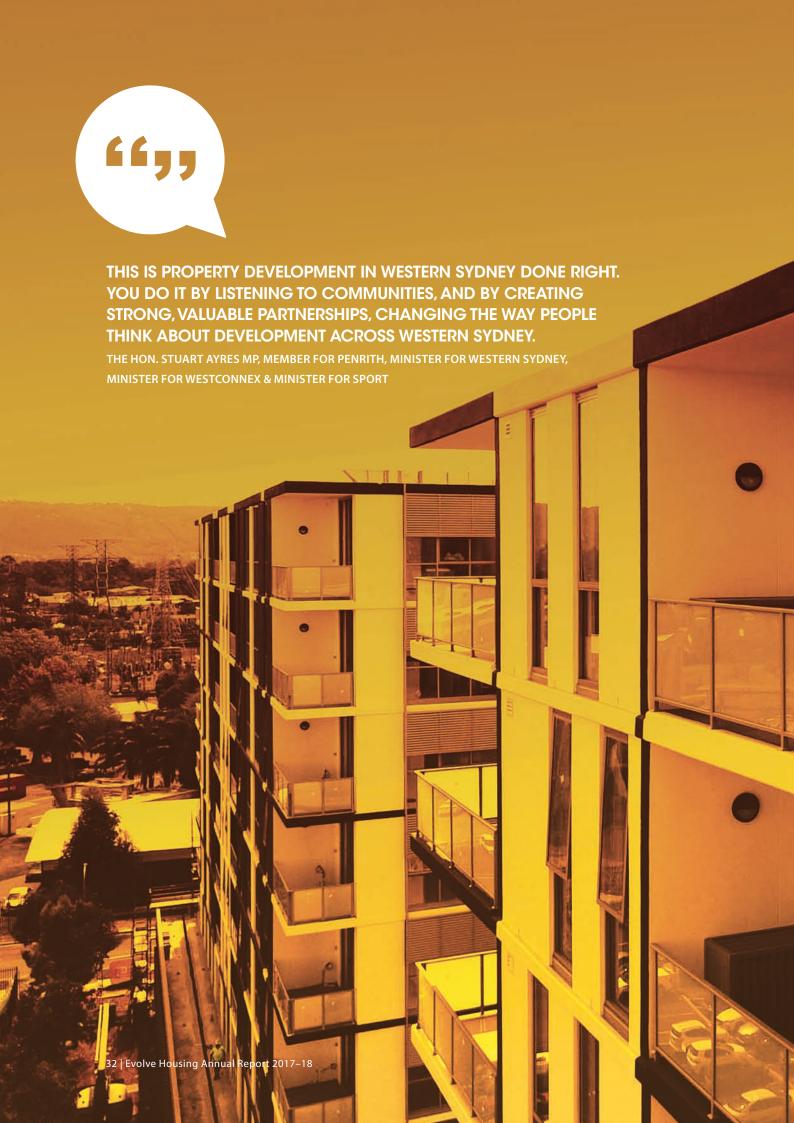
### GROW CAPACITY

Evolve is committed to growing our capacity to deliver more homes and support services. To successfully manage growth requires the careful use of company resources (such as finances and personnel), ensuring agile and scalable systems and processes are in place whilst ensuring our growth does not disrupt existing performance.

It requires us to be driven by innovation, be able to assess risk and benefits quickly and effectively, develop new revenue streams and build on existing sources, attract potential customers, partners, and investors, create successful partnerships and access to funding, and participate in tenders/bids aligned to our investment strategy. Our three key strategic objectives to grow our capacity are outlined below.

#### **OBJECTIVES:**

- · Increase and diversify revenue streams
- Build on partnerships to optimise social investment
- Increase and diversify our housing portfolio



## HARTS LANDING BREAKING THE CYCLE

High among Evolve's major achievements this year were the partnerships we formed to deliver accommodation to families on the waiting list for social housing in Western Sydney.

Harts Landing is a landmark development located in the newly developed Thornton Estate next to Penrith train station, just minutes from the Penrith CBD.

Completed in February 2018, this \$100 million mixed tenure development was a partnership between Evolve and property developers PAYCE, with the support of the government. Evolve sourced much of the funding commercially and acquired the land from UrbanGrowth/Landcom.

Harts Landing consists of three buildings, two of which are u-shaped, that rise nine storeys and have a podium level of common areas and two levels of car parking with 270 spaces. Of the 268 apartments (a mix of 1 bed and 2 bed apartments), 128 are affordable housing (10 of which are owned by the AHO), 10 are social housing and 130 are private apartments.

As the number of affordable homes for families struggling in the private rental market has decreased, the waiting list for social housing has grown. Currently, the waiting time for families to be placed in social housing is 10 years (Source: Expected Waiting Times, Family and Community Services NSW website, 2018).

#### A Stepping Stone to Private Housing

Importantly, within Harts Landing there is no visual or quality difference between the private, social and affordable apartments. All residents enjoy private recreational facilities including landscaped gardens and resident only BBQ areas.

Of the 118 affordable housing apartments owned

by Evolve, 40 were leased to families who had been waiting for social housing and 74 were leased to families as affordable homes. The remaining four apartments were leased to families moving from social housing to affordable housing — suggesting that an integrated model of this type could help to break the cycle of disadvantage being handed down through generations. All 128 Evolve owned social and affordable properties were occupied by new residents in less than 8 weeks.

As well as fulfilling a genuine need, Harts Landing also demonstrates that affordable housing is a genuine, aspirational stepping stone from social to private housing.

### Economically and Environmentally Sustainable

Harts Landing was designed to be economically and environmentally sustainable — both during construction and beyond. The building received a star rating of 6.8 from the Nationwide House Energy Rating Scheme (NatHERs). Additional thermal insulation was added to the affordable and social housing apartments and solar panels were installed in the roof to power common area lighting. An embedded power network is provided to reduce power bills for residents.

As well as saving money for residents, this investment in energy efficient design will save money for Evolve on the running cost of the building, which we will reinvest into creating more affordable housing to meet critical need.



THIS UNIQUE DEVELOPMENT SHOWCASES HOW COMMUNITY HOUSING PROVIDER AND PRIVATE DEVELOPERS CAN WORK TOGETHER TO PROVIDE RESIDENTS A PLACE WHERE THE WHOLE COMMUNITY CAN ENJOY A GREAT LIFESTYLE AND INTERACT WITH THEIR SURROUNDINGS.

DOMINIC SULLIVAN, DIRECTOR PAYCE



### Innovation, Integration and Inclusiveness

It was a priority for Evolve that Harts Landing was an integrated community that was diverse and inclusive. We successfully included the Aboriginal Housing Office (AHO), who purchased 10 affordable housing properties from Evolve. These 10 apartments are spread throughout Harts Landing and will be managed by Evolve Connected Housing Options (ECHO) Realty, a division of Evolve. We worked with the AHO to develop a policy that reflected their objectives and delivered housing choice to Aboriginal and Torres Strait Islander (ATSI) people in Penrith.

Echo Realty is on site at the complex, providing support for all residents in a welcoming, contemporary space right where they live. The community development team also has a satellite base located on site.

The success of the Harts Landing project will encourage property developers and investors to further invest in similar, mixed tenure developments in the future.



## ECHO REALTY EMPOWERING RESIDENTS

Evolve launched Echo Realty (Evolve Connected Housing Options) in September 2017 to manage affordable housing. Unlike traditional real estate agents, Echo Realty is a profit for purpose property management service; reinvesting profits to grow the supply of affordable housing in NSW, and into social support programs for disadvantaged members of our community.

Echo Realty's objective is to create social impact, which can empower very low to moderate income residents towards greater independence. Affordable housing is offered to eligible working applicants at a discounted rate from the market rent which allows them to live in their community, stay out of housing stress and in return be able to actively contribute to their neighbourhood.

Evolve is one of the largest managers of affordable housing in the sector, operating since its inception. In 2008–9, affordable housing came to market on scale due to the introduction of the National Rental Affordability Scheme (NRAS) — a government initiative to encourage developers to register new dwellings for affordable housing in return for a subsidy.

Having a stand-alone, fully licenced corporate real estate agency with the ability to work across the affordable housing and private rental markets has encouraged property developers and investors to participate in affordable housing projects.

For affordable housing, the developer or owner of the property is able to choose the CHP they use to manage the rental property. Echo Realty provides a unique service — as a registered CHP, it provides the necessary status without the stigma of having affordable housing in a private building, and with the quality and professionalism of a private real estate agency.

OUR FOCUS ON CREATING THRIVING COMMUNITIES MEANS THAT WE AIM TO DELIVER HIGH QUALITY OUTCOMES FOR OUR PROPERTY OWNERS, OUR RESIDENTS, AND OUR PARTNERS.

ANDREA GALLOWAY, MANAGING DIRECTOR & CEO

By investing in affordable housing, investors can continue to grow their property portfolio profitably and also feel good about the fact that they are helping to break the cycle of poverty and disadvantage.

The Echo Realty team has more than 50 years combined real estate experience and are specialists in general property management service and affordable housing property management. Echo Realty has grown its portfolio from 600 to more than 800 properties in the greater Sydney region and the Central Coast of NSW this year, largely through its relationships with property developers and investors.





## CATHERINE'S IDEAL HOME COUNCIL PROVIDES KEY WORKER HOUSING

When Catherine, a single mum with two small children, contacted Echo Realty, they quickly confirmed her eligibility for affordable housing and found her a fantastic new apartment that's only a short stroll to her work and her child's school.

Catherine has been with the same employer for two and a half years and is doing really well in her job.

She has one child in primary school and one about to start Kindergarten. Ideally, she has always wanted to live in Parramatta to be close to her child's school and close to her work, but being on a low income she couldn't afford to pay private rental prices so was forced to live a long way from both.

Before Catherine found Echo Realty, each day she would drive in peak hour traffic to drop her child at school and then back into traffic to make her way to work. And to make things more challenging and expensive, when she arrived at work she had to pay for parking.

It wasn't only the travel that made Catherine's accommodation unsuitable. The house lacked privacy and the garden was at the front of the house, so the children could only play outside when they were supervised. Catherine and her kids were therefore spending large amounts of time inside.

Catherine realised she needed to move, but soon learned that living in Parramatta could cost as much as \$600 or more in rent per week. She was so desperate to improve her lifestyle, that she decided to sell her car to afford the higher rent.

However, when she started to contact real estate agents, she wasn't getting anywhere. Agents wouldn't respond to her online enquiries and weren't returning her phone calls. When she attended open houses

there were large numbers of people vying for a limited number of properties. Fortunately for Catherine she got in touch with Echo Realty. They immediately responded to her enquiries. They confirmed her eligibility for affordable housing and found her a fantastic new two-bedroom apartment that's comfortably within her budget.

The new apartment is close to her child's school and her commute to work is a three-minute walk. If she needs or wants to go anywhere else it's just a short stroll to the train station. The car that Catherine was so reliant on before her move is now on the market and the money will be going in the bank.

Catherine feels safe and secure in her new apartment and doesn't have any concerns about her privacy: "No one can see in and you can't hear anyone."

And there are some features that Catherine wasn't expecting, "the views are amazing," she said.

The young family are thrilled with their new home, which was accessed through Parramatta City Council's affordable housing policy.

The policy allows key workers who have a pre-existing connection to the Parramatta area to access affordable housing.

In Catherine's words she has "won the lottery". And on the subject of dealing with Echo Realty, she says it has been "a life changing event."

# TETRIS VILLAGE GUILDFORD MODULAR CONSTRUCTION

Evolve recently became one of the first affordable housing providers in the sector to use revolutionary modular construction technology to build its new development, Tetris Village, in Guildford. The simplicity of this innovative technology saved both time and money in the construction process.

Tetris Village is a new development that includes 23 studio apartments for up to 36 residents, including four accessible apartments for people living with disability, and one studio for the on site manager. The apartments' total area range in size from 16m<sup>2</sup> to 28m<sup>2</sup>.

Cleverly designed transformational furniture throughout the apartments includes beds that fold up and are concealed in a joinery wall unit, maximising the interior space of the apartments and providing flexibility for residents.

During construction, modules were manufactured off-site, including bathrooms and kitchens. Only minimal work, such as floor coverings and ceilings, was completed after the modules were installed on-site. The modules were built off-site at the same time as the ground works and site preparation, saving an estimated 3–4 months. Three levels of the four-storey development were installed in just two days.

## Some of the Advantages of this Bold and Innovative Building Method Include:

- Greater quality control in a factory environment
- · Less exposure to inclement weather delays
- · Savings on costs
- Less waste generation

- Higher levels of recycling
- Highly durable materials for lower ongoing maintenance costs
- Faster building times, limiting noise and disruption for nearby residents
- Safer for construction workers, as modules are all built in factory at ground level.

IT'S ABOUT BEING SMART WITH DESIGN AND MAXIMISING OPPORTUNITIES FOR RESIDENTS ANDREA GALLOWAY, MANAGING DIRECTOR & CEO

#### **A Serious Housing Shortage**

The new development in Clyde Street, Guildford is helping to meet a serious shortage of affordable housing in the Western Sydney area. Within 500m of the train station, shops, buses, and local amenities including the library, it is also accessible to nearby employment hubs, including a 7–minute train ride to the Parramatta CBD, closely connecting residents with their community.

In the Western Sydney region, one and two-bedroom dwellings combined account for just 8.4% of all dwellings, yet couple and lone person households make up 40–50% of all households. The waiting time in this region for social housing is up to 10 years — during which time many are struggling to make ends meet. "We look for innovative ways to tackle the issue of housing supply in Western Sydney," said Andrea

Galloway, Managing Director and CEO, Evolve.

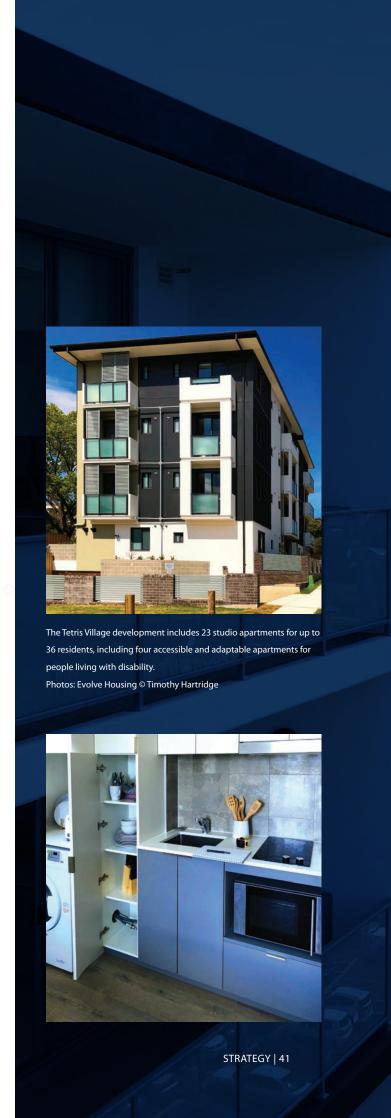
"Modular construction is an innovative technique that has limited application so far in the NSW property sector and especially the community housing sector.

It is a more efficient use of construction time and space."

In Western Sydney in particular, house prices and rental prices continue to rise disproportionately to wages. As Ms Galloway explained: "This is pushing many people out of the property market and further into housing stress as they struggle to meet high housing costs."

Savings on using this latest technology mean that Evolve can invest more of its resources in creating more homes and delivering vital support services to the Western Sydney community, and beyond.







### **DELIVERING HOMES**

Over the next 12 months, Evolve will continue to be hard at work to deliver integrated affordable and social housing in New South Wales.

We completed two new projects in the 2017–18 financial year, and have three more in development at a combined value of \$139 million. Together, the developments will deliver 377 apartments to 808 people in need of housing.

All of Evolve's developments target the specific needs of individuals and families who are unable to access the private housing market, whether for reasons of economic disadvantage, circumstance or disability.

### PROJECTS COMPLETED Harts Landing

Harts Landing in Penrith was completed in February of this year. It is a 268 apartment mixed tenure development in partnership with property developers PAYCE. Of the apartments, 118 are Evolve owned affordable housing, 10 are AHO affordable properties and 10 are Evolve owned social housing.

#### **Tetris Village**

Tetris Village is a groundbreaking modular design 4-storey development consisting of 23 studio apartments to house 36 people, plus a studio for the on site manager. There are four accessible apartments.

### PROJECTS IN PROGRESS King Georges Road, Roselands

King Georges Road, Roselands in Western Sydney is anticipated to be completed in November 2018.

It will consist of 26 studio apartments — 17 social and 9 affordable inclusive of 2 accessible and 8 adaptable apartments. This project has been developed by Evolve Pacific Developments.

#### Merewether Street, Newcastle

Currently waiting for planning approval, anticipated completion is early 2020, the Merewether Street

Newcastle development will include 30 apartments for affordable rental. There will be a mix of one, two and three-bedroom apartments, including three specialist disability accommodation apartments to provide much needed appropriate housing to people with disability.

#### Wallis Avenue, Canton Beach

Wallis Avenue, Canton Beach is due for completion in mid-2020 and is currently waiting for planning approval.

When completed, Wallis Ave will provide 30 studio apartments — 10 social and 20 affordable. This will be another Evolve Pacific Developments project.

#### PROJECTS IN THE PIPELINE

We have a number of projects in the pipeline. An 80–100 apartment development in Morisset just north of the NSW Central Coast will have a 30% allocation for affordable and social housing. It is expected to be completed in 2021, subject to planning approval.

We are working on three new developments in Western Sydney, as part of the Communities Plus project with the NSW Government. These are to be located in Telopea, Lidcombe and Padstow, and will jointly provide another 96 social and affordable apartments to Western Sydney.

We have completed our vesting commitment to the NSW Government three years ahead of schedule, delivering 42 apartments in the Ormond Street Gosford and Tetris Village Guildford developments.

## CREATING MORE HOMES

#### **Disability Housing**

Evolve registered as Specialist Disability Accommodation (SDA) providers in May 2015. We provide SDA across the Sydney metropolitan area and regional NSW. We currently provide tenancy and property management for more than 50 group homes and around 230 residents, with more SDA properties in the pipeline.

In the past year, to meet the growing demand for SDA, Evolve has recruited a Regional Housing Manager to provide localised tenancy and property management services in the Hunter/New England and Mid North Coast regions to support the growing number of SDA properties.

Our developments in Newcastle, Penrith and Guildford include SDA and accessible apartments that are customised for people with a disability. As part of Evolve's ongoing commitment to providing a diverse range of housing solutions, we have adaptable apartments that can be modified by residents with NDIS funding.

We were the first NDIS SDA provider to be awarded the highest 'Platinum Level' of property design under the Supported Accommodation Innovation Fund (SAIF) initiative.

### Local Allocation Strategy Mature Women — Tetris Village, Guildford

It is widely recognised that there are growing numbers of older women who have a need for more adaptable and accessible dwellings located close to amenities that are secure, require very little maintenance and are affordable.

The criteria is for women aged 55 and over, or 45 and over for Aboriginal and Torres Strait Islander women.

The local allocation strategy for Tetris Village, Guildford allows 6 studio apartments to be targeted specifically at income eligible single older women.

#### **Partnerships with Local Councils**

Evolve currently has two property management agreements in place with local councils, both of which were awarded through tender processes. In the 2017–18 financial year, we added Parramatta City Council properties to our management portfolio, adding onto our existing properties that we manage on behalf of Willoughby City Council.

This agreement has been mutually beneficial for all parties, with excellent social outcomes for residents and a positive response from the councils involved.





## ENHANCE BUSINESS PRACTICES

Our changing operating environment and the challenges being faced by our sector and our clients requires us to be agile (so we can match continually changing conditions and appropriately scale our operations), efficiently use our resources, and attract and retain staff who share and contribute to our organisation's vision and purpose.

This requires much more than embedding a compliance approach to operating our business where we meet, or even exceed, the requirements set by policies and regulations. It requires us to embrace a culture of innovation and focus on best practice and continual improvement. Not only will this ensure we remain viable and relevant but that we can maximise our value and the impact of the services we provide.

#### **OBJECTIVES**

- · Invest in our people
- Be a governance leader
- Drive business efficiencies and be responsive to new opportunities



## REDUCING POWER BILLS FOR RESIDENTS



Resident Deng Anai and his two children with Evolve employee Andrew Novella.



Gabrielle Upton MP, Evolve's Managing Director & CEO
Andrea Galloway, and Evolve's General Manager Jitender Balani.

Single father-of-two Deng is just one of the residents who has saved money on his power bills every quarter thanks to the installation of solar at his Evolve property.

Deng, who has been a resident of Evolve for seven years now, works as a machine operator to support his 8-year-old daughter Adut and 6-year-old son Anai.

He moved to an Evolve property from the private rental market in 2011, and said that the decision to do so has improved his life.

"Living in affordable housing has made my life better, because I'm working here and I don't have to move around...it's a good home, it's secure and the service is good," Deng said.

"Whenever I ask for Evolve to come and fix things, they come straight out and fix it, and when I call, the staff are never rude to me".

Deng's satisfaction with his experience at Evolve has only improved in the last year, with his unit block being chosen for energy efficiency upgrades. The upgrades were part of the *Evolving Green Energy*Action Initiative and were jointly delivered with the

Office of Environment and Heritage. They included the installation of rooftop solar PV systems, heat pump hot water systems and communal area LED lighting.

137 Evolve properties were upgraded, and the changes are estimated to save an average of \$859 per annum per household. Deng is already thrilled with the results, saving money on his bills that can now be spent on his family.

"It's made a difference because before I paid a lot of money on the bills but when the solar came in, when I pay, I can't even believe it...it's a really, really big discount; I used to pay \$300, and now I pay \$153 per quarter," he said.

## SAVING ENERGY OUR SUSTAINABILITY PROGRAM

For many people, the choice between putting food on the table or heating or cooling the home is a very real one. Evolve's *Evolving Green Energy Action Initiative* reduces power prices for low income residents and helps the environment by reducing carbon emissions.

Evolving Green began in May 2017, and has been carefully planned and implemented, making impressive progress against targets. By reducing business costs and improving our productivity, we have unlocked savings over the longer term which will enable us to deliver increased outcomes for existing and future residents.

Equally important is the commitment that Evolve has shown by integrating this energy action plan into our investment framework and culture.

#### **Evolving Green Objectives:**

- Reduce energy poverty and inequality
- Reduce carbon emissions
- Drive down operating costs of residential building common areas and corporate office

Low income residents have little ability to choose green technologies due to cost constraints, and are most vulnerable to energy price rises. The wellbeing of existing residents is being increased every day by this initiative as their energy bills are reduced and they are no longer excluded from living more sustainably. Our developments will deliver savings of \$1.94m over the next ten years. That's 745,000 kWh of energy and an estimated saving of \$594,000 or up to \$859 per household to Evolve residents.

To understand how the *Energy Action Initiative* has a positive impact on the environment, this equates to the energy produced by 217 cars a year.

#### **Upgrades and Improving Efficiencies**

The first stage of the *Energy Action Initiative* focused on reducing the energy cost for low-income residents by replacing aged and inefficient hot water systems with newer, more energy efficient heat pump systems. The Energy Action Initiative also installed solar PV panels and systems that transfer sunlight into electricity. In six months, 137 households received the upgrades.

Evolve also installed new lights and solar panels at our Parramatta office and installed new lighting in common areas of its residential buildings.

These upgrades deliver savings of \$673,000 to Evolve in energy and maintenance cost over the next ten years. Savings will be directly invested into building the supply of social and affordable housing and providing social inclusion programs and services.

The Energy Action Initiative also included no interest loans to replace old and inefficient appliances, and leveraging government programs that provide residents with big discounts on energy efficient washing machines and televisions.

#### **Energy Workshops**

Not-for-profit organisation Dharma Karta is working with Evolve to deliver a three-month pilot program to educate our social housing residents on saving energy and costs. The Dharma Karta community environmental engagement program is funded by the NSW Environmental Trust.



- Upgrade lighting (e.g. LED lighting) in residential building common areas
- No interest loans to replace appliances
- Government subsidies for energy efficient washing machines and TVs
- Free workshops for residents on saving energy at home
- Energy deals cheaper, cleaner, fairer deals for residents



## EARNING LOW INCOMES MAKES OUR RESIDENTS EXTREMELY VULNERABLE TO ENERGY PRICE RISES AND OFTEN RESIDENTS WILL GO WITHOUT HEATING OR COOLING TO BALANCE THEIR BUDGETS.

ANDREA GALLOWAY, MANAGING DIRECTOR & CEO, EVOLVE HOUSING



Upgrading Robert Street, Penrith with Solar power.

Workshop topics are:

- Climate change the basics
- Choosing the right energy plan (Energy bills 101)
- Saving energy in the home (Energy efficiency 101)

#### **Energy Deals for Residents**

Evolve has partnered with Energy Locals to offer residents an affordable energy deal. Energy Locals provides customers with cheaper, cleaner and fairer energy with no lock-in contracts, no joining fees and no exit fees. Energy is supplied on a fixed fee basis so residents know exactly how much they will be paying for each bill. Each customer receives the best plan so there is no need to be constantly negotiating for the best deal and the deal comes with a quarterly \$10 rebate.

"We know that one of the big-ticket items in any family budget is the cost of energy. This is especially true for our residents who are mostly low-income earners," said Andrea Galloway, Managing Director & CEO, Evolve Housing. "By retrofitting solar and installing new hot water heat pumps to our existing homes, we are able to help families live more affordably and in more comfortable conditions.

"The savings our residents make on power bills can be spent on basics like food, transport or other bills. The quality of life and health benefits that it delivers can't be understated especially in Western Sydney where weather can be extreme," she added.

## NEW WEBSITE ACCESSIBLE TO EVERYONE

In May of this year we relaunched our website to give our residents and stakeholders a far more intuitive, user friendly experience that is accessible by any device.

Our new site complies with Web Content Accessibility Guidelines (WCAG 2.0 AA) which is a technical standard developed under the Web Accessibility Initiative of the World Wide Web Consortium. Simply put, our website is consistent with world's best practice.

A high contrast colour ratio and user friendly, readable text makes the site more accessible for visually impaired readers, or those using smartphone screens or low quality monitors.

Other changes that enhance the user experience include: a more intuitive navigation and layout; a text size adjuster; a translate button (with more than 100 language options); and a high contrast tool.

The primary navigation system includes menus that provide quick and easy access to the site's major content areas, and has been designed to take into consideration the accessibility issues covered by the following standards:

- W3C Web Content Accessibility Guidelines 1.0 (1999)
- AGIMO Web Publishing Guide: Accessibility (2010)
- Australian Human Rights Commission World Wide Web access: Disability Discrimination Act Advisory Note version 4 (October 2010)

Other resident-friendly additions to the website include: a resident dashboard (compiling relevant forms, fact sheets and program information); an event calendar with online ticketing options; and a frequently asked questions page.

We have also introduced a new interactive 'report a repair' form, allowing residents to lodge and follow up repair enquiries online.

All new website features were designed specifically to accommodate the diversity of our resident profile. We want to appeal to all people including people who live with a disability and people who may not have even basic computer skills. We believe that all people should have equal access to information, and our new website has allowed residents to engage with us in an easy, intuitive way.



### BUSINESS ENABLEMENT THROUGH TECHNOLOGY

Evolve has been working hard to enhance and automate how we deliver business to the community. We have implemented several projects to improve our business enablement systems and deliver better, faster customer service.

#### **Asset and Maintenance**

We improved processes so that frontline staff in the contact centre and asset teams could deliver better service to the community. We have completed three of the five phases of the project, and with the new financial year will realise even more improvements and benefits to our residents and community. Improvements included:

- · automation on raising work orders
- · delegations based on demand dashboards
- on demand reports to provide information to senior managers and the executive team to assist with decision making
- · finance integration
- third-party suppliers' integration

#### **Support Plans**

We have set up automated reporting to support the needs of our residents. The support unit team can now offer a variety of services to all tenants, such as training, education, job opportunities, and monitor the progress of the service we provide. The automated resident reports also provide the support unit, management and executive team with data and information, including outputs and outcomes, history of follow ups, and on demand dashboards and analytics.

#### **Cyber Security**

We appointed specialised cyber security consultants to measure the level of security and risk to our IT systems. This involved an extensive cyber security internal and external penetration test, simulating attacks to our current systems in the cloud, and internally.

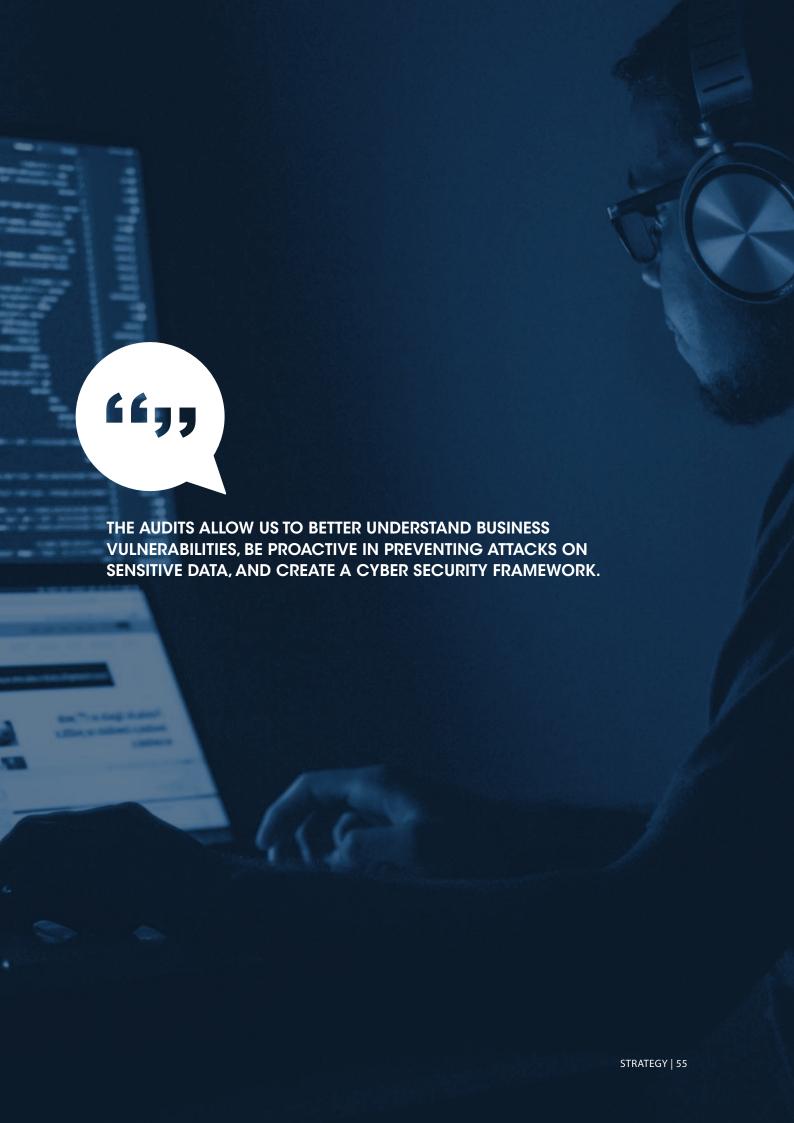
The process took two months to complete and the specialists produced an audit report identifying our strengths and making recommendations to enhance security. The audits allow us to better understand business vulnerabilities, be proactive in preventing attacks on sensitive data, and create a cyber security framework. The project also included educating team members over two sessions of training provided by a Deloitte senior cyber security specialist. This training included providing staff with the tools to identify and respond to a cyber-threat.

#### **Billing Automation**

By implementing automated billing, we have managed to save large amounts of time for our finance team, and significant cost savings. The billing is now integrated with our other systems, providing dynamic reports and dashboards. It also provides more accuracy and a more agile process, to better service billings to residents. There were five key areas of invoicing which are now automated, with improved processes.

#### They are:

- Water
- Electricity
- Council rates
- Strata fees
- Landlord charges





## OUTSOURCED MAINTENANCE PROGRAM

Evolve manages the maintenance of over 50 NSW Family and Community Services (FACS) properties across Sydney on a fee for service basis. These properties provide crisis accommodation and include women's refuges, youth refuges and major crisis accommodation support services.

Residents at the FACS properties get high-quality maintenance, making their homes safe and functional, and they are able to send repair requests directly to us.

The revenue that we generate from the outsourced maintenance program enables us to improve our services and programs for all Evolve residents.

Bundling this maintenance work with our large portfolio of properties ensures economies of scale are passed through to FACS and all stakeholders benefit.

One of the highlights of the year was the procurement of a \$2million FACS maintenance program. In the coming 12 months we will begin on a five year renewal program for FACS.

The services we offer include:

- A contact centre to receive maintenance calls 24 hrs / 7 days
- Technical expertise
- Tradespeople to undertake responsive and upgrade works
- · Project management
- Review of property in accordance with the NSW asset performance standard
- Managing relationships between support and tenancy providers

#### **Our New Maintenance Contract**

The 2018 NSW Land and Housing Corporation (LAHC)
Asset Management Framework (AMF) forms part of
the contracting arrangement between Evolve and

LAHC regarding the management of social housing. The AMF sets out the requirements and responsibilities for management and maintenance of social housing under Evolve's management.

Evolve has adopted the key elements of the AMF in its work practices. It applies to all LAHC owned properties.

In 2018 Evolve had re-tendered the contract for its maintenance services with a view to increasing price competitiveness, managing any potential pipeline arising from current tenders (including retaining sufficient flexibility in contracts to allow for multiple providers) and building in social outcomes requirements into contracting arrangements. The new maintenance contract is built on the principles of a collaborative approach that promote partnership between maintenance contractors and Evolve.

This approach is expected to achieve:

- · Value for money
- · Scalability and flexibility
- Minimise risk
- Increase tenant satisfaction
- Highest standards of safety

The new contract is a performance based fixed price maintenance contract. It gives Evolve the ability to measure the performance of our contractors and it provides opportunity for improved social outcomes for residents which drives improved customer satisfaction.

## IMPROVING SERVICE AND EFFICIENCY

#### STRATEGIC ASSET MANAGEMENT PLAN

Our Strategic Asset Management Plan (SAMP) provides a coherent and well formulated decision and planning process that aligns with our organisational objectives. The decisions we make about planning for new investments and asset management will continue to build our capacity for effective and efficient service delivery.

Our SAMP is crucial to Evolve's overall strategic direction. It builds on the objectives outlined in our Strategic Plan 2018–22. Our SAMP minimises risks, achieves value-for-money, and promotes sustainability. It focuses on the acquisition of assets and the way we develop our properties to meet the various needs of the people we serve. Long term objectives can't be achieved without maintaining our existing portfolio and achieving economies of scale in our work practices. Savings are reinvested into our services and maintenance consolidates our assets.

### Risk Management and Control Assurance Frameworks

It is essential for our business that we continually assess and monitor risks to the organisation.

The Risk Management Framework provides the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management.

It does not mean that we do not take risks, where warranted, but rather it establishes a mandate and commitment from the organisation to the management of risk and details the procedures by which risk management will be implemented within the organisation.

The Control Assurance Framework sets out Evolve's assurance approach to the review and testing of key controls within the organisation, and articulates

a solid risk and control architecture methodology. It prescribes an integrated approach to testing the adequacy and effectiveness of risk management across risk categories by:

- Identifying all material risks and the key controls used to manage those risks.
- Testing the design and operating effectiveness of those controls.

During this financial year we successfully:

- Rolled out the risk management and control assurance frameworks and methodology
- · Educated and trained key staff
- Conducted risk assessment workshops
- Completed all planned control assurance reviews.

The significance of the risk management and control assurance frameworks is that, for our clients, there is a level of assurance that our risks are being managed; we are seeking continuous improvement; and that we are operating in line with regulations, our contractual obligations and our internal policies and procedures.

The work undertaken goes toward improving stakeholder confidence and trust, providing assurance and better identifying opportunities and threats in order to have better decision making and planning.

We have reviewed all risks identified in the risk register, and implemented several process

improvements as a result of the control assurance reviews. Our residual risk ratings have reduced in the last year, and over the coming 12 months we will work to continue to improve the risk culture and risk maturity of the organisation.

#### **Business Continuity Planning**

As part of the Risk Management Framework and Crisis Management Framework, Evolve has developed a Business Continuity Plan (BCP) that provides assurance to the business and all stakeholders that Evolve will be able to operate with minimal disruption or downtime in the event of a national disaster or catastrophic disruption to the business.

The BCP documents key procedures for each department to ensure critical business activities are resumed as soon as possible. The BCP also identifies potential threats to business continuity that Evolve can then ensure sufficient mitigating controls are in place, or if the threats do materialise, there is a Plan-B in place.

The potential threats that were identified include, but are not limited to: loss of premises, IT systems failure, loss of key staff, damage or loss of critical information or records, external utilities failure, compromised physical or IT security, fire or terrorist threats. The BCP serves as a guide to effectively respond to these disruptions and restore critical business operations.

During the last financial year we have:

- Engaged a consultant to perform an assessment of our current practices
- Developed and implemented a Business Continuity Plan



- Facilitated a Crisis Management Simulation Exercise to assist management in preparing or responding to a crisis that may require the BCP to be invoked
- Set up a Crisis Management Team.

The BCP will continue to be monitored over the next 12 months, followed by annual reviews.

#### **Project Management Approach**

It is essential that we not only document clear business priorities at Evolve, but that we apply a comprehensive project management approach to manage these priorities and to remain accountable.

During the year we held Business Planning workshops with teams and/or divisions to develop the Evolve 2018–19 Divisional Business Plans, and to provide visibility on the 2018–19 priority projects. We also applied a comprehensive project management approach to manage 2017–18 priorities including Quarterly Business Review meetings. These were held to:

- Review the progress of Evolve's priority projects against the Business Plan and to make decisions about remedial actions where projects were not on track
- Review expenditure against budget and make decisions about future spend in order to redress any imbalance
- Identify, report on and decide on remedial action for major risks
- Review compliance activities and identify future requirements
- Discuss staff resourcing needs of Evolve in order to make decisions to meet the objectives of the Plan and Budget, and
- · Discuss Workplace Health and Safety.

We adopted this approach with our project management and support for the Harts Landing

project and our vesting projects in Ormond Street Gosford and Tetris Village Guildford, whereby we aligned our strategic plan and strategic objectives to our operations. This gives the Executive team visibility on project delivery, risks and issues, by accurately tracking priority projects instigating timely remedial action when necessary. Project support enables a good return on investment, saves time and encourages accurate project governance and records.

#### **Safety Audits on Properties**

Evolve is always considering residents' safety and security, and work with the NSW Police Force to maintain secure environments.

We became concerned about the security of residents' mail when police advised that the standard camlock on letterboxes could be tampered with to allow access to mail.

According to the Australian Bureau of Statistics (ABS), personal fraud, including card fraud, identity theft and scams, more than doubled in 2015 from five years previously. Theft of mail is one of the leading factors in a person's identity being stolen. Items such as credit cards, driver's licences and utility statements sent out in the mail include many personal details and put residents at risk.

Evolve therefore introduced a requirement for all new projects to have letterboxes with increased security by installing radial locks. Radial locks provide additional tamper resistant security.

The consequences of identity theft can have a long-lasting impact on a person's financial reputation, and can have a serious impact on their emotional and financial well-being.





## SUSTAINING TENANCIES

Secure, affordable housing plays a critical role in improving the lives and wellbeing of vulnerable Australians. Building residents' capacity and assisting them to sustain their tenancies cannot be reduced to a single response but must include a range of initiatives. An essential element of Evolve's role in this regard is to identify residents' support needs and link them with appropriate support services before issues escalate.

Delivering quality housing, tenancy and property services that meet the needs of our residents is a core service outcome for Evolve. We will continue to monitor tenancy satisfaction levels and refine asset and tenancy management practices and policies to meet or exceed industry benchmarks.

Evolve will continue to strengthen partnerships with support services to improve residents ability to maintain their tenancies and deliver programs and services that build capacity.

#### **OBJECTIVES**

- Align housing and support services to residents needs
- Assist residents on The Journey Home®
- Influence housing policy to drive improved outcomes



## TAILORED SUPPORT DELIVERING BETTER OUTCOMES

An affordable home is a great foundation for our residents however many benefit from extra support on their journey to independence.

In 2017, we introduced individual support plans for every resident who enters into a tenancy agreement with us. So far, of the residents who have had their needs assessed, 67% have received their full support plan.

The individual needs of our residents are varied and often complex, and our Support Unit works to understand and address these through a network of support services.

Our Personal Support Plan Program was researched meticulously and successfully piloted over a six month period. The development of automated workflows has reduced the administrative burden and freed up support workers to spend more time with clients.

A support worker works with each resident to assess their needs including personal health, welfare and overall well-being. Information about gender, age, cultural characteristics, social inclusion opportunities, education level, capacity for employment, and whether or not they have had stable accommodation, is all relevant and recorded.

Individual needs are then assessed to be either low, moderate or complex. We use an internationally recognised metric called the Personal Wellbeing Index (PWI), and this allows us to measure the improvements made by our residents once services have been engaged.

When we have all the information, we are able to identify the level of support that residents require and link them up to specialist services to help them meet their needs and goals. Evolve has partnerships with

a range of service providers including social enterprises, training services, employment services, English language teachers, childcare, and health specialists.

We also provide support for the following:

- · Domestic and family violence
- Mental health
- Substance abuse
- Aged care
- Family and children's services
- · Youth services
- Culturally and Linguistically Diverse (CALD) communities
- Migrants and refugee services
- · Homelessness services
- Aboriginal and Torres Strait Islander people.

#### **Results**

- 67% of new residents received support plans
- 80% of respondents received the support identified in their support plan
- 90% of residents were satisfied with the support they received from Evolve in establishing their support plan
- 73% were satisfied with the services they received from external service providers
- 92% of respondents felt better able to manage after receiving their support plan
- 94% felt more able to cope with life events
- 78% reported their self-esteem and confidence had improved since receiving a support plan
- 9.3 points (or approx. 16%) was the average improvement in their Personal Wellbeing Index

### RESIDENTIAL SUPPORT PROGRAMS

#### **Financial Assistance**

Evolve offers a special program to residents called Evoloans, a no interest loan of up to \$1,200 to buy new household items such as white goods, computers or medical equipment. If they meet the criteria, the resident will go on a payment plan tailored to their personal financial position.

Residents who are entering an Evolve home directly from homelessness or after leaving domestic violence can access the Kick Start pack, which provides household basics to help them settle in. These include a vacuum cleaner, microwave, pots and pans, cutlery and more.

#### **Education**

To enhance high school retention rates and assist residents to complete their HSC, financial support is available. Working with schools, parents and students, Evolve has created a High School Help program to provide financial grants of up to \$10,000. This covers the purchase of books, equipment and tutoring over a three year period.

The Keep Educating Yourself Grant is aimed at tertiary students attending TAFE, certificate programs, trade school or university. This grant provides \$4,500 over three years.

#### Training and Employment

Evolve has partnerships with employment services, registered training providers and social enterprises to provide residents with job ready skills such as numeracy, literacy, and presentation for the workforce. Partners also help residents enrol in and complete Certificate courses for growth industries

such as aged care, disability support, community and hospitality/retail. Some of our partners include Ability Options and Max Solutions.

Our new maintenance agreement specifies that the contractor who does maintenance on our properties must also offer an apprenticeship or employment opportunity for Evolve residents.

#### **Health and Wellbeing**

The Building Skills for Life program teaches residents skills in areas relating to budgeting, conflict resolution, and personal needs management.

Examples of subjects taught in the program include healthy cooking and digital literacy. Evolve is part of RecLink, an alliance that offers a weekly schedule of physical activities to residents, held across the Parramatta and Blacktown areas with no charge.

GO! Grants provide families and children (aged up to 18 years) an opportunity to participate in sporting and cultural activities by covering the cost of uniforms (up to \$700), equipment or fees.

#### **Social Inclusion**

Our Friendship Aged Network (FAN) consists of trained volunteers who make weekly phone calls to our senior residents who live alone. The program provides residents with a friendly chat in the comfort of their own home, and connects them to social outing opportunities.

Local residents of all ages can benefit from the Community Greening project, which unites people to build functional community gardens on their premises.





### RELIEF

## OUR COMMITMENT TO ENDING DOMESTIC AND FAMILY VIOLENCE

Evolve is committed to taking positive action to respond to violence against women, and has policies in place to support staff and residents who may be experiencing domestic and family violence. We also aim to cultivate a workplace culture that promotes respectful behavior and makes it clear that violence is never acceptable.

#### WHITE RIBBON ACCREDITATION

Since 2017, Evolve has been working towards becoming a White Ribbon Accredited Workplace.

This program recognises workplaces that are taking active steps to prevent and respond to violence against women. It is an 18-month long accreditation process, requiring significant commitment from staff and management.

To become accredited, organisations must meet 15 criteria under three standards, designed to create a safer and more respectful workplace. White Ribbon works alongside organisations to guide and support them through the process.

According to White Ribbon: "The program builds on existing gender equality and diversity initiatives, providing the tools to strengthen a culture of respect and gender equality at all levels of the organisation... supporting all employees to challenge inappropriate behaviour and strengthening gender equality within the broader community."

The White Ribbon Workplace Accreditation Program is globally recognised and has reached more than 600,000 employees, at nearly 200 accredited workplaces in Australia.

#### SAFE FOUNDATIONS

Evolve has entered into a partnership with Women's Community Shelters (WCS) by piloting an initiative that supports survivors of domestic violence into safe and affordable accommodation under the program called Safe Foundations.

Safe Foundations provides a secure transition from crisis accommodation into safe and affordable independent living. Evolve provides subsidised private rental accommodation for women (and their children) transitioning from WCS for up to three years in the Penrith and Blacktown Local Government areas.

The transition is strengthened by formal support plans designed to improve the health and wellbeing of domestic violence survivors and to provide them with opportunities for training and employment.

Annabelle Daniel is the Chief Executive Officer of Women's Community Shelters, the first women's refuge and crisis accommodation service to sign up to the Safe Foundations initiative. She believes that the contribution by Evolve will provide much needed security for women and their children. "This partnership gives us a secure transition path from our crisis shelter services into safe, independent living. The fact Evolve is offering three years subsided rent and support services

is important: it usually takes that long for a woman in crisis to navigate through the legal and custodial battles after escaping domestic violence," said Ms Daniel.

Statistics from the NSW Bureau of Crime Statistics and Research (2017) show that the Local Government Areas of Blacktown and Penrith have the highest numbers of domestic violence incidents anywhere in NSW.

Contributing to the cycle of domestic violence is a lack of suitable and affordable options or an unwillingness by landlords to accept survivors as tenants. In one case a woman and her children were turned away from 60 properties. Under these circumstances, families can find themselves susceptible to dangerous living conditions and often homelessness.

According to Andrea Galloway, Managing Director and Chief Executive Officer of Evolve, it's the combination of supports that's required to break the cycle of domestic violence.

"To facilitate long lasting change for these women and their children, we are taking an integrated approach. Our Safe Foundations program provides subsidised medium-term housing and tailored support plans in the context of a broader support system. The 3-year program is designed to connect women to training and employment while they navigate life as a single parent, trying to stabilise their lives in readiness to move into the private rental market and live independently," she said.

Participants in Safe Foundations are offered Kick Start packs with household essentials such as kettles, toasters and blankets. We also offer Evoloans — a no interest loan initiative for larger purchases like whitegoods and laptops, and education grants worth up to \$10,000 over three years.

We have been building relationships with a number of partners to run the Safe Foundations program. The skills and resources from each of those partner organisations have contributed to some genuinely positive outcomes for people in urgent need of support.

The pilot project that started with Women's Community Shelters will look to expand across Sydney to provide additional secure housing options for women and children escaping domestic and family violence.

### DOMESTIC VIOLENCE TOOLKITS

Evolve is dedicated to providing stable and affordable medium to long term accommodation for women and children escaping domestic and family violence. While stable accommodation is vitally important for the safety and security of survivors\*, we also recognise that they often leave with little more than some clothes and little money to survive.

Our approach is to make sure that survivors are able to access whatever services they require to ensure their safety, and then to have the ability to provide for their children in a sustainable and consistent way.

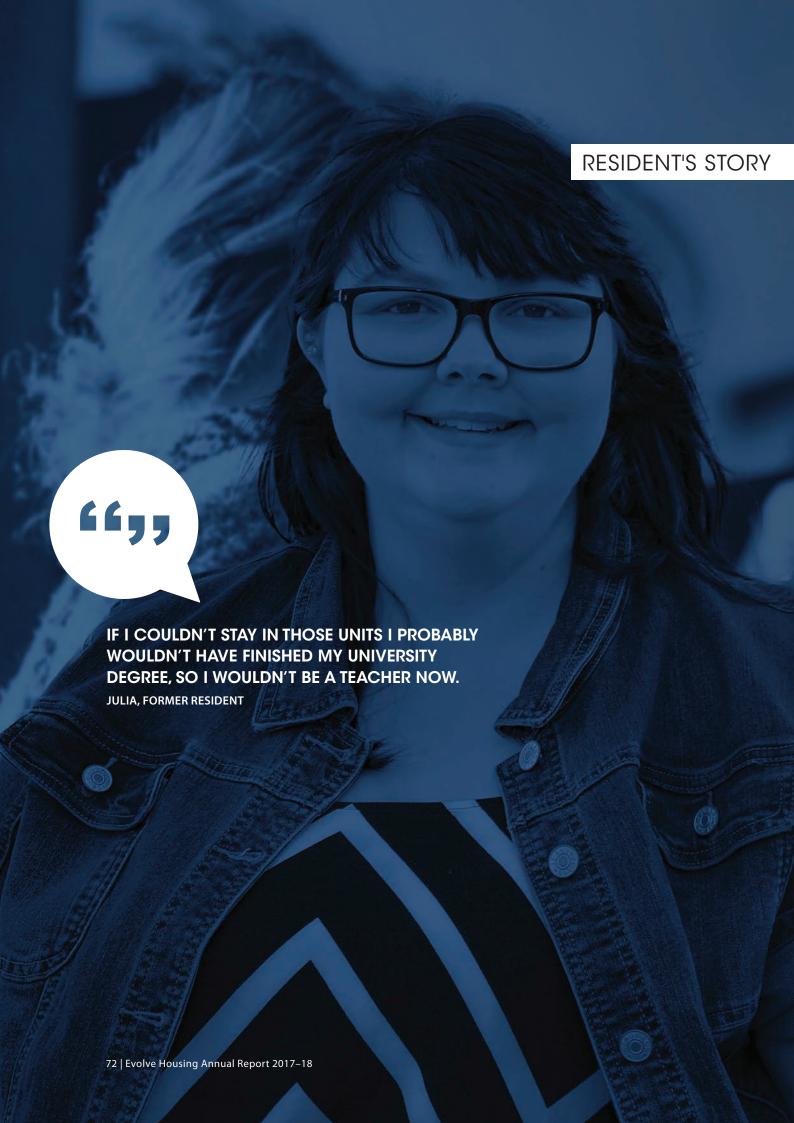
The Domestic Violence Toolkit informs housing professionals on the additional supports that may be required when organising a family's accommodation. We are aware that survivors of domestic violence can be discriminated against in the private rental market.

For that reason, survivors may be inclined to conceal their plight for fear of ongoing prejudice. We want to make sure that they no longer feel victimised and are able to access whatever they need to get back on their feet.

To make sure that we are responding in an effective, timely and comprehensive way, we have implemented the following principles for the wellbeing of any person who makes contact with us resulting from their experiences with domestic and family violence:

- We ensure all Evolve employees across all divisions receive training on identifying and responding appropriately to Domestic and Family Violence.
- We have simplified the reporting process. Residents are able to report Domestic and Family Violence to us in person, in writing, over the phone and online.
- We undertake to investigate all reports of Domestic and Family Violence that we receive. We recognise that reports of antisocial behaviour might also be related to incidents of domestic and family violence and they will also be assessed.
- We respect the right of survivors to choose a staff member of the same gender to deal with their case whenever possible.
- We guarantee the confidentiality of any reports and we will meet with survivors at the Evolve offices or at a venue specified by the survivor. We will also maintain the form of contact that the survivor has requested we use to maintain contact.
- We will engage with other agencies to ensure a coordination of services to ensure the safety and wellbeing of all survivors.
- We will make referrals to external agencies and provide legal advice including legal advice on tenancy issues. We will make representations to external agencies on behalf of the survivor wherever appropriate and when we are given consent to do so.
- Encourage survivors to engage with Domestic and Family Violence support and advocacy services and, if required, make referrals on their behalf and with their consent.





# OPENING DOORS

When first-year teaching student, Julka (Julia) was forced to leave her family home, she felt she had nowhere to turn. Although she was working when she could, her full-time study meant she could not earn enough to pay private rental prices in Sydney. She was forced to choose between dropping out of her Western Sydney University degree, or facing homelessness.

Fortunately Echo Realty could help. Julia's circumstances meant she was eligible for affordable housing — an option she didn't know existed. Within two weeks of applying, Julia had moved into a brand-new apartment at Glenmore Park, which she describes as a "really lovely, middle class suburb, with really nice neighbours."

"If I couldn't stay in those units I probably wouldn't have finished my university degree, so I wouldn't be a teacher now," she said. "I'd have needed to find a better paid job."

Three years on, and Julia has moved into private rental housing, working as an English teacher at a boys high school, and is saving for her first investment property.

"I didn't have the best upbringing, and found myself in a position where I needed help. I see affordable housing as help for those who need a leg up; not a handout," she said.

Echo Realty reinvests its profits into growing the supply of affordable housing, to be able to help more people like Julia.

For Julia, one of the best aspects of moving into an Echo Realty property was the lack of stigma attached to affordable housing. "People didn't even know I was living in an affordable housing property. It didn't have that stigma attached to it, which was great."

Looking back, Julia understands the reality of what life would've looked like without an affordable housing opportunity. "Echo Realty's services supported me through one stage of life, and into the next."



First-year teaching student, Julia, former resident.





# BUILDING **SKILLS**

# **Youth Living Skills**

Youth Living Skills is a program designed to improve the general life skills of young people. Through the program we teach and inform young people about important information relevant to general living and maintaining a tenancy, such as employment, education, budgeting and more. Independently funded, this program better prepares young people currently in our program and also in the future for realistic independent living.

There is often a lack of basic knowledge in young people that can prevent them from moving onto and sustaining longer-term housing. Many of the young people referred to Evolve for Youth have been homeless or at risk of homelessness, with no consistency or support at home. Some are from Culturally & Linguistically Diverse (CALD) or Indigenous communities, and/or out of home care.

The Living Skills program teaches young people how to develop routines in property cleanliness, personal hygiene, communication, and about their rights and responsibilities. The program supports young people with developing basic skills and enabling them to live independently.

The program is either one on one, in smaller groups during a house meeting or in a larger group setting. Thanks to grants from Cumberland and Parramatta Council, we will soon be developing an online program to support and grow the face-to-face program. This will be accessed via the Internet to allow young people to work on these skills at a time that is suitable to them, particularly if work or study is prohibiting them from attending a program in the office.

Participants need to be Evolve Housing for Youth clients aged 16-24 years old who are homeless or at risk of homelessness, being case managed by our service and housed in transitional

Evolve Housing © 2017

accommodation through our partners. These young people are then able to live in semi-independent housing with regular case management support.

Evolve Housing for Youth (EHY) is funded in partnership with Parramatta Mission. There are plans for this service to be offered and extended to the wider group of Evolve residents.

For this program we partner with High Street Youth Health Service, TAFE, and Milk Crate Theatre and are looking at developing further partnerships with local community organisations in the delivery of the living skills program. This year we were able to have some of our young people involved with the Milk Crate Theatre program, and they are preparing to perform in November at Parramatta Riverside Theatre.

Over the next 12 months, we are looking to develop and more broadly implement the online program, currently being piloted, to allow more young people to participate. We will also provide more training for case workers to facilitate the living skills program at house meetings and other client groups, and develop further partnerships with local community organisations to share insights, and work to develop better and long-term sustainable living skills programs that are engaging and relevant to clients' needs.

# **Mental Health Training for Staff**

Evolve recognises that at times team members come into contact with residents that have complex needs that require our assistance in managing their health issues to sustain tenancies. Evolve is committed to ensuring our team members have the skills and knowledge to support our residents along their journey. One area we saw as a priority was mental health awareness and the support needed to assist residents to manage their tenancy successfully. Therefore we implemented a staff training program that includes face to face training, workshops and assessment criteria that cover the signs and symptoms of depression, anxiety, psychosis and substance abuse. Many team members have undertaken this training and successfully gained a Mental Health First Aid certificate.

# **Bin Caretaker Program**

Following some issues with cleanliness around the bin bay areas of some of Evolve's larger tenancies, this year we initiated a program called the Bin Caretaker model. It involves having a volunteer resident take responsibility for the bin bays, in return for a rent credit every month. This has provided an opportunity for further income relief for residents, and has greatly reduced the problem of bin mess.



evolve Housing © 201



# STRENGTHEN COMMUNITIES

Strong communities are socially inclusive, connected, resilient, just, and prosperous. Building the capacity of people and their material resources increases their potential to participate and contribute within their community and the economy.

Helping our residents with building life skills, improving health, educational outcomes, financial management, and employment skills increases their capacity to engage with, and contribute to, their community.

We will build on our partnerships to access needed resources, capabilities, programs or funding to collectively achieve greater outcomes for individuals and the communities in which they live.

# **OBJECTIVES**

- · Measure and maximise positive social outcomes
- Enhance social and economic participation of our residents
- Develop and participate in programs to deliver integrated communities



# WESTERN SYDNEY **HOMELESS CONNECT 2018**

Western Sydney Homeless Connect is an annual one day event that puts people experiencing homelessness in touch with a range of support services to help them out of the cycle of disadvantage and to provide some respite from the day to day challenges of not having affordable and stable accommodation.

Evolve has led and coordinated the event for the last three years. This year it was run to coincide with Homelessness Week under the theme of ending homelessness together.

There were 50 different support service providers on hand to help with everything from clothing vouchers, nutritious meals and health checks to financial assistance, housing and counselling services.

Western Sydney Homeless Connect makes a tangible difference in the lives of people who are in genuine need of support.

The 2017 event made 1,045 connections with people who required assistance in one form or another. We provided: 1,200 nutritious meals, 288 health checks, 113 clothing vouchers and 116 haircuts. Some 300 care packs were distributed and more than 200 people benefited from support to find affordable housing, help with education or employment, legal assistance, financial advice and counselling services.

The event is a community wide effort. Service providers form a steering committee that is responsible for resourcing the event and mobilising teams of volunteers. Those volunteers dedicate hours of effort to make sure that the services we provide are directly addressing the needs of the people we support.

As well as making sure that this year's event would be a success, starting in 2015, Evolve took on the added responsibility of creating a model that would ensure the event's sustainability into the future.

The St Vincent de Paul Society under the auspices of Vinnies is taking a greater leadership role next year and our efforts in harnessing all of the great work done over the past three years will provide the foundation for next year's event and events for many years to come.

Evolve will continue to be the provider of affordable housing and an active participant on the steering committee. It is vital that we continue to form and maintain these partnerships for the benefit of people who are in genuine need of our ongoing support.



Dr Geoff Lee MP, Betty (Evolve Housing for Youth client), Keith Hamilton, CEO Parramatta Mission, Amanda Chadwick former Administrator City of Parramatta.

# Photo by Artem Bali

# STORYTELLING DEVELOPING VIDEO MAKING SKILLS ON SMARTPHONES

*Spinning Together* is an inspiring compilation of smartphone videos created by Evolve residents telling their own personal stories, in their own words.

The project brought together social and affordable housing residents aged between 14 and 87 from a variety of different cultural backgrounds. It was based on inter-cultural learning, giving participants a chance to reflect on and celebrate the role of diversity in society, while promoting inter-cultural and interfaith understanding.

Together, residents shared their experiences of living in Western Sydney and the challenges they have faced in their lives. In a two-day workshop, 15 Evolve residents were taught how to capture their own footage and then, with the help of a smartphone app, edit it into a two-minute format.

Yasmin Awad was one of the community members who contributed her story to *Spinning Together*. She was surprised by how quickly she was able to develop the necessary skills and how comprehensive the process was.

"I didn't think it would be accessible through a short workshop like this," Yasmin said. "We've learnt how to take shots, how to frame, how to edit, how to create meaningful stories and how to share it. Everybody has an important story to tell and, in particular, film is a really powerful tool to share your story," Yasmin added.

Spinning Together premiered on Thursday 5 July at the Parramatta City Campus of Western Sydney University. Western Sydney University's School of Business kindly donated their theatre for the evening. Featured

residents, their family and friends, and many of Evolve's supporters and staff attended, including Managing Director and CEO, Ms Andrea Galloway.

Lee Reid, another community member who told his story, would like to use the *Spinning Together* experience as the foundation for a career as a video producer.

"I've learnt a lot of skills on how to shoot and edit a video. I think that's awesome because I plan to make educational videos for kids and adults. I think this has really helped me to move forward," Lee said.

To make the project possible, Evolve successfully applied for funding from the Premier's Social Cohesion Fund to pay for the professional training and all of the equipment. We also wanted to make sure that the project was as inclusive as possible so we provided free childcare for parents who may not otherwise have been able to attend, and interpreters for residents whose primary language is Mandarin or Cantonese.

While social and affordable housing is central to everything we do, we also recognise that feeling connected to our community is essential for our residents to lead happy and meaningful lives.

Throughout the learning and filming process, the residents formed a connection and mutual respect for each other and the significant challenges that each person has faced in his or her life.



# COMMUNITY CONNECTEDNESS

We aim to reduce social isolation for our residents, and encourage a strong sense of community with events, training days, programs and residents groups. Evolve offers a range of social activities to cater to all ages, from childrens fun days to senior friendship networks.

# **Residents Council**

The Residents Council is made up of a voluntary group of residents who work towards making sure the needs of the Evolve community are met. They get involved in decisions that have an impact on residents and they empower others to do the same.

The Residents Council has a review opportunity for any policies that affect residents. They also provide input into the organisation's future direction and make suggestions about service delivery.

# **Local Residents Groups**

There are six Local Residents Groups (LRGs) that meet regularly to support the Residents Council. They help to connect residents with their neighbours, discuss issues and work together on community projects.

By joining their LRGs, residents are able to meet their neighbours, share ideas, and strengthen their bonds to the community. Each LRG decides how often it wants to meet and the issues they choose to discuss. The Residents Council helps LRGs get established and facilitate their meetings before they become independent.

# Friendship Aged Network

The Friendship Aged Network (FAN) is another example of some of the great work done by the Residents Council in partnership with Evolve management and staff. Since 2006, FAN volunteers have been calling and visiting our elderly residents

so they have enough support and interaction with others to be able to remain in their homes.

Some volunteers phone residents for a social chat and to check on their wellbeing. Other volunteers call in for a cup of tea in the comfort of the resident's home and on occasions, they even go out on day trips together.

FAN makes contingencies for an interpreter if the resident speaks a language other than English and there are checks included in the procedure that provide for the safety and wellbeing of both parties.

# **Community Gardens Project**

The Community Greening Project, *Going Green*, unites local residents with the common goal of building and managing gardens that produce sustainable fruit, vegetables and herbs for the benefit of the entire Evolve community.

The project is the result of a partnership between Evolve and the Royal Botanic Gardens Sydney (RBGS). Evolve provides residents with all of the equipment they require and the RBGS provides the plants. Staff from the RGBS help with the skills and knowledge to maintain a healthy and productive garden and they advise residents on the benefits of sustainable living.

# School Holiday Fun Day

This year, we ran nine different events to encourage residents of all ages to socialise and experience community activities.

Evolve Housing © Robert Costa



One of the most successful events was the School Holiday Fun Day, which was free for residents of Evolve, Mission Australia and St George Community Housing. The event encourages children and teenagers to be imaginative, daring, active and hands on with an array of sports, creative activities and games for all ages.

This year, the attendance was 400 strong. The School Holiday Fun Day event provides a shuttle service from Rooty Hill train station to make sure that everybody who wants to go has the means to get there.

It means a lot to the kids to have something to talk about with their friends when they get back to school. For some families, it is the only school holiday activity that they can provide. And everyone went home with a free show bag full of goodies.

### LikeMind Partnership

The *LikeMind* partnership is a pilot program funded by the NSW Ministry of Health, designed to help adults with mental health concerns and their families and carers to access a range of very specific and integrated services so they are able to re-engage with the community.

LikeMind identifies how each consortium member can coordinate with one another to achieve the common objective of providing adult mental health clients with improved access to services and to enable continuity of care.

Services include drug and alcohol education and support, primary care, vocational guidance, employment and housing. Clients also receive support to access psychologists, psychiatrists and GPs. Evolve's role as a consortium member is to support

LikeMind clients with information and advice about how to secure sustainable housing from a range of options provided by Evolve, FACS (under their Housing Pathways program), private market rental, bond loans, and any other relevant services.

Evolve also supports these clients with housing assistance, depending on their entitlements.

Collaboration includes the sharing of our housing expertise.

Clients can receive the support they need in one location as all staff and consortium members work collaboratively from the *LikeMind* Seven Hills office.

# **Local Trades Strategy**

As an organisation that manages disability properties, Evolve understands how important it is to have tradespeople who are highly responsive to the needs of people who are living with a disability. We need to provide our clients with a personalised and highly responsive service, including responding very quickly to after hours call outs.

Using tradespeople on an ad hoc basis is expensive, time consuming and does not fulfill the high levels of service delivery that Evolve and FACS expect our clients to receive. Small contractors very rarely have automated invoice systems, which makes the logistics of such relationships very challenging.

The objective of the Local Trades Strategy is to build a team of tradespeople who have the specialist knowledge, qualifications and capacity to provide continuity and quality of service to Evolve and an additional small portfolio of FACS properties and clients. To get the program started, we contacted FACS and

built a list of tradespeople who had worked on FACS properties. We then undertook a due diligence process to confirm the qualifications of those tradespeople, their willingness to participate and a background check on their service credentials.

Both Evolve and FACS agreed on the need to have tradespeople with broad skills sets who understood the importance of cyclical maintenance. The biggest challenge, aside from the selection of suitable companies, was extending our IT system to accommodate the additional contractors. However, now that this has been achieved, we can continue to add contractors with new skill sets into our system.

The benefits to Evolve and FACS clients are significant. Because we have established relationships and agreements with our tradespeople, there is neither confusion nor delay when it comes to service delivery. We have a team of highly skilled tradespeople who are familiar with the needs of people living with a disability — many of these residents have significant challenges that our tradespeople understand. We receive services at a lower rate than we would for one off bookings, so can return these savings through the services we provide.



Photo by Alejandro Ramírez



# PEOPLE & GOVERNANCE 02

# **OUR PEOPLE & CULTURAL JOURNEY**

At both the Board and staff level, Evolve aims to attract and support people who are skilled, hardworking and dedicated to our strategic goals.

# ORGANISATION CHART EVOLVE HOUSING MANAGING BOARD OF DIRECTOR **DIRECTORS** & CEO 88 | Evolve Housing Annual Report 2017-18

# GOVERNANCE GOVERNANCE, RISK & COMPLIANCE & LEGAL

LEGAL & POLICY

CORPORATE **SERVICES** 

**FINANCE** 

**BUSINESS SUPPORT & FACILITIES BUSINESS ENABLEMENT** 

RESIDENT SERVICES PROPERTY SERVICES

CUSTOMER CONTACT CENTRE

COMMUNITY HOUSING

**ECHO REALTY** 

**ASSET MANAGEMENT** 

SUPPORTED HOUSING: EVOLVE HOUSING FOR YOUTH

COMMUNITY & BUSINESS GROWTH

MARKETING & COMMUNICATIONS

**BUSINESS DEVELOPMENT: TENDER & PROJECTS** 

COMMUNITY ENGAGEMENT

COMMUNITY BUILDING

**DEVELOPMENTS DELIVERY** 

PROPERTY DEVELOPMENT

PEOPLE & CAPABILITY

RECRUITMENT, LEARNING & DEVELOPMENT

# OUR THRIVING WORKPLACE

Integral to the realisation of our strategic goals is attracting, developing and retaining a highly skilled and professional workforce that can help Evolve respond to new opportunities and challenges.

Aligned with our goal to become an Employer of Choice, in 2017–18, we developed Our Thriving Workplace, a framework that brings together all the elements that bring value to our employee's lives. The framework comprises three pillars: *Enable, Empower* and *Enjoy*. These pillars are underpinned by the key principles: recognition, opportunity for growth, performance culture, empowerment and accountability, consistency and fairness, fun and involvement, and work-life balance.

# **Employee Benefits**

Employees at Evolve have enjoyed the following benefits:

- A flexible workplace where more than 12% of employees sometimes work from home to condense their work week.
- A better work-life balance due to the availability of purchased leave, which 13% of employees have used.
- The opportunity to contribute to the community with a blood donation program. 24% of Evolve employees have donated blood, saving 117 lives.
- Birthday leave entitlements, which were introduced in April 2018, and have been used by 14% of employees.
- Volunteer leave, which is scheduled for implementation in January 2019.
- Long Service Leave entitlements were introduced in June 2018 for employees who have worked at Evolve for more than five years.

# **Career and Professional Development**

Over the last twelve months, Evolve has focused intensively on building our employee's skillset by offering opportunities such as internal secondment, higher duties, internal transfers, promotions, and

special projects. We have also offered short courses on domestic and family violence, mental health, Aboriginal and Torres Strait Islander awareness, disability awareness and emotional resilience, to better equip our team.

Over the past financial year, 14% of Evolve employees have undertaken internal secondment, while 18% have taken on substantive higher duties. We have offered 25 external and internal courses, and employees attended an average of two courses each.

# KEEPING EMPLOYEES SAFE

Evolve recently introduced the Safe-T-Card, a safety emergency duress alarm for employees that work in lone and/or high risk areas.

Under WHS legislation, Evolve has a duty of care to our employees and this extends to ensuring that they have the tools necessary to keep them safe while working.

The device has various features including alarms that can be manually activated by the employee in an emergency situation, or automatically activated by movements (grabbing actions, impact, or falls).

In the event of alarm activation, the device will search for and send a GPS location and then open up a live voice channel for highly trained operators to listen to and respond according to the situation.

Employees can feel safe knowing that they can be supported in an emergency situation, and from a risk management perspective, Evolve is taking a proactive stance on employee health and safety.



# BOARD OF DIRECTORS

# PAUL HOWLETT, CHAIR

Paul has an engineering and construction background with over 45 years' experience in executive management positions, advising governments and the private sector, and not-for-profit organisations. Paul brings a wealth of experience to the Board, particularly in the areas of developing and advising on strategy, procurement and governance. Paul is also a director of CentaCare Evolve Housing in Tasmania.

# RHONDA HAWKINS AM, FAICD, DEPUTY CHAIR

Rhonda has over three decades of experience working to create better academic opportunities for youth in Western Sydney. She is a strong advocate for social justice and gender equity and in 2015 was awarded the Order of Australia (AM) for her significant service to higher education. She held the position of Deputy Vice-Chancellor (Corporate Strategy and Services) and University Provost at Western Sydney University from 1991 until her recent retirement. Rhonda is also a Council Member of Victoria University, Director Fitzgerald Aged Care, Director Wentworth Institute, Chair Greater Western Sydney Advisory Board, Salvation Army, Board Member Riverside Theatres Advisory Board.

DAVID BORGER

David is Director of the Western Sydney Business Chamber and has served as Minister for Western Sydney, Minister for Housing and Minister for Roads, as well as Assistant Minister for Transport in the NSW Government. At 30, he became the youngest person to hold the office of Lord Mayor of Parramatta, where he served for three terms. As Housing Minister, he oversaw the construction of approximately 9,000 new social housing dwellings and championed major reforms to expand the community housing sector in NSW. David is also a Board Member of Westmead Medical Research Foundation, Sydney Festival and Think Planners.

# ANDREA GALLOWAY FAICD, JP, LREA

Andrea Galloway has been the CEO of Evolve Housing since September 2011 and in that time has overseen considerable growth of the organisation, professionalised the image and introduced a range of new services to residents and stakeholders. In 2014, Andrea was awarded the NSW State and National winner of the Telstra Business Women's Award for Innovation. She has more than 25 years of executive management experience gained in strategic planning, business development and quality customer service delivery in both national and multinational commercial organisations.

# DR ROBERT LANG CHAIR STRATEGIC PROJECTS ASSESSMENT COMMITTEE

Robert brings to the Board a deep knowledge and passion for Western Sydney, having previously held the roles of CEO of Parramatta City Council and Adjunct Professor at the University of Western Sydney School of Business. He is a former CEO of Pacific Power and the Sydney Harbour Foreshore Authority and holds a number of Board positions in the private industry, not-for-profits and government authorities. His expertise includes urban planning, placemaking, transformational change, strategic repositioning, restructuring, corporate governance, strategy, finance, technology, risk management, operations and human resources. Robert is also Chair Urban Theatre Projects, Chair Regional Development Australia (Sydney), Chair Olympus Solutions, Deputy Chair Asia Pacific International College, Director Place Leaders Asia Pacific.

**KAY VEITCH** FAICD, CHAIR GOVERNANCE, NOMINATION & PEOPLES COMMITTEE

Kay brings more than 25 years of experience in executive leadership at Qantas Airways,
Virgin Australia Airlines and GWA Group Limited. She is presently principal at VeMo
Consulting. Kay is a Director of Keep NSW Beautiful and ASPECT Studios and a former Director of CARE Australia. Kay's key areas of expertise are organisational transformation, change leadership, commercial distribution and revenue management.

# **NATALIE WALKER**

Natalie has more than 15 years of experience across the government, not-for-profit, corporate and small business sectors in management and non-executive director roles.

Natalie brings deep knowledge and expertise in social enterprise governance, leadership and operations, social policy design, impact investment and social impact creation. In 2012, Natalie was named as one of Australia's 100 Women of Influence. Natalie is the co-chair of the National Australia Bank's Indigenous Advisory Board. Natalie is also Chair Cape York Girl Academy and Member Indigenous Business Australia's Investment Committee for its Real Estate Investment Trust.

ALAN ZAMMIT AM, FAICD, CHAIR FINANCE, AUDIT AND RISK COMMITTEE Alan has had an executive career spanning 48 years in urban, regional and community development. Alan has functional expertise in general management, finance, infrastructure delivery, property development, marketing and sales. Alan has extensive experience as a professional non-executive Director, Board Chair and Chair of Finance, Audit and Risk Management Committees spanning multiple sectors including property, funds management, education, health, government and not-for-profit. A former managing director and Board Chair of Mulpha Norwest Pty Limited, Alan is managing director of UPDM Pty Limited and is also Board Chair of Norwest Association Limited and a director of Affordable Community Housing Alliance Tasmania, Wentwest Limited and Edmund Rice Foundation (Australia).

# GOVERNANCE COMMITTEES & MEETINGS

Evolve has a skills-based Board of Directors with diverse experience across a broad range of industries and sectors. The Board is actively involved in and committed to overseeing the performance of the organisation and contributing to the development of strategic objectives.

As a Tier 1 nationally registered CHP, Evolve strives to meet and exceed the highest standards of sector governance. Our Board of Directors and the Evolve team are committed to sound corporate governance as the foundation for achieving the company's vision, mission and strategy and remaining accountable and transparent in our dealings. There were 10 Board meetings in 2017–2018 (excluding Board subcommittee meetings).

The Evolve Board has established various committees comprising members of the Board with the relevant specialist expertise to focus on specific issues and make recommendations to the Board. Terms of reference for each Committee set out the scope of the Committee's remit. Committee meetings are scheduled in advance for the year, with flexibility for additional meetings to be called if circumstances require.

# Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee is responsible for overseeing risk management and controls and for ensuring the integrity of financial reporting. Its members are:

- Alan Zammit (Chair)
- Paul Howlett
- · Robert Lang
- Natalie Walker

# Strategic Projects Assessment Committee

The Strategic Projects Assessment Committee is responsible for considering investment decisions, conducting risk assessments and making recommendations to the Board around strategic projects, including potential development acquisition and partnership opportunities. Its members are:

- · Robert Lang (Chair)
- · Paul Howlett
- · Alan Zammit
- David Borger

# Governance Nomination and People Committee

The Governance, Nomination and People Committee is responsible for overseeing the organisation's governance framework and practices. It is also responsible for recommendations to the Board on the selection, appointment, remuneration and retention policies for the Board and CEO, succession planning and Board review. Its members are:

- Kay Veitch (Chair)
- Paul Howlett
- Rhonda Hawkins
- Natalie Walker

DIRECTOR	BOARD MEETINGS		FINANCE, RISK & AUDIT COMMITTEE		STRATEGIC PROJECTS ASSESSMENT COMMITTEE		GOVERNANCE, NOMINATION & PEOPLE COMMITTEE	
	Е	Α	E	Α	Е	Α	Е	А
Paul Howlett	10	9	5	5	3	3	4	4
Rhonda Hawkins	10	7	NA	NA	NA	NA	4	2
Alan Zammit	10	8	5	5	3	2	NA	NA
David Borger	10	7	NA	NA	3	2	NA	NA
Kay Veitch	10	9	NA	NA	NA	NA	4	4
Robert Lang	10	10	5	5	3	3	NA	NA
Natalie Walker	10	8	5	4	NA	NA	4	4
Andrea Galloway	10	9	5	4	3	3	4	4

E = Number of meetings Director eligible to attend

# WELCOME TO OUR NEW DIRECTOR

STARTING OCTOBER 2018

# JOHN NESBITT

John Nesbitt is a non-executive director with more than 40 years' experience across a number of sectors including investment management, banking, insurance, property, construction and infrastructure. During this time, Mr Nesbitt has held CEO, CFO and senior finance and

business positions in Australia and Asia, the US and the UK. Most recently, Mr Nesbitt was CEO at Suncorp Banking & Wealth, having previously held the position of Group CFO for Suncorp Group Limited for a number of years. Prior to Suncorp, he was leading the private wealth division at Perpetual after being Group CFO for Perpetual Limited for four years and was also Chairman of the Perpetual Superannuation Board. He has 15 years' experience in property infrastructure and construction, mostly with Lendlease Group. The early part of his career was in chartered accounting with Price Waterhouse (now PwC). Mr Nesbitt has extensive governance experience of ASX-listed and private company boards. His current Non-Executive Directorships include Members Equity Bank Limited (me Bank) and Chairman of AMP Capital Holdings Limited.

A = Number of meetings attended by the respective Director



# **BOARD SKILLS MATRIX**

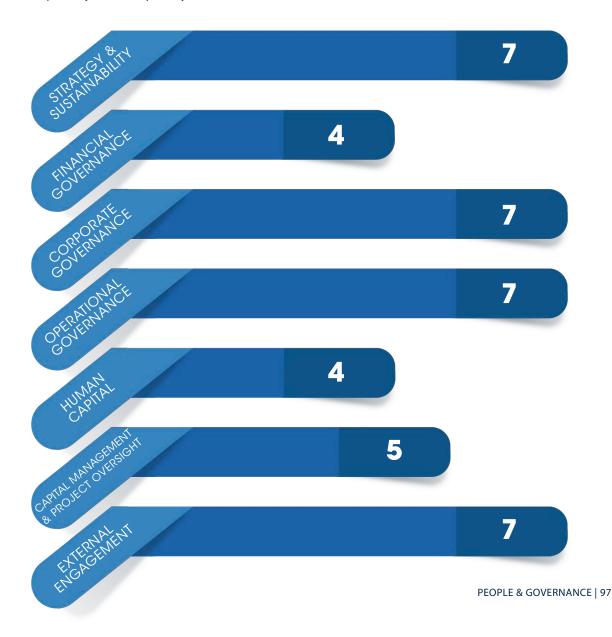
Evolve's Board of Directors is aware of the importance of having a group of Directors who, individually and together, possess the right criteria to both understand and successfully undertake their duties and responsibilities.

This is emphasised in the Board Governance Charter, which requires the skills and experience of each Director to be determined by the Board having regard to the company's objectives.

The skills matrix identifies the relevant skills, knowledge, experience and capabilities that are desired to enable the Board meet its current and future challenges and strategic objectives. This is why Evolve believes that tailoring the skills matrix to the specific circumstances and requirements of Evolve, as a provider of community housing, is so important. The skills matrix, which is regularly reviewed, is also used as a tool to assist Evolve's Board with succession planning and the appointment of new Directors.

# NUMBER OF DIRECTORS WITH EXPERTISE IN THESE AREAS

Prepared by Baker & Baptist Pty Ltd.



# **EXECUTIVE TEAM**

# ANDREA GALLOWAY,

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Andrea Galloway joined Evolve in 2011 and is the Managing Director & CEO. Since that time, she has led transformational growth of the organisation. Her commercial acumen, technology, strategy and governance skills have been utilised across several industries

including technology, government, housing and professional services.

Andrea currently sits on the Defence Housing Australia Board and the Salvation Army advisory board.

Her former roles include President & CEO of Spherion Asia Pacific, Vice President of Lucent Technologies

Asia Pacific, Managing Director of AT&T Australia and Regional Director of AT&T Easylink Services Asia Pacific.

Andrea is a Fellow of the Australian Institute of Company Directors, Justice of the Peace and a Licensed

Real Estate Agent. In 2014, she was awarded the Australian Telstra Business Woman of the Year for

Innovation 2014 and the NSW Telstra Business Woman of the Year for Innovation 2014.

# JITENDER BALANI,

### GENERAL MANAGER, COMMUNITY & BUSINESS GROWTH

Jitender is a dynamic leader of social housing and human services in both an operational and strategic context with a proven track record in influencing and negotiating outcomes, building partnerships and delivering timely results. Jitender holds an Executive Master of Public Administration, Bachelor of Building and tertiary qualifications in Civil Engineering.

He is able to effectively manage and inspire direction and purpose with a large, diverse group of internal and outcomed stakeholders. He has over 20 years of experience in a range of social housing management.

and external stakeholders. He has over 30 years of experience in a range of social housing management roles both in Australia and overseas. Prior to joining Evolve, Jitender was responsible for managing Wentworth Community Housing and Community Housing (FACS) asset portfolio and asset system, including portfolio supply, developments and quality assurance, and major asset improvement initiatives.

# DAVID RISBEY, GENERAL MANAGER, DEVELOPMENTS DELIVERY

David is a highly motivated forward thinking construction delivery executive with qualifications including a Bachelor of Building Degree with Honours, Certificate IV in Work Health and Safety, and is a Graduate Member of the Australian Institute of

Company Directors. David has over 20 years of professional experience, having previously worked for Grocon, Walker and Coleman, and Fairburn in a range of roles. David brings strategic and cultural leadership, innovative and pragmatic analytical approach, logistic/operational planning and buildability analysis, as well as a professional approach to building strong stakeholder relationships.

# PHILIP FROST, CHIEF FINANCIAL OFFICER, GENERAL MANAGER-CORPORATE SERVICES

Philip brings over 30 years' experience to Evolve in finance as an investment banker and chartered accountant. He has worked in corporate finance, project and structured finance and infrastructure. He has extensive experience in the financing of social and affordable housing projects and in the development of institutional financing solutions via the Bond Aggregator model.

Prior to joining the executive as CFO, Philip was a member of the Evolve Board, stepping down in May 2017.

MARK LENIC, GENERAL MANAGER, RESIDENT SERVICES

Mark brings over 23 years of experience from the NSW housing sector, including a great deal of operational management experience of Housing and Property Services inclusive of contract management, resident management and asset planning. Previously, Mark was the General Manager of the Housing NSW Contact Centre in which he led a team of 230 staff, managing 125,000 properties and 1.5 million interactions through telephone, email and other communication

channels, as well as handling over 350,000 work orders per year.

# HANNA MYLLYOJA, GENERAL MANAGER, GOVERNANCE & LEGAL

Hanna is a highly experienced General Counsel and Company Secretary, having a total of over 25 years of professional experience including as a solicitor in private practice, in-house counsel and company secretary roles in NFP and ASX listed environments. She has worked across a range of industries across multiple jurisdictions including risk, compliance and governance consulting services and solutions, electronic publishing and property information. Hanna has a Bachelor of Arts/Bachelor of Laws and Graduate Diploma in Legal Practice and is a member of the Law Society of New South Wales.



# FINANCE 03

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# **OUR FINANCIAL JOURNEY**

In each of our four key strategic areas we have achieved, and in some instances exceeded, the goals we set ourselves at the commencement of this financial year in projects we have implemented, residents we have empowered, and accommodation we have delivered.

# **AUDITOR'S LETTER**



# Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of Affordable Community Housing Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2018 there have been:

- no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

David Wilcocks Partner

Parramatta, 16 October 2018

# **AUDITOR'S REPORT**

# PAGE 1 OF 3



# Independent Auditor's Report

# To the members of Affordable Community Housing Limited

### Opinion

We have audited the *Financial Report*, of Affordable Community Housing Limited (the Company) and its controlled entities (the Group).

In our opinion the accompanying *Financial Report* of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:

- giving a true and fair view of the Group's financial position as at 30 June 2018, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

The Financial Report comprises:

- Consolidated statement of financial position as at 30 June 2018.
- Consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Company

The *Group* consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

# **Basis for opinion**

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group and Company in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

# PAGE 2 OF 3: AUDITOR'S REPORT



### Other information

Other Information is financial and non-financial information in Affordable Community Housing Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Group and Company's ability to continue as a going concern this includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

# Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

# PAGE 3 OF 3: AUDITOR'S REPORT



### We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Company to cease to continue as a going concern
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the registered Group and Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

**KPMG** 

David Wilcocks

Partner

16 October 2018

WHAT WE HAVE HERE IS VERY MUCH ABOUT, NOT JUST REVITALISING SOCIAL HOUSING, BUT CONVERTING THEM TO MIXED COMMUNITIES; BREAKING DOWN THOSE INVISIBLE BARRIERS. HON. PRU GOWARD, MP, MINISTER FOR SOCIAL HOUSING 106 | Evolve Housing Annual Report 2017–18

# FINANCIAL SUMMARY REPORT

	2014	2015	2016	2017	2018
Tenant Satisfaction					
Overall satisfaction with the organisation (%)	85	80	83	80	85
Service Development					
Total housing properties	2,285	2,751	3,020	3,001	3,241
Finance Management					
Staff costs as % of total revenue (%)	14%	14%	8%	19%	17%
Property costs as % of total revenue (%)	61%	53%	29%	53%	57%
Administration costs as % of total revenue (%)	7%	6%	5%	7%	15%
Profitability Ratio — EBITDA / Operating Revenue (%)	17%	27%	110%	12%	9%
Liquidity Ratio — Current Assets/Current Liabilities	1.5	2.7	4	2.6	3.7
Cash at end of year (\$m)	21.7	17.19	13.40	15.6	9.3
Net profit (\$m)	106.42	10.96	48.78	8.8	25.8
Operating Net profit (\$m)	4.41	9.9	10.40	4.2	3.5
Retained profit (\$m)	22.92	33.88	237.41	246.2	271.6
Total Equity (\$m)	179.01	189.97	238.75	247.6	273.4
Housing Management					
Arrears (%) (BM 4%)***	1.9	1.69	1.94	1.3	1.2
Income loss Due to Void and Vacancy as a % of Total Rental Income (BM 1%)	0.7	0.65	0.3	0.2	0.2
Void days (BM 28 days)**	11	20	27	28	15
Vacant days (BM 14 days)**	14	11	13	9	13
Number of tenants exiting the service because of Possession Order enforcement	14	8	10	14	7
Human Resources					
Ratio of staff to lettable properties	1:32	1:32	1:38	1:33	1.39
Number of full-time equivalent staff*	72	74	73	92	96

# Consolidated statement of profit and loss, other comprehensive income

	2017	2018	
Revenue	42,180,376	45,801,560	
Other income	5,285,514	96,567,152	
Employee benefits expense	(8,722,760)	(9,444,392)	
Depreciation and amortisation expense	(341,793)	(457,392)	
Bad and doubtful debts expense	(384,475)	(235,345)	
Property expenses	(25, 369,800)	(31,053,132)	
Finance costs	(781,153)	(1,107,597)	
Other expenses	(3,099,655)	(74,374,753)	
Net current year surplus	8,766,254	25,696,101	
Other comprehensive income			
Revaluation of property	48,341	143,177	
Total comprehensive surplus for the year	8,814,595	25,839,278	
Total comprehensive surplus attributable to members of the entity	8,814,595	25,839,278	

# Consolidated statement of Financial position

	2017	2018
Assets		
Cash and cash equivalents	15,550,724	9,322,599
Accounts receivable and other debtors	3,000,699	3,958,562
Other current assets	864,069	6,681,062
Total current assets	19,415,492	19,962,223
Non-current assets		
Property, plant and equipment	5,918,537	5,866,599
Intangibles		
Other non-current assets	1,100,016	1,117,487
Investment property	11,136,118	87,187,566
Investment property restricted	234,108,028	221,007,493
Total non-current assets	252,262,699	315,179,145
Total assets	271,678,191	335,141,368
Liabilities		
Accounts payable and other payables	3,594,616	3,391,230
Provisions	1,350,435	1,285,147
Borrowings	2,436,067	686,049
Total current liabilities	7,381,118	5,362,426
Non-current liabilities		
Borrowings	16,388,035	56,374,294
Provisions	343,668	_
Total non-current liabilities	16,731,703	56,374,294
Total liabilities	24,112,821	61,736,720
Net assets	247,565,370	273,404,648
Equity		
Reserves	1,386,458	1,529,635
Accumulated surplus	43,975,204	65,369,447
Accumulated surplus  Accumulated surplus-restricted	43,975,204 202,203,708	65,369,447 206,505,566

# Consolidated statement cash flows

	2017	2018
Cash flows from operating activities		
Receipts from customers and grants received from the government	47,165,321	53,342,616
Payments to suppliers and employees	(34,668,444)	(56,872,126)
Interest received	108,278	190,896
Interest paid	(781,153)	(1,107,597)
Net cash from operating activities	11,824,002	4,446,208
Cash flows from investing activities		
Payment from property, plant and equipment	(748,439)	(249,482)
Proceeds from sale of investment property	_	5,375,324
Payment for investment properties	(14,216,682)	(45,143,998)
Net cash used in investing activities	(14,965,121)	(40,018,156)
Cash flows from financing activities		
Repayments/proceeds from borrowings	5,295,484	38,236,239
Net cash used in financing activities	5,295,484	38,236,239
Net decrease in cash and cash equivalents	2,154,365	(6,228,125)
Cash and cash equivalents at beginning of year	13,396,359	15,550,724
Cash and cash equivalents at end of year	15,550,724	9,322,599

# Consolidated statement of changes in equity

	Reserves	Retained Surplus	Retained surplus restricted	Total accumulated funds	
Balance at 1 July 2016	1,338,117	39,253,874	198,158,785	238,750,776	
Balance at 1 July 2016	1,338,117	39,253,874	198,158,785	238,750,776	
Comprehensive income for the year					
Surplus for the year attributable to the entity	_	4,721,330	4,044,923	8,766,253	
Other comprehensive income	48,341	_	_	48,341	
Balance at 30 June 2017	1,386,458	43,975,204	202,203,708	247,565,370	
Balance at 1 July 2017	1,386,458	43,975,204	202,303,708	247,565,370	
Comprehensive income for the year					
Surplus for the year attributable to the entity	_	21,394,243	4,301,858	25,696,101	
Other comprehensive income	143,177	_	_	143,177	
Balance at 30 June 2018	1,529,635	65,369,447	206,505,566	273,404,648	

# **KEY PARTNERS**

Barnardo's

**Catholic Care Social Services** 

**Cerebral Palsy Alliance** 

**Community Migrant Resource Centre** 

**Cumberland Council** 

**Darcy Street Project** 

**Dooleys Catholic Club** 

**DV NSW Service Management** 

Flourish - HASI

**Guildford Leagues** 

**High St Youth Health Centre** 

**Lifetime Care and Support Authority** 

**Mackillop Family Services** 

LinkingHearts

Marist 180

**Mission Australia** 

**My Foundations** 

**New Horizons** 

**Northcott** 

**NSW Schizophrenia Fellowship** 

Oz Harvest

**Uniting Hope (Parramatta Mission)** 

**RASAID** 

**Royal Botanic Gardens** 

**Royal Rehabilitation Centre** 

**S4S Training** 

**Uniting Care Mental Health HASI** 

Services

**West Connect Domestic Violence** 

**Services Inc** 

**Hunter Valley Disability Services** 

**Mid North Coast Disability Services** 

**Coffs Harbor Support Services** 

**Brighter Access** 

Interactions

Woman's Community Shelters

**Disability Services Australia** 

**Community Housing Industry Australia** 

NSW

**PAYCE** 

**Family and Community Services** 

Office of Environment and Heritage

**Pacific Link Housing** 

**Hunter Development Corporation** 

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ONE OF THE GREATEST THINGS ABOUT EVOLVE IS THAT THEY PROVIDE MORE THAN JUST HOUSING — THEY GIVE THEIR RESIDENTS THE OPPORTUNITY TO CONTRIBUTE TO THE COMMUNITY, LEARN NEW SKILLS AND MAKE SOCIAL CONNECTIONS THAT ENRICH THEIR LIVES.

MS JULIE OWENS MP, MEMBER FOR PARRAMATTA



HARD WORKING ORGANISATIONS LIKE EVOLVE HOUSING ARE AT THE HEART OF THE WESTERN SYDNEY COMMUNITY AND MAKE OUR REGION MUCH SAFER AND STRONGER.

SENATOR THE HON MARISE PAYNE, SENATOR FOR NEW SOUTH WALES, MINISTER FOR FOREIGN AFFAIRS

# OUR RESIDENTS COME FROM ALL AROUND THE WORLD AND THEY CALL EVOLVE HOME.

AFGHANISTAN · ALGERIA · ARGENTINA · ARMENIA · AUSTRALIA · AUSTRIA AZERBAJAN · BAHRAIN · BANGLADESH · BOSNIA AND HERZEGOVINA · BRAZIL BULGARIA · BURUNDI · CAMBODIA · CAYMAN ISLANDS · CHILE · CHINA · CONGO CROATIA · CZECH REPUBLIC · EGYPT · EL SALVADOR · ETHIOPIA · FIJI · FRANCE · GERMANY · GHANA · GREECE · GUINEA · HONG KONG · HUNGARY · INDIA INDONESIA · IRAN · IRAQ · IRELAND · ISRAEL · ITALY · JAPAN · JORDAN · KENYA · KOREA · KUWAIT · KYRGYZSTAN · LAOS · LEBANON · LESOTHO · LIBERIA MACEDONIA · MALTA · MAURITANIA · MEXICO · MONTENEGRO · MOROCCO MYANMAR · NETHERLANDS ANTILLES · NEW ZEALAND · NICARAGUA · NIGERIA · NORTH SUDAN · PAKISTAN · PALESTINIAN TERRITORY · PAPUA NEW GUINEA · PERU · PHILIPPINES · POLAND · PORTUGAL · ROMANIA · RUSSIAN FEDERATION · SAMOA · SAUDI ARABIA · SERBIA · SIERRA LEONE · SOMALIA · SOUTH AFRICA · SOUTH SUDAN · SPAIN · SRI LANKA · SWITZERLAND · SYRIAN ARAB · REPUBLIC TAIWAN · THAILAND · TIMOR-LESTE · TONGA · TURKEY · TURKS AND CAICOS ISLANDS · UKRAINE · UNITED ARAB EMIRATES · UNITED KINGDOM · UNITED STATES · URUGUAY · UZBEKISTAN · VIETNAM · YEMEN · ZIMBABWE

