



EVOLVEHOUSING

ANNUAL REPORT 2018–2019



WHAT WE DO

At Evolve Housing, we aim to do more than put a roof over our residents' heads. We offer them a place in a thriving and inclusive community, with access to support programs to enhance every part of their life.



A HOME

Our social and affordable housing residents are offered a home that is well suited to their needs and budget. Our properties are of a high quality. We are highly responsive to maintenance requests and manage our residents' tenancies fairly.

Every new social housing resident is offered a needs assessment with a Specialist Support Worker when they sign their tenancy agreement. A Personal Support Plan is then drawn up which addresses personal health, wellbeing, education, training and employment needs, and includes referrals to external support partners if required.

A PERSONAL SUPPORT PLAN



A NEW SKILL

We offer support for residents who wish to up-skill or change careers by providing access to an Employment Support Officer, exclusive job and training opportunities, and workshops relating to digital skills and money management.

We aim to create thriving and inclusive communities where people feel a sense of belonging. We regularly hold free and low-cost social events and activities that cater to the needs of our residents. These events are an opportunity to meet neighbours, feel part of a community, and enjoy new experiences.

AN EXPERIENCE



A VOICE

Residents have the opportunity to advocate on behalf of their communities through the Resident Advisory Group, which provides input into Evolve Housing programs and initiatives. There are also opportunities to volunteer, such as by joining our resident phone service called the Friendship Aged Network.

Residents have access to a variety of exclusive grants to help them get active within their community or improve their lives. We offer grants to support secondary and tertiary students, and to support young people to access sporting and physical activities.

A GRANT OR FINANCIAL HELP





COPYRIGHT

© Evolve Housing Limited. This material is copyrighted. Save as permitted under the Copyright Act 1968, you are not permitted to copy, print or reproduce this material or a substantial part of it or do any act which would amount to an infringement of the copyright in this material.

November, 2019

CONTACT INFORMATION

Street Address:

9–13 Argyle Street,
Parramatta NSW 2150

Postal Address:

PO BOX W124 Parramatta Westfield,
Parramatta NSW 2150

Telephone: 1800 myevolve (1800 693 865)

Website: evolvehousing.com.au

Email: info@evolvehousing.com.au

ABN 16 127 713 731

ACN 127 713 731

Social media:  @evolvehousing

 evolvehousing

ENVIRONMENT

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



EVOLVEHOUSING

ANNUAL REPORT 2018–2019



TABLE OF CONTENTS

CONTENTS



01

INTRODUCTION

- 2 What we do
 - 10 Acknowledgement of Country and artwork
 - 12 CEO's message
 - 13 Chairperson's report
 - 15 About Evolve Housing
 - 16 Strategic plan 2018–2022
 - 18 Four year strategy
 - 20 Strategic plan results
 - 24 Year in review
-

02

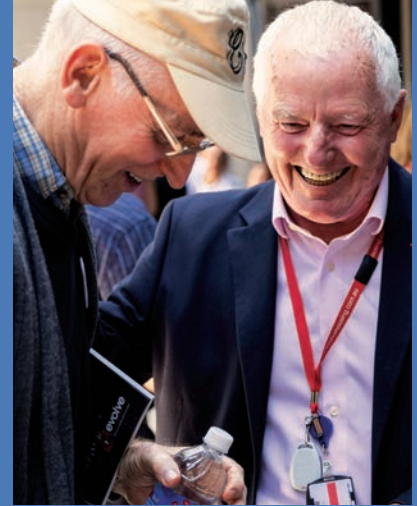
HOUSING MARKET

- 32 Types of housing we provide
 - 34 Market overview
-

03

RESIDENTS AND SERVICES

- 40 Our residents
 - 42 Mymy: resident story
 - 44 Diversity and demographics
 - 46 Programs and services
 - 46 Grants, events and support
 - 49 Ability Options
 - 50 Opportunity Pathways
 - 51 Jeremy: resident story
 - 52 Evolve Housing for Youth
-



04

ECHO REALTY

- 56 Natasha and Harry:
resident story
 - 57 Echo Realty
 - 58 Newcastle
 - 60 Property portfolio
 - 62 Ita: resident story
-

05

OUR PEOPLE

- 66 Our people
 - 67 Highlights
 - 68 Saif: staff story
 - 70 Samantha: resident story
 - 72 Board of Directors
 - 76 Board and Committee
meetings
 - 78 Executive team
-

06

FINANCE

- 81 Auditor's Letter
 - 82 Auditor's Report
 - 85 Financial Summary Report
 - 86 Consolidated Statement
of Profit and Loss
 - 87 Consolidated Statement
of Financial Position
 - 88 Consolidated Statement
of Changes in Equity
 - 89 Consolidated Statement
Cash Flows
-

KEY PARTNERS

- 90 Key partners
-



01

INTRODUCTION



Evolve Housing is an award-winning community housing provider. In 2018–2019 we provided homes to nearly 7,500 Australians and worked to create thriving and inclusive communities.





ACKNOWLEDGEMENT OF COUNTRY

Evolve Housing acknowledges the Traditional Custodians of the land where we deliver our housing and services. We acknowledge and pay our respects to all Elders past, present and future. We welcome all First Nations People to our services, as we walk together towards reconciliation.

THE ARTWORK

In 2019, Evolve Housing commissioned Indigenous artist Sal Lavallee to create an artwork. “Land, River, Home” will be displayed in our Parramatta head office and included in a range of print and online publications.

The central blue design element, running from the top to the bottom of the artwork, represents water. Water is an important gathering point and source of food for Aboriginal communities. The water shape is open-ended and is a metaphor for the reconciliation process — an ongoing process that adapts according to the community's needs and Evolve Housing's reconciliation journey.

The top of the blue shape features a large circular element, representing Aboriginal communities coming together. Wrapped around this circle are icons of homes, representing the housing and support services provided by Evolve Housing. The outer ochre-coloured design signifies many different Countries and Nations, showing journeys and communities coming together. Sal hopes this part of the artwork reminds Evolve Housing staff that the organisation provides services and homes to people from many Nations.

THE ARTIST

Sal Lavallee hopes Aboriginal people seeing this work: "feel safe and a sense of connection, of being held within the community, and that there is cultural visibility". She hopes non-Aboriginal people feel: "a sense of curiosity and are intrigued to learn more about Aboriginal people's connection to the land".

CEO'S MESSAGE

LYALL GORMAN



“I believe it is vitally important that we place our residents at the centre of every decision we make.”

I feel incredibly proud and humbled to be working at such an accomplished, impactful organisation, with such a wonderful team of people.

Over the past financial year, we have provided housing for 7,424 people. We have our eyes fixed on our 2018–2022 Strategic Plan targets. By 2022 we want to provide 6,000 tenancies, which will positively impact 12,850 people. This is achievable, and we are on track to get there.

We continue to prepare our organisation so it has the short- and long-term financial and organisational capacity to grow. Continued growth will allow us to positively impact more communities. Safe, stable and affordable housing is an essential foundation for all Australians.

While our owned property portfolio continues to grow, there was a slight drop in market value last year on the back of the broader property cycle decline. The signs are very positive that this decline has turned around and we look forward to continued growth in this area.

We also continue to identify ways to improve our property maintenance processes to ensure that our residents have the very best service possible.

I believe it is vitally important that we place our residents and their needs at the centre of every decision we make.

Since I joined Evolve Housing in May 2019, I have been incredibly impressed by how our staff approach their work and their commitment towards our residents in everything they do. Their passion and focus is to create thriving and inclusive communities where people feel they truly belong.

I have been fortunate enough to meet some of our residents over the past few months. I have been humbled to hear moving stories that highlight the impact we are making on people's lives and futures.

Finally, I would like to acknowledge the service of my predecessor, Andrea Galloway, who spent eight years leading Evolve Housing through a period of continued growth. I thank her for all that she has done.

Evolve Housing has already established a well-deserved reputation as being one of the leading community housing providers in Australia. I am looking forward to improving our service delivery even more over the next financial year.

Lyall Gorman, CEO, Evolve Housing

CHAIRPERSON'S REPORT

PAUL HOWLETT



“This puts Evolve Housing in an excellent position and allows us to look at how we can continue to expand the impact of what we do.”

I am pleased to present the Annual Report for the 2018–2019 financial year. As my fellow Board Members and executive team reflect on the achievements of the period, it is clear to see the impact we are making on our communities.

Thank you to our hard-working, talented staff. You continue to demonstrate an outstanding commitment to our core values and have been rewarded by winning a number of major industry awards over the past year.

This year, we delivered an operational surplus of \$5.8 million, which compares with \$3.9 million last year. Highlights include the refinancing and expansion of our debt facilities through the National Housing Finance and Investment Corporation (NHFIC). We are one of NHFIC's largest participants in their first funding round, which was valued at \$315 million. Our \$70 million loan has reduced our interest costs and provided additional funds to increase our property portfolio, including our development in Newcastle, where we are building 30 new affordable housing apartments.

Our balance sheet has been impacted slightly by the downturn in property values, however, it remains strong, with net assets of \$263 million. This leaves us in a good position to grow our portfolio over the next few years.

In the 2018–2019 financial year, we opened developments in the western and south-western suburbs of Thornton

Estate (Penrith), Guildford and Roselands. The Roselands official opening event was a memorable event. I talked to residents who told me about the impact their new home had made to their day-to-day lives.

A major organisational milestone occurred in May 2019, when we welcomed Lyall Gorman as our new CEO.

The Board is excited about the energy and expertise that Lyall brings to the role of CEO. We also farewelled and paid tribute to outgoing Managing Director and CEO, Andrea Galloway. Andrea's legacy is her unrelenting advocacy for the growth of mixed developments that incorporate social, affordable and private dwellings.

Our achievements over the past financial year have put Evolve Housing in an excellent position. It allows us to continue expanding the impact of what we do. For the full year Financial Report, turn to page 80.

The 2019–2020 financial year promises to be a period of opportunity and growth. I look forward to working alongside my fellow Board Members to continue to challenge the organisation to reflect, improve and strive for continued excellence.

A handwritten signature in white ink on a blue background. The signature is stylized and appears to read 'Paul Howlett'.

Paul Howlett, Chair, Evolve Housing



ABOUT EVOLVE HOUSING

At Evolve Housing, we believe in everyone's right to a home — somewhere to feel safe and secure and to be part of a community. Although our core service is providing housing to those in need, we do more than simply put a roof over our residents' heads. We deliver solutions that empower people to reach their full potential, pursue their goals and feel connected to their community.

OUR VISION

Thriving communities for all people.

OUR PURPOSE

To enable more people to live in quality homes in thriving and inclusive communities.

WHO WE ARE

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

WHAT WE DO

At Evolve Housing, we provide:

- Safe and secure housing for people experiencing homelessness or those on lower incomes experiencing housing stress,
- Support services, programs, financial grants and activities that 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 subsidised housing to people living on very low to moderate incomes who are unable to pay for appropriate housing in the private market. Partnerships with government, developers and investors create new community housing stock to help meet a growing demand. Our properties cater to a diverse range of needs, household sizes and incomes so we can offer a variety of options to our residents.

We help people to reach their potential by providing support services and programs. These include education and training programs that empower

residents to participate in their communities, pursue their career goals and participate in the workforce, and tailored support plans to improve physical and mental health. Our regular social activities bring people together, which helps residents to feel welcome and part of a local community.

We are committed to working with our partners to reduce homelessness and housing stress. Our programs and partnerships also aim to increase the wellbeing of our residents so they can live better lives in thriving communities.

STRATEGIC PLAN

2018–2022

We are currently in the second year delivering our 2018–2022 Strategic Plan, which provides a clear purpose and direction for our organisation. The plan helps us to assess and adjust our organisation's direction and responses to an ever-changing housing sector. Continual measurement and assessment against the plan's objectives ensures that our employees, stakeholders and partners are working towards common goals and that we continue to improve what we do.

KEY STRATEGIC OBJECTIVES

GROW CAPACITY

- 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
- 2.2 Be a governance leader
- 2.3 Drive efficiencies and be responsive to new opportunities

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

STRENGTHEN COMMUNITIES

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

“If I hadn't been able to stay in those units, I probably wouldn't have finished my university degree or become a teacher now.”

JULIA, FORMER RESIDENT

“Living in affordable housing has made my life better
... it's a good home, it's secure and the service is good.”

DENG ANAI, RESIDENT



FOUR YEAR STRATEGY

BY 2022 WE WANT TO

GROW CAPACITY

- Grow revenue by 20%
- Increase external revenue from non-traditional sources by 5%
- Deliver innovative development models including disability, youth, domestic and family violence, and Indigenous housing models
- Grow tenancies under management to 6,000 including 2,000 affordable housing tenancies

ENHANCE BUSINESS PRACTICE

- Deliver on our Performance and Development Management Framework
- Be recognised as a best-practice governance leader in the community housing sector
- Achieve third-party certification for disability standards
- Meet, and seek to exceed, the National Regulatory System for Community Housing and the Department of Communities and Justice compliance standards

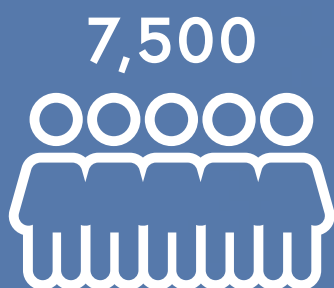
SUSTAIN TENANCIES

- Increase number of tenancies sustained
- Deliver continuous improvements in our customer service
- Adapt our Resident Engagement Strategy to our changing tenant profile
- Increase proportion of clients at risk assessed before they become homeless

STRENGTHEN COMMUNITIES

- Deliver our Social Outcomes Framework
- Increase the number of residents engaged in community activities, study, training or employment
- Increase proportion of tenants transitioning from social housing to affordable or private housing
- Increase resident satisfaction results so tenants feel engaged with their community

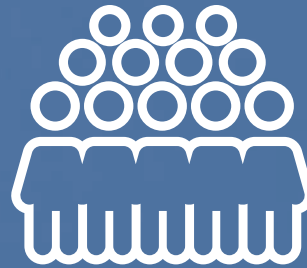
IN 2018: 7,500 PEOPLE'S LIVES
POSITIVELY IMPACTED BY PROVIDING
3,500 TENANCIES



ENHANCE
BUSINESS
PRACTICE

2022

12,850



BY 2022: 12,850 PEOPLE'S
LIVES POSITIVELY IMPACTED BY
PROVIDING 6,000 TENANCIES



STRENGTHEN
COMMUNITIES



SUSTAIN
TENANCIES

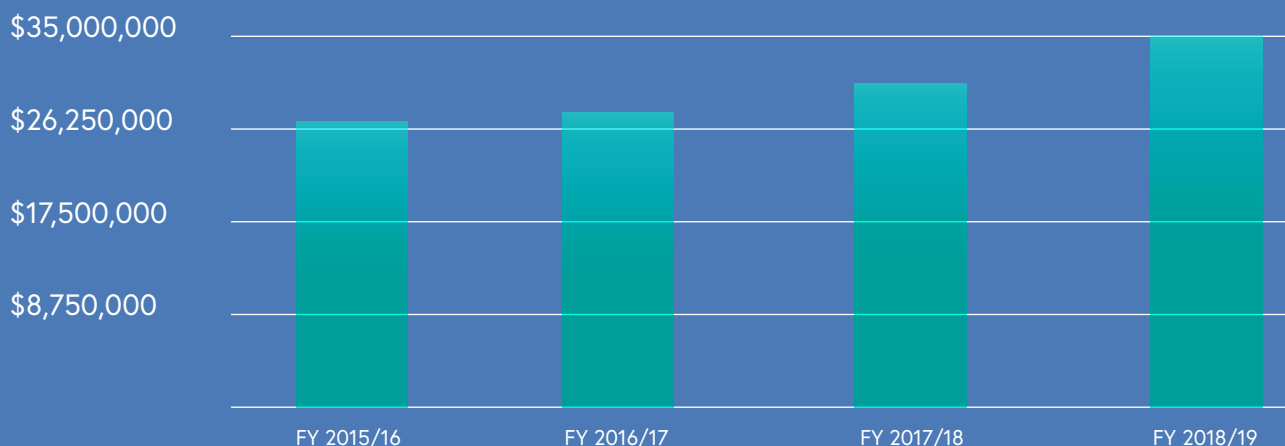
83% OF RESIDENTS WERE SATISFIED WITH OUR
COMMUNICATION AND 81% WERE HAPPY WITH
THE CONDITION OF THEIR PROPERTY.

2018 RESIDENT SATISFACTION SURVEY

STRATEGIC PLAN RESULTS

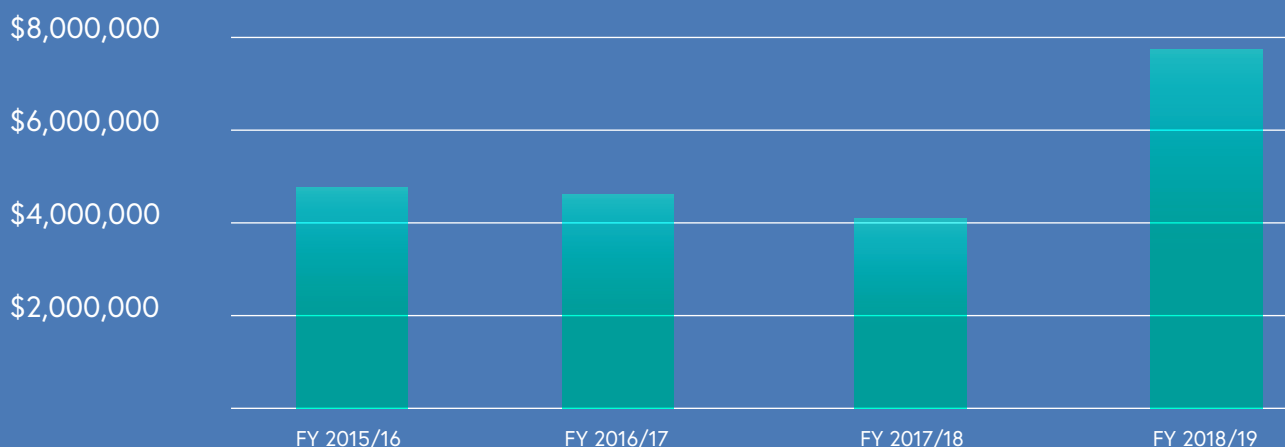
GROW CAPACITY

RENTAL INCOME



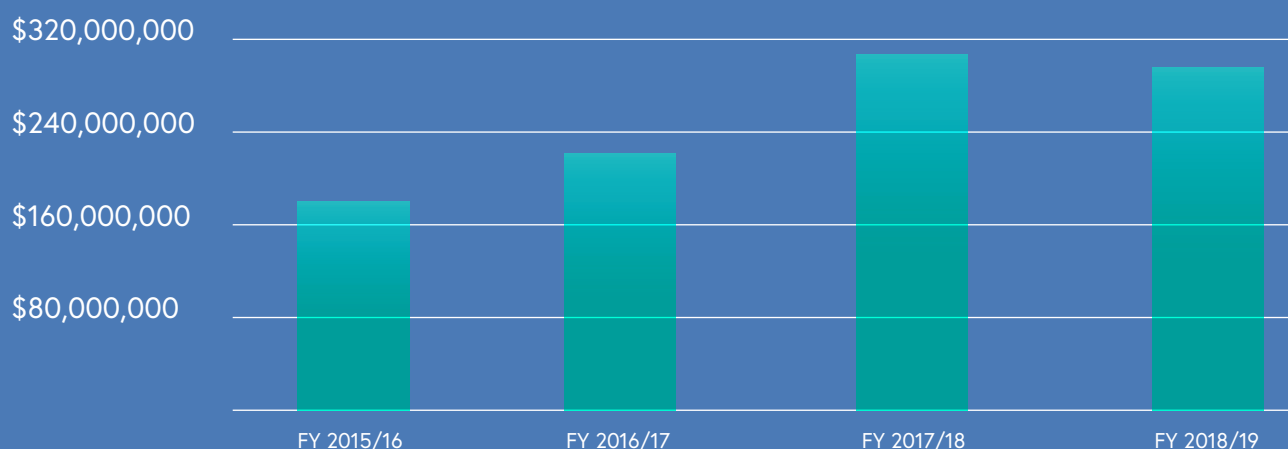
Over the past four years, we have seen a steady growth in rental income from Evolve Housing owned and managed properties. This growth, combined with debt refinancing through a National Housing Finance and Investment Corporation (NHFIC) loan, has enabled us to increase the amount of our operational expenditure allocated for resident services and engagement, compared to the prior financial year. It allows us to continue to seek new property investment opportunities.

OPERATING EBITDA



Our earnings before interest, tax, depreciation and amortisation (EBITDA) continue to grow. EBITDA is an indicative measure of operating profitability. In 2018–2019, we achieved EBITDA of over \$7.5 million, an increase of over \$3.5 million from previous year.

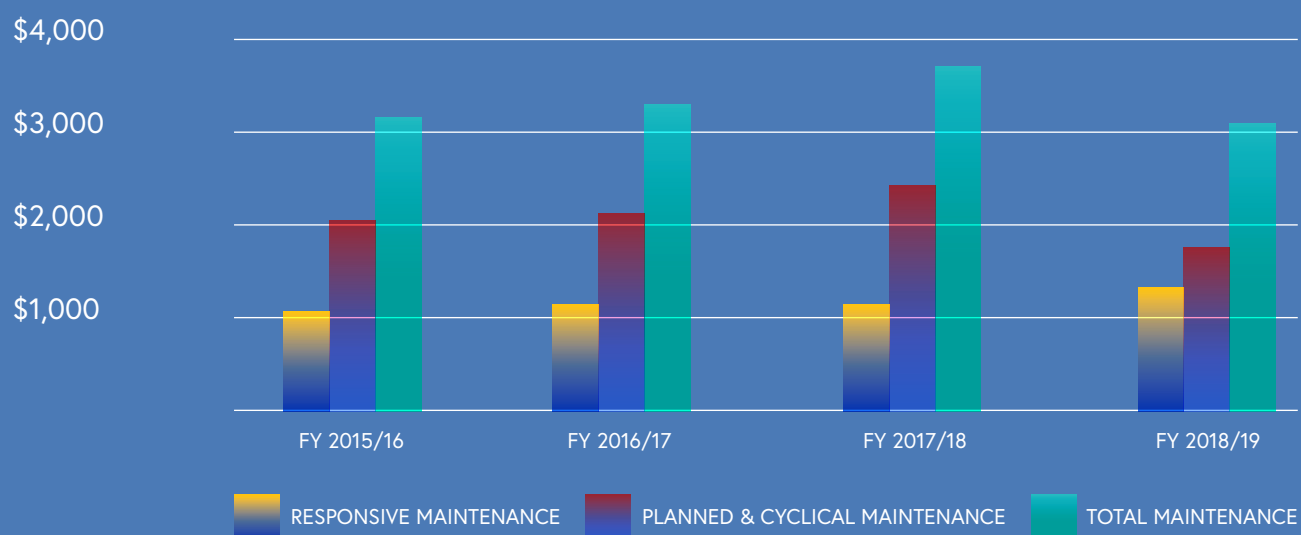
OWNED PROPERTY VALUES



Strong property value growth has occurred for Evolve Housing owned properties over the past four financial years. There was a slight drop in the 2018–2019 financial year due to the change in market values.

ENHANCE BUSINESS PRACTICE

MAINTENANCE EXPENDITURE*

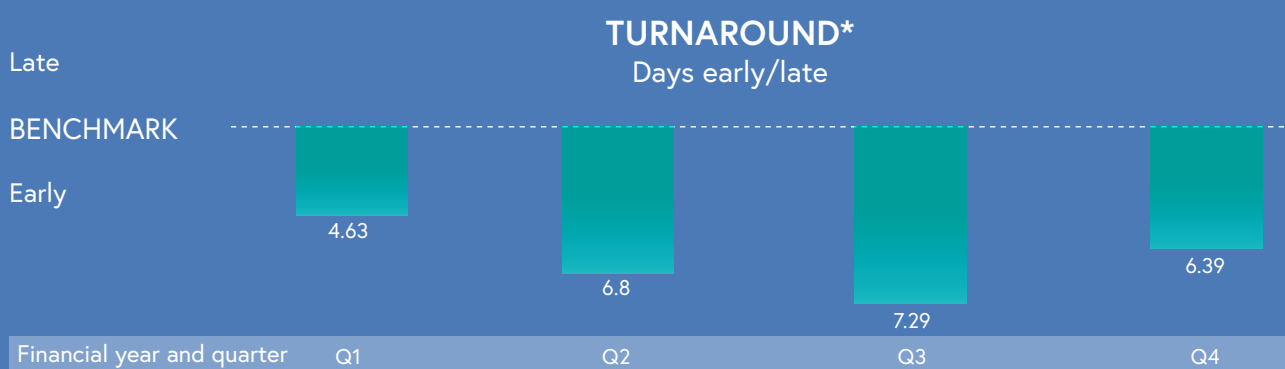


The average maintenance costs for Evolve Housing managed properties demonstrate our commitment to timely, responsible property management. Planned and cyclical property management costs have been relatively steady since 2015, allowing a decrease in 2018–2019. As a result of proactive maintenance, in 2018–2019 we reduced our total property maintenance costs by nearly \$500,000. We have improved our residents' overall satisfaction with our services, as confirmed by our Resident Satisfaction Survey.

*Average maintenance expenditure per dwelling/annum

COMPLIANCE PERFORMANCE SUMMARY

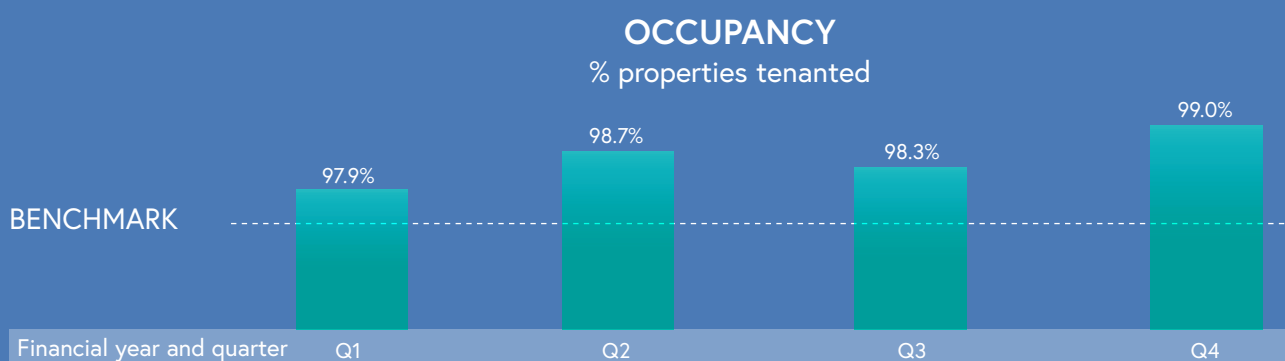
A quarterly compliance assessment process is undertaken by the Department of Communities and Justice, to assess the performance of community housing providers. For the past two years, we have exceeded all compliance area benchmarks. We are proud of this achievement and continue to strive to exceed, rather than meet, sector and regulatory targets.



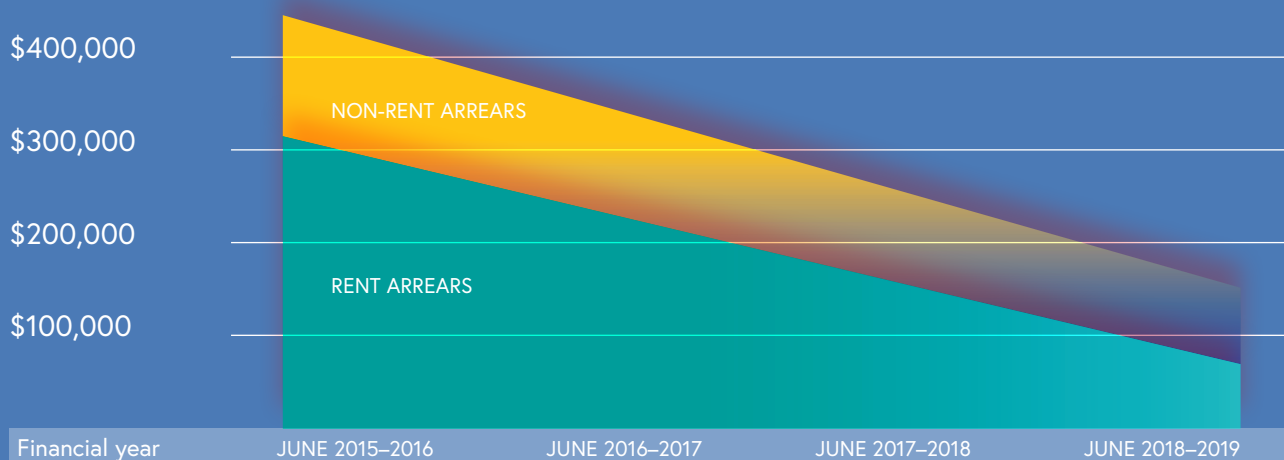
* Turnaround refers to the time taken to complete property repairs and allocation of a new tenant.



SUSTAIN TENANCIES



2018–2019 RENTAL ARREARS: 0.24% RENT AND 0.29% NON-RENT



This graph demonstrates that more of our residents have been able to meet their rental payment from year to year and have been able to sustain their tenancies. At June 2019, rent arrears were \$82,675, a decrease of 73% when compared to 2015-2016 results. The non-rent arrears (e.g. utilities and other recoverable charges) stood at \$100,639 at the end of June 2019, an improvement of 77% over the 2015-2016 performance. As of June 2019, rent and non-rent arrears equate to 0.24% and 0.29% of our total income, respectively.

STRENGTHEN COMMUNITIES

RESIDENT SATISFACTION SURVEY

BENCHMARK CATEGORY	2016–2017	2017–2018	2018–2019	CHIA BENCHMARK
Overall satisfaction	83%	80%	85%	84%
Information provision	81%	82%	86%	84%
Communication	79%	78%	83%	82%
Tenant involvement	72%	65%	79%	75%

The Community Housing Industry Association (CHIA) NSW sets sector benchmarks in relation to Resident Satisfaction Survey outcomes. Since the 2016–2017 financial year we have exceeded a number of benchmarks. The next survey of our residents will occur in 2020.

Outside of this benchmarking process, we practice continual self-assessment and seek resident feedback through a range of surveys and processes.



FINANCIAL SUPPORT AND INFORMATION FOR RESIDENTS

Evolve Housing financially supports residents by providing a range of financial assistance and grants, including High School Help, KEY Grants, GO! Grants and access to NILS loans (read more on page 46). These programs assist our residents to effectively participate in their communities and reach their potential.

YEAR IN REVIEW

ACHIEVEMENTS OVER THE FINANCIAL YEAR



MAJOR AWARDS

We received multiple awards in the 2018–2019 financial year, reflecting our place as industry leaders. Awards received include:

- Sustainability Program of the Year Award, 2018 Optus My Business Awards
- Finalist, Not-for-Profit Business of the Year Award, 2018 Optus My Business Awards
- Finalist, Businesswoman of the Year Award — Andrea Galloway, 2018 Optus My Business Awards
- Finalist, Excellence in Sustainability, 2018 NSW Business Chamber Awards
- Exceptional Social Enterprise within Western Sydney Award (for Echo Realty), 2019 ZEST Awards

REFINANCING WITH NHFIC LOAN

Evolve Housing was one of the first community housing providers to receive a loan funded by bonds issued by the Australian Government's National Housing Finance and Investment Corporation (NHFIC).

The loan allowed us to refinance our existing debt, including debt associated with Harts Landing. As a result, we could access cheaper and longer-term financing than would have been available elsewhere.

We will be able to save \$1.26 million per annum over the 10 years of the loan, which we can reinvest into social and affordable housing with related services. In addition, we have been able to borrow an extra \$20 million

to speed up delivery of our housing projects.

In early June, we welcomed the following stakeholders on a tour of our Harts Landing property: the Hon Michael Sukkar MP, Assistant Treasurer and Minister for Housing; Melissa McIntosh MP, Member for Lindsay; CEO, NHFIC Nathan Dal Bon; and several investors associated with NHFIC.



INDIAN DELEGATION

We welcomed a delegation of visitors from India to Harts Landing. The group included executives and academics from the Indian Institute of Technology Tirupati, Andhra Pradesh State Housing Corporation, Mahindra Lifespace Developers Limited and the Building Materials and Technology Promotion Council. Our visitors, hosted by the University of Technology Sydney, were keen to learn about the affordable housing industry and the construction techniques used on our award-winning apartment building.

HARTS LANDING

OUR FLAGSHIP DEVELOPMENT IN PENRITH



268
HOMES



500
PEOPLE



466
BEDS



\$107
MILLION*

Harts Landing is an award-winning mixed tenure development that united a private developer and community housing provider who shared the vision to improve the lives of hundreds of people in western Sydney. Evolve Housing and PAYCE developed 14 social, 124 affordable and 130 private market apartments (including 27 adaptable apartments for people living with a disability).

The development consists of three architectural designed buildings rising nine storeys above a podium level of common areas. All residents enjoy private recreational facilities including landscaped gardens and BBQ areas.

These landscaped podium areas are for all private, social and

affordable residents to enjoy together.

Located in Thornton Estate, Harts Landing is a five-minute walk to transport and amenities. The site was chosen because of its accessibility and potential to foster community.

Construction started in April 2016 and was completed in February 2018, and was fully tenanted by April 2018.

Harts Landing was the most visited of our properties during the 2018–2019 financial year.

*Total development cost.

2018–2019 YEAR IN REVIEW

CONTINUED



NEWCASTLE CONSTRUCTION

We began construction on our Merewether Street, Newcastle development in April 2019. The property will help low-to-medium income households in the Newcastle area get one step closer to being able to find affordable housing in the heart of the Newcastle CBD. The project involves the redevelopment of the former heavy rail line next to Civic Station, and will feature 30 residential apartments dedicated to affordable rental housing. There will be one-, two- and three-bedroom apartments. Four apartments will be for Specialist Disability Accommodation. It is anticipated that construction will be completed by mid-2020.



TENDER AWARDED FOR EMPLOYMENT PROGRAM

In March 2019, Evolve Housing was selected to deliver the Opportunity Pathways program in the South Western Sydney and Nepean Blue Mountains regions. The program, which is fully funded by the Department of Communities and Justice, aims to support social housing clients to access training and work opportunities. Evolve Housing is leading as part of a consortium of organisations, including MAX Solutions, Olympus Solutions/Ability Options, Macquarie Community College and Relationships Australia NSW, to deliver the program.



ROSELANDS COMPLETION

Our King Georges Road property, in Roselands, was completed in March 2019. This project was developed in partnership with Pacific Link Housing. The property is a modern, stylish two-storey building that contains 26 social and affordable studio apartments, of which two are accessible and eight are adaptable for people living with a disability. Apartments are fully furnished and located near shops and public transport. A resident, Donna, told us that moving into her new home was like winning the lottery.

“Roselands resident Donna said on moving into her new home: “it’s like winning the Lotto!”



TETRIS VILLAGE OPENING

In December 2018, we opened our new development, Tetris Village in Guildford, providing homes for up to 36 social and affordable housing residents.

The four-storey development was built using modular construction techniques, which involved building stackable modules out of shipping container steel off-site and lifting them into place over two days. This process shaved three to four months off the construction timeline. Once clad, the objective for Tetris Village was to be indistinguishable from other apartment buildings.

Tetris Village has added much-needed community housing to the western Sydney area, and caters to the needs of numerous

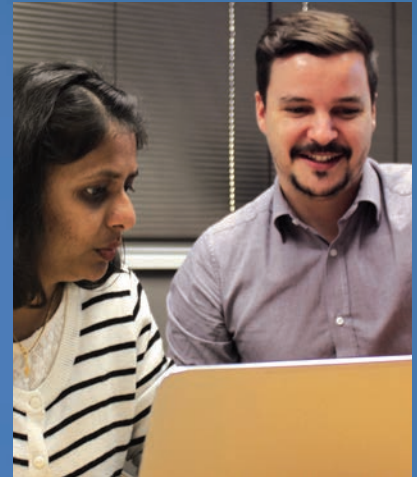
high-priority groups. Tetris Village includes four apartments that are fully accessible for people living with disability.

KNOWLEDGE SHARING

Harts Landing, our flagship Penrith property, was included in an affordable housing bus tour attended by representatives from The Hills Shire Council and Landcom, and arranged by the Greater Sydney Commission and Community Housing Industry Association NSW. We discussed the benefits of affordable housing and the role that local councils and state agencies could play to promote growth of affordable housing. After the tour, guests enjoyed cake and celebrated Echo Realty reaching the milestone of managing 1,000 affordable properties.

2018–2019 YEAR IN REVIEW

CONTINUED



CHANGE OF LEADERSHIP

In May 2019, we said farewell to our long-term Managing Director and CEO Andrea Galloway, who led Evolve Housing through continued growth and success for eight years.

Ms Galloway announced her intention to resign in November 2018. After a thorough search process, the Evolve Housing Board announced the appointment of Lyall Gorman as the company's new CEO. Mr Gorman is a highly successful, well-regarded business leader with more than 35 years' experience in senior management, project management and administration. His career has spanned the public and private sectors. Lyall's most recent position was CEO of the Manly-

Warringah Rugby League Football Club.

Ms Galloway and Mr Gorman worked together to ensure a smooth leadership transition. Ms Galloway said: "Social and affordable housing provides a path for people's success. Having a roof over your head sustains you for what you want to do in life. I'm very proud to have worked with all of our Evolve Housing family. Our team understands what we can offer to our communities and how to create and deliver innovative programs. I wish our team and residents all the best. It's been a pleasure meeting you, learning from you and advocating on your behalf."

TECHNOLOGY AND SECURITY UPGRADES

To improve data analysis of Personal Support Plans, a customer relationship management dashboard was developed.

We invested in technology to increase staff mobility, replacing manual note-taking and post-visit data entry.

A new cybersecurity framework and procedure is helping us safeguard our data.

The management of work orders has improved with a new contractor portal.

Performance planning, employee appraisals and requests for training have been streamlined by a new system.

“I’m very proud to have worked with all of our Evolve Housing family. Our team understands what we can offer to our communities and how to create and deliver innovative programs.”

ANDREA GALLOWAY, FORMER MANAGING DIRECTOR AND CEO



IMAGINATE

In 2019, we launched our new kids' event series called Imagine.

The events feature fun, engaging activities designed to get young residents involved in science, sport, art and more.

Our first Imagine event was held in the Canterbury-Bankstown area on 24 April 2019, with around 70 residents in attendance. It was science-themed, with an interactive display from Fizzics Education, and received very positive feedback from residents. One resident told us that she was excited to have a low-cost, local educational event for her children to attend during the school holidays.

KNOWLEDGE TRANSFORMATION PROJECT

We operate in an increasingly complex business environment, where we use multiple systems and methods for producing and retaining digital and paper-based information.

We engaged an external consultant in 2018, to help develop a plan to improve our information management practices.

In late 2018, in light of the findings from this work, we established the Knowledge Transformation Project.


The goal of this project is to provide a strategic direction to the management of information that we capture, produce and store. The project is conducted in multiple stages and is being led by a project manager.

This is our largest business enhancement project. It impacts all business units and is likely to continue into the 2020–2021 financial year.

A blurred background image of a person sitting on a bench in a park, with trees and foliage visible in the background. The image is overlaid with a solid brown color.

02

HOUSING MARKET



Evolve Housing operates in a complex, dynamic environment that is influenced by the economic climate and government policy. In 2018–2019 we advocated for a range of social and affordable housing solutions and sought opportunities for growth with new and existing partners.

TYPES OF HOUSING WE PROVIDE

Evolve Housing manages 3,478 properties in our portfolio, housing 7,424 residents. Our properties cater to a range of needs.

SOCIAL HOUSING

Social housing is secure, subsidised housing for people on low-to-very-low incomes who need accommodation. Social housing can be provided by the Department of Communities and Justice, or it can be provided by non-government community housing providers like Evolve Housing. Rental rates are calculated on a sliding scale however most social housing residents will pay around 25% of their income.

Evolve Housing manages 2,334 social housing properties, which is 67% of Evolve Housing's property portfolio.

AFFORDABLE HOUSING

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 Housing, or 80% if the property is managed by Evolve Housing on behalf of an investor-owner.

Evolve Housing manages an affordable housing portfolio of 1,077 properties, 255 of which we own, and 822 which we manage on behalf of developers, private investors, not-for-profits and local councils. Affordable housing makes up 31% of Evolve Housing's property portfolio.

YOUTH HOUSING

Evolve Housing for Youth (EHY) provides short-to-medium term transitional housing support services for up to 95 young people at any one time in the Parramatta and Cumberland local government areas. Clients are aged 16 to 24 and are homeless or at risk of homelessness. Individuals are generally given their own room in a share house with other young people, while families are given a property of their own. We work alongside partner organisations to offer EHY clients support services including expert case management, advocacy, referral to other support services, brokerage, and assistance to enter the private housing market. We also offer guidance and programs that can help clients to develop important life skills relating to relationships, budgeting, and renting.

DISABILITY HOUSING

Evolve Housing is a registered Specialist Disability Accommodation provider under the National Disability Insurance Scheme. We offer customised, accessible housing to people living with disability so that residents can maintain their independence in their everyday life. We work closely with other registered Supported Independent Living providers to provide high-quality homes for our residents. We manage 67 group homes as Specialist Disability Accommodation, which is 2% of our property portfolio.

SUPPORTED HOUSING

The Supported Housing Initiative is a three-way partnership between Evolve Housing, support providers and the clients of support providers. Evolve Housing offers housing for the residents on a short-term to medium-term basis while other partners provide complementary services.

HOUSING FOR PEOPLE ESCAPING DOMESTIC AND FAMILY VIOLENCE

Evolve Housing has partnered with Women's Community Shelters for the Safe Foundations program, which supports survivors of domestic violence and helps them get into safe, affordable accommodation. We provide a home for up to three years, allowing people to make the move from crisis accommodation into long-term housing. Residents are given tailored support plans that aim to improve health and wellbeing, while providing access to training and employment.

ABORIGINAL HOUSING

Currently around 1.7% of our residents identify as Aboriginal and Torres Strait Islander. Evolve Housing has an agreement with the Aboriginal Housing Office (AHO) to manage affordable housing properties designated for use by Aboriginal and Torres Strait Islander people.

Rent is set at a maximum of 30% of the resident's income plus their Commonwealth Rent Assistance entitlements, and is capped at 74.9% of the property's market rent value. The eligibility criteria, set by the AHO, specifies that residents must be employed.

We manage 18 AHO properties in the Penrith area which are located in Jordan Springs and Thornton. This is 1.7% of our total affordable housing stock.



OUR RESIDENTS AS OF 30 JUNE 2019

64%

LIVE IN SOCIAL HOUSING

31%

LIVE IN AFFORDABLE HOUSING

3%

LIVE IN SUPPORTED
DISABILITY ACCOMMODATION

2%

LIVE IN TRANSITIONAL
ACCOMMODATION

MARKET OVERVIEW

HOUSING PRESSURES

Over the last year, the community housing sector has continued to face major challenges in addressing housing shortfalls. The affordability crisis is deepening, with many Australians continuing to experience housing stress and paying more towards rent than they can sustainably afford. Others are forced to live in overcrowded, insecure or poor-quality housing.

Particularly worrying is the continued growth of homelessness, with a 14% increase in the number of homeless Australians between the 2011 and 2016 Census.¹ A quarter of Australia's homeless people live in NSW, where the level of homelessness correlates to higher median rents and overall shortfalls in affordable private rental housing and social housing.²

The supply of social housing is not keeping up with demand, with the NSW social housing waitlist including over 52,000 applicants across the general and priority lists as of June 2018. In Australia, there are over 150,000 applicants on the social housing waiting list.³ Researchers estimate that in order to meet current unmet need and future needs in NSW, over the next 20 years two out of every 10 new homes built need to be social housing and one in 10 need to be affordable housing.⁴ This equates to a need for around 12,000 new homes per year.

The community housing sector plays a vital role in creating affordable housing solutions that help address the needs of our most vulnerable communities. However, without ongoing government support through policy settings and funding, community housing providers are unlikely to create impact at the scale needed.

OPPORTUNITIES AND ELECTIONS

There were two major elections in 2018–2019: the NSW state election in March 2019, and the federal election in May 2019.

The elections initiated significant discussion about the need for ongoing government support for social and affordable housing, generating substantial media coverage. We are optimistic that increasing public awareness of housing affordability as a major issue will help generate much needed traction and complement the advocacy undertaken by our sector.

POLICY CHANGES AND INITIATIVES

NATIONAL RENTAL AFFORDABILITY SCHEME

One of the biggest challenges facing the housing sector is the expiration of the National Rental Affordability Scheme (NRAS). The scheme provided a 10-year subsidy to investors who committed to leasing out their property as affordable housing for at least 20% below market rent for 10 years to low-to-moderate income households. In excess of 36,000 affordable dwellings across Australia were created under the scheme. In 2014, the Australian Government announced that no new funding would be made available, and the scheme would cease, with all current funding to end by 2026. At this stage, no replacement scheme has been announced. As a result, it is likely that private investors may choose to sell their NRAS properties once the 10-year subsidy expires, or to rent them at full market rent.

Evolve Housing may lose more than 400 affordable properties that we manage on behalf of private owners. We are currently investigating ways to retain the properties, and look forward to working with

governments to identify other funding solutions for future affordable housing.

NATIONAL HOUSING FINANCE AND INVESTMENT CORPORATION

Evolve Housing was one of the first community housing providers to receive a loan from the Australian Government's National Housing Finance and Investment Corporation (NHFIC). NHFIC was launched in 2018 with the aim to support investment in social and affordable housing to registered housing providers. It provides low-cost, long-term financing to increase the viability of new housing projects and the community housing sector more broadly.

Evolve Housing applauds the Australian Government for this initiative, which has the potential to have a large positive impact on the financial sustainability of the community housing sector. NHFIC funding was used to refinance Harts Landing, a development that is home to more than 500 people in Penrith, and to fund other development projects. We are exploring a number of other new projects to invest in over the coming years.

AFFORDABLE RENTAL HOUSING TARGETS

The re-elected NSW Government has maintained a focus on addressing housing affordability by increasing housing supply, through market mechanisms and planning system reforms, and setting modest affordable and social housing targets.

In 2018, the NSW Government formally adopted Affordable Rental Housing Targets (ARHT) for the Greater Sydney Metropolitan Region, which were proposed by the Greater Sydney Commission.

61,000

IN 2017, THE NSW GOVERNMENT PROJECTED A TARGET OF 61,000 HOUSING COMPLETIONS ON AVERAGE PER YEAR TO 2021, AS PART OF ITS HOUSING AFFORDABILITY STRATEGY.⁶



100,000

IT ALSO ESTIMATED THAT NSW POPULATION GROWTH WILL RISE AT A RATE OF 100,000 RESIDENTS PER YEAR.

MARKET OVERVIEW CONTINUED

12,000

A MINIMUM OF 12,000 NEW SOCIAL AND AFFORDABLE HOMES ARE REQUIRED PER YEAR TO 2026 IN ORDER TO MEET THE CURRENT DEMAND AND FORECASTED POPULATION GROWTH IN NSW.⁷



727,300

OVER THE NEXT 20 YEARS THERE IS A PREDICTED SHORTFALL OF 727,300 SOCIAL HOUSING DWELLINGS.⁸

Under the ARHT, 5–10% of any new residential floor space created as a result of a change of planning controls will need to be dedicated to affordable housing.

We are pleased that the NSW Government has now allowed all metropolitan councils to utilise the provisions of *State Environmental Planning Policy 70 — Affordable Housing (SEPP 70)*, to create affordable housing contribution schemes that can act as the legal mechanism to enforce the ARHT. Evolve Housing is working with a number of local councils to provide advice and input in relation to social and affordable housing in their housing strategies. Once fully implemented, the ARHT have the potential to produce between 6,860 and 16,310 new affordable dwellings in Sydney over ten years to 2029.⁵


COMMUNITIES PLUS

Communities Plus is a NSW Government initiative to increase social and affordable housing supply. It also aims to improve the experience of social housing residents through redeveloping key housing developments into mixed-tenure communities. We applaud the NSW Government for this program as it will add critical supply to both social and affordable housing.

Evolve Housing is excited to be involved in this program, as a community housing provider partner for a number of sites across Sydney. Working with partners, we have projects in various stages of development.

NEXT STEPS

A diverse mix of housing and tenancy types are required for Australians, as they progress throughout the many stages and ages of their lives. We call for increased co-operation and collaboration between all three tiers of



government (local, state and federal), private developers, and community housing providers in order to create more opportunities for all Australians.

REFERENCES:

1. Pawson, Parsell, Saunders, Hill and Liu (2018), Australian Homelessness Monitor 2018, accessed 28 October 2019, <https://www.launchhousing.org.au/site/wp-content/uploads/2018/05/LaunchHousing_AHM2018_Report.pdf>
2. Parkinson, Batterham and Reynolds (2019), Homelessness soars in our biggest cities, driven by rising inequality since 2001, The Conversation, accessed 28 October 2019, <<https://theconversation.com/homelessness-soars-in-our-biggest-cities-driven-by-rising-inequality-since-2001-117833>>
3. Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services (2017) accessed 28 October 2019, <<https://www.pc.gov.au/inquiries/completed/human-services/reforms/report/human-services-reforms.pdf>>
4. Troy, Randolph and van den Nouwelant (2019), Build social and affordable housing to get us off the boom-and-bust roller coaster, The Conversation, accessed 28 October 2019, <<https://theconversation.com/build-social-and-affordable-housing-to-get-us-off-the-boom-and-bust-roller-coaster-113113>>
5. Phibbs and King (2018), Potential affordable dwelling yields from a NSW Inclusionary Zoning Scheme, report for Shelter NSW by the University of Sydney, accessed 28 October 2019, <https://www.shelternsw.org.au/uploads/1/2/1/3/121320015/inclusionary_zoning_yields_research_report.pdf>
6. NSW Government (2019), accessed 28 October 2019, <<https://www.nsw.gov.au/improving-nsw/premiers-priorities-2015-2019/making-housing-more-affordable/>>
7. Judy (2018), Social and affordable housing projections 2016-2026 (and 2036), Community Housing Industry Association NSW report, accessed 28 October 2019, <<http://communityhousing.org.au/wp-content/uploads/2018/06/1806-CHIA-Judy-Yates-research-report.pdf>>
8. Lawson, Pawson, Troy, van den Nouwelant and Hamilton (2019), Social housing as infrastructure: an investment pathway, from the Australian Housing and Urban Research Institute inquiry Social Housing as Infrastructure, accessed 28 October 2019, <https://www.ahuri.edu.au/__data/assets/pdf_file/0025/29059/AHURI-Final-Report-306-Social-housing-as-infrastructure-an-investment-pathway.pdf>

03

RESIDENTS AND SERVICES

Our residents are a range of ages and backgrounds. We provide support services that help our residents to achieve their goals. In 2018–2019 we exceeded a number of industry benchmarks related to resident satisfaction.

OUR RESIDENTS

TENANT PROFILE AS OF 30 JUNE 2019

AGE GROUPS

26%
CHILDREN (0-17)

11%
YOUTH (18-24)

9%
YOUNG ADULTS (25-34)



HOUSEHOLD TYPES

44%
LONE PERSON

5%
COUPLE WITH CHILDREN

15%
SOLE PARENT

11%
COUPLE

WE PROVIDE HOMES FOR **7,424** RESIDENTS
ACROSS **3,478** PROPERTIES

25%

MIDDLE-AGED (35-54)

22%

OLDER ADULTS (55-74)

8%

ELDERLY (75+)



11%

GROUP* WITHOUT CHILDREN

6%

GROUP* WITH CHILDREN

8%

OTHER

*Group refers to a household of two or more people who are not in a couple or parent-child relationship. It may include blood relationships such as siblings or extended family members.

MYMY

RESIDENT STORY

“Evolve Housing is always willing to help us out with anything we need.”

Aspiring doctor Mymy has been able to rely on the support of an Evolve Housing Keep Educating Yourself (KEY) grant to help fund her undergraduate and postgraduate studies.

Twenty-three year-old Mymy first applied for a grant to assist her while she studied a Bachelor of Science degree at the University of New South Wales, focusing on neuroscience.

She then participated in the implementation of a clinical trials program that used online software to help older people change their thought processes and challenge their fears of leaving their homes.

After completing her first degree, Mymy decided to pursue her desire to become a doctor and enrolled in her first year of medicine at Western Sydney University, again accessing another KEY grant for financial support.

“The grant helped me pay for uni fees, textbooks, computers, things I needed to get me through the year,” Mymy said. “This year, medicine is very costly. There’s the stethoscope, the lab coats and the textbooks.”

Mymy has been in an Evolve Housing property in Merrylands for 10 years with her mum and sister,

and said that living in community housing has been a positive experience for her family.

“Evolve Housing has helped out a lot, especially as a child of a single mum. It’s made life a lot easier. Our apartment was quite convenient for me and my sister when we went to high school. The location is great and Evolve Housing is always willing to help us out with anything we need,” she said.

After Mymy graduates, she is interested in becoming a respiratory specialist or a psychiatrist, and said that she thinks that her experience living in community housing in western Sydney will allow her to connect with patients.

“I feel like I’m going to become a better doctor because of where I’ve grown up in a way that I’ve seen people who come from varying different backgrounds financially; I’m not close-minded. The more you learn about people, the better you’re going to be when you become a practitioner. You need to be able to communicate with people by having experience with people.”



DIVERSITY AND DEMOGRAPHICS



NEARLY 7,500 RESIDENTS LOCATED IN
NEARLY 3,500 DWELLINGS ACROSS NSW



57% ARE WOMEN
43% ARE MEN



RESIDENTS LIVE IN
38 LOCAL GOVERNMENT AREAS



90% OF RESIDENTS LIVE IN
GREATER WESTERN SYDNEY



64% LIVE IN SOCIAL HOUSING



31% LIVE IN AFFORDABLE HOUSING



5% LIVE IN SUPPORTED DISABILITY
OR TRANSITIONAL ACCOMMODATION



**44% OF SOCIAL HOUSING HOUSEHOLDS
ARE LONE PERSON HOUSEHOLDS**



**15% OF HOUSEHOLDS ARE SINGLE PARENT
HOUSEHOLDS**



**7.7% OF SOCIAL HOUSING RESIDENTS
WERE PREVIOUSLY HOMELESS**



**1.7% IDENTIFY AS ABORIGINAL
OR TORRES STRAIT ISLANDER**



37% OF RESIDENTS WERE BORN OVERSEAS



**22% OF SOCIAL HOUSING RESIDENTS ARE
ON THE DISABILITY SUPPORT PENSION**



**88% OF ADULT RESIDENTS IN SOCIAL,
TRANSITIONAL AND DISABILITY HOUSING
HAVE WELFARE PAYMENTS AS THEIR MAIN
SOURCE OF INCOME**



**18% OF SOCIAL HOUSING RESIDENTS
RECEIVE THE AGE PENSION**

PROGRAMS AND SERVICES

GRANTS, EVENTS AND SUPPORT

Evolve Housing offers many ongoing programs and activities to support our residents to help them attain education, training, life skills and more.



MONEY MINDED WORKSHOP

At this workshop, residents can learn how to manage their money and take control of their finances. This workshop covers topics that include creating budgets, reducing debt, saving money, managing credit cards and more.



DIGITAL BASICS WORKSHOP

This workshop helps residents learn how to use the internet and modern technology, with a focus on computer basics, online banking, emails, navigating Centrelink, social media and more.



GO! GRANTS

GO! Grants offer financial support of up to \$350 per household for two years to encourage children to get involved in sports and physical activity.

EMPLOYMENT AND TRAINING

We have a holistic approach to support residents to develop skills and find employment. We offer training courses and partner with employment agencies that provide help with resume writing, interview skills and direct job placement.

KEEP EDUCATING YOURSELF (KEY) GRANTS

The grant offers financial support for residents to study a trade, or complete a course at university, a private college or TAFE. This program provides up to \$4,500 over three years to help residents complete their training.

COMMUNITY GARDENS

This program is run in partnership with Community Greening, and encourages social time between residents, while delivering fruits and vegetables for our communities to enjoy.

FRIENDSHIP AGED NETWORK

Residents who are in their senior years, and live on their own, can receive a friendly phone call from a fellow resident on a weekly basis. We offer this service in English and Arabic.



NILS (NO INTEREST LOAN SCHEME)

We are a registered provider for Good Shepherd Microfinance. This program helps those on low incomes to purchase essential items (such as whitegoods, furniture, computers and educational supplies) on credit with no interest.

HIGH SCHOOL HELP

This program offers financial support for residents with children in high school. Support lasts up to three years and includes costs for professional tutoring and school fees.



STREET LIBRARY

Our Community Development team encouraged a love of reading in Evolve Housing residents and staff by installing two street libraries in the past financial year.

A street library is a small book library that can be accessed by anyone within the community, and has been used successfully in Australia and internationally to promote community spirit and encourage reading.

The libraries are located in a resident block in western Sydney and out the front of Evolve Housing's Parramatta head office, and are stocked with books generously donated by Booktopia.

The artwork for the head office street library was created by Aboriginal artist Sal Lavallee. A new library, in the form of a shelf at Devitt Street in Blacktown, will contain artwork from vision impaired Aboriginal artist Todd Dorward.

This initiative was noted as Highly Commended in the category of Tenant Led Initiative at the Australasian Housing Institute Awards 2019.



IMAGINATE

Over 120 Evolve Housing residents have joined us to date for our childrens' event series, Imagine. The events series features fun, interactive activities focused around a theme. The first two events were called Little Scientists and were designed to inspire curiosity in the minds of young attendees.

Science education experts, Fizzics Education, presented an impressive liquid nitrogen show. Residents also enjoyed do-it-yourself workshops where kids created their own screen printed t-shirts and book bags, handmade badges and terrariums.

REVITALISATION OF THE RESIDENT ADVISORY GROUP

Over the past six months, we have been undertaking a review of the structure, function and terms of reference of our Resident Advisory Group (formerly known as the Resident Council). The aim is to revitalise the group so that its members are reflective of our residents. Members are drawn from a range of ages and cultural backgrounds and from across the wide geographic areas that our properties span.

The new terms of reference reflect a shift away from members organising events, to providing advice on programs, initiatives and other items requiring

a resident voice. Current members have been involved in the review and will be offered an opportunity to apply for a position when the new recruitment campaign occurs in the 2019–2020 financial year.

RESIDENT ENGAGEMENT

We are strengthening our Resident Engagement Strategy to ensure that we are listening to our residents and undertaking activities and programs that are relevant and important to them.

We use an evidence-based approach to resident engagement. Our residents are unique and have specific needs, so we employ a range of mechanisms to ensure we serve our diverse communities. Where possible, we co-design our programs, and resident feedback drives what we do.

We aim to get as much qualitative and quantitative feedback from our residents as possible, so we can practice ongoing evaluation of our services and initiatives. Our listening approaches include face-to-face meetings, pop-up engagement at events, surveys and digital engagement.

There are three pillars to our resident engagement:

- Ongoing programs
- Events and activities
- Targeted place-making initiatives

We align our programs to the priorities identified in the Social Outcomes Framework. The priorities are:

- Home and safety
- Education and skills
- Economic support and skills-building
- Sustainability
- Health and wellbeing
- Building resilient communities

ABILITY OPTIONS

In September 2018, Evolve Housing entered into a partnership with Ability Options to allow our residents to access one-on-one support to find a job. An employment specialist from Ability Options works with Evolve Housing residents, providing advice and support to create a resume, find and apply for jobs, prepare for interviews and brush up on work-related skills. Some residents also receive additional assistance such as work experience, training and help finding interview clothing.



ABILITY OPTIONS CASE STUDY

Yazmin* was heavily pregnant and had a four-year-old to care for when she became homeless due to relationship issues.

Yazmin obtained crisis accommodation before she was referred to Evolve Housing for Youth (EHY), a division of Evolve Housing, for transitional accommodation and case management support. With a roof over her head, she was able to focus on improving her life and completed her Diploma in Nursing, becoming an Enrolled Nurse.

Her Evolve Housing for Youth Case Worker, Caroline referred her on to Eleanor, the Ability Options Job Specialist.

Eleanor worked with Yazmin to help her pursue

her employment goals, providing her with support to apply for jobs and attend interviews. In early 2019, Yazmin found employment — coincidentally, with Ability Options. She works as a casual Disability Support Worker.

Caroline said that finding a job has improved Yazmin's mental health and allows her to earn money to increase her standard of living.

Yazmin is planning to move out of transitional accommodation and into a home of her own, located close to her eldest child's day care.

"This is the happiest that she's ever been since I've known her. The impact on her life has been very positive," Caroline said.

*Name changed.

OPPORTUNITY PATHWAYS

“Opportunity Pathways helped me gain employment. I am very grateful to have had the support and look forward to ongoing post placement support.”

JEREMY, Opportunity Pathways participant

Evolve Housing is delivering the Opportunity Pathways program in the South Western Sydney and Nepean Blue Mountains regions. The program empowers social housing clients to pursue their career ambitions and become independent.

Opportunity Pathways, funded by the Department of Communities and Justice, aims to support participants to access training and work opportunities, with the ultimate goal of securing permanent employment and potentially moving into private market housing.

The program is free and voluntary for people aged 17 years and over who are:

- Living in public, community or Aboriginal community housing, or
- Receiving a Rent Choice subsidy, or
- An approved social housing applicant on the NSW Housing Register.

Evolve Housing was awarded the tender in March 2019 as part of a consortium including MAX Solutions, Olympus Solutions/Ability Options (employment partners), Macquarie Community College (education and training partners) and Relationships Australia NSW. To deliver the program, Evolve Housing employed a new team of experienced community workers who have the right people skills and background to support participants.

The program is being promoted to local service providers and directly to social housing clients. Participants can

join the program by signing up or by being referred by a service provider.


People who express interest in the program undergo an intake assessment to ensure that they are eligible, know what the program involves, and are ready to look for work. Once participants are admitted into the program, they are paired with a Case Coordinator who works with them to create a Training, Employment and Housing Plan that is tailored to their needs, goals and aspirations. The program can also provide financial assistance for job-related costs such as transport, licences and work attire.

Program Manager, Dyana Selim, said that Opportunity Pathways is an exciting program that has the potential to transform the lives of many social housing clients. “It’s going to enhance participants’ independence in the community, while helping them to build their skills and capacity to live independently,” she said.

“We know that employment can help people feel a sense of purpose and allow them to create a good quality of life for themselves and their families. The program is all about breaking down barriers and telling people they can achieve more.”

Since the program’s launch in March 2019, 43 clients have been referred to the program.

Photo: Program Manager, Dyana Selim.



“The program is all about breaking down barriers and telling people they can achieve more.”

DYANA, Program Manager



Jeremy

RESIDENT STORY

Jeremy, a 26-year-old community housing resident, needed assistance with gaining employment. He was referred to the Opportunity Pathways program. A Case Coordinator met with Jeremy and worked with him to find a position he was interested in and to create a new resume. When Jeremy's application progressed, his coordinator helped him prepare for the interview and regularly checked in to encourage him. Jeremy was offered a full-time position in an accounts administration role at a company located just a few minutes drive from his home.

EVOLVE HOUSING FOR YOUTH



Young people living in Evolve Housing properties are able to learn about relationships, money management and other life skills with the new Online Living Skills program.

The educational program, developed in 2018–2019, is available for any young Evolve Housing resident to access. It uses colourful, interactive graphics to present content about important life skills that young people will need to learn as they navigate early adulthood.

It is the first life skills program in the community housing sector to use online multimedia content, and can be accessed on a phone, tablet or computer. Residents can also access one-on-one support from their caseworker if they need help to complete the course.

The program was created by the Evolve Housing for Youth (EHY) team and funded by grants from Cumberland Council (who contributed \$20,000) and the City of Parramatta (who contributed \$10,000).

Course content is based on information written by a housing professional and updated by EHY staff. A Singapore-based company, Up 2 Speed, animated the information. Modules teach participants about their rights and responsibilities as housing residents, how to access and use their identity documents, how to manage their finances and access income support, how to build and maintain healthy relationships, how to maintain their tenancy, and about education, employment and volunteering.

The program takes around four to six weeks to complete and includes quizzes for each module. Participants receive a certificate for each topic they complete and another one when they finish the course.

“My team works tirelessly. The one thing that gets them going is providing support for our clients.”

DEBRA IRESON, Supported House Manager



SUPPORT TEAM

Evolve Housing's Personal Support Plans were launched as a pilot program in August 2017 and have been so successful that they have been made a permanent service. We created 57 plans in the 2018–2019 financial year, with 176 delivered since the program started.

Personal Support Plans offer tenants the opportunity to have their needs assessed by a Specialist Support Worker during the housing allocation process. The assessment identifies the specific needs of each tenant, triages them, then a Tenancy Support Officer is assigned within 48 hours. A Personal Support Plan, tailored to

the individual and their family's needs, is developed within four weeks. It addresses personal health, wellbeing, education, training and employment needs. The innovative project received the 2019 Excellence in Social Housing Award at the Australasian Housing Industry of Australia's NSW awards gala.

Supported Housing Manager, Debra Ireson, said: "The impact of this project has been that clients can access an in-house service to help to navigate holistic support. As a result, they are more able to deal with the challenges of life and less likely to end up in a crisis situation."

Photo: Evolve Housing for Youth team.

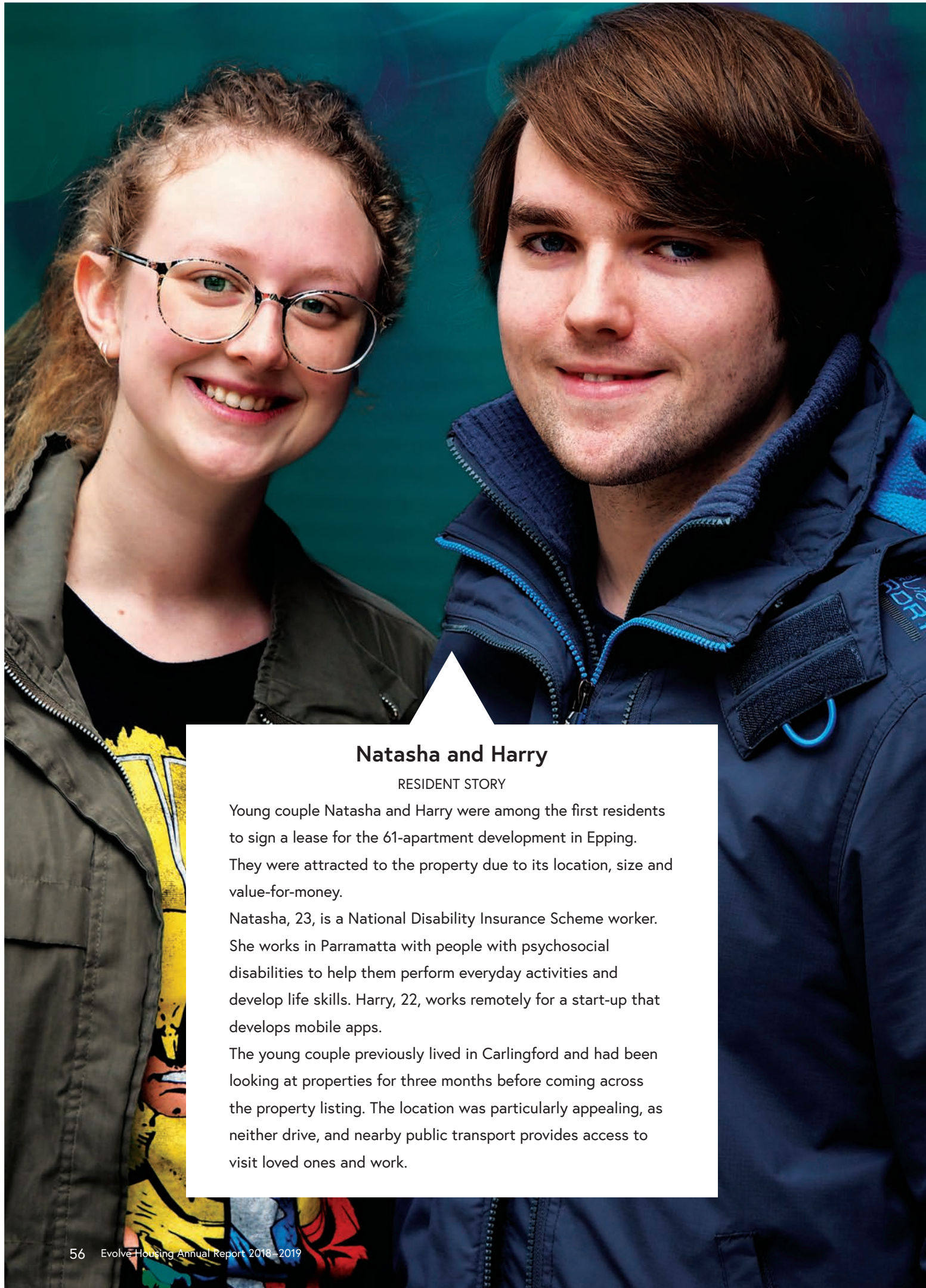


04

ECHO REALTY



Echo Realty, a division of Evolve Housing,
managed more than 1,000 high-quality
affordable homes in 2018–2019.
Our residents' stories demonstrate the
impact of affordable housing on their lives.



Natasha and Harry

RESIDENT STORY

Young couple Natasha and Harry were among the first residents to sign a lease for the 61-apartment development in Epping. They were attracted to the property due to its location, size and value-for-money.

Natasha, 23, is a National Disability Insurance Scheme worker. She works in Parramatta with people with psychosocial disabilities to help them perform everyday activities and develop life skills. Harry, 22, works remotely for a start-up that develops mobile apps.

The young couple previously lived in Carlingford and had been looking at properties for three months before coming across the property listing. The location was particularly appealing, as neither drive, and nearby public transport provides access to visit loved ones and work.

ECHO REALTY

AFFORDABLE HOUSING

Echo Realty, a division of Evolve Housing, is a profit-for-purpose real estate agency. Launched in 2017, the agency was the first of its kind in NSW specialising in affordable housing. The team at Echo Realty manages Evolve Housing's affordable housing portfolio as well as tenancies on behalf of private landlords.

With a combined 50 years' experience in private and affordable housing management, the Echo Realty team has successfully partnered with government and private organisations including developers, the Aboriginal Housing Office, City of Parramatta and Willoughby Council.

Since its launch, Echo Realty has been very successful, growing its affordable housing portfolio from 90 properties in 2014 to more than 1,000 properties in early 2019.

Its aim is to provide affordable, high-quality properties and fair tenancy management to residents, and help to increase the supply of affordable housing in NSW by partnering with developers and investors. Echo Realty's affordable properties are available to anyone on low-to-moderate incomes. Income limits are applied and vary related to the relevant affordable housing policies and schemes, combination of household members, size and market rent of the apartment.

Unlike traditional real estate agents, Echo Realty reinvests its profits to create more social and affordable housing stock and to fund social support programs for disadvantaged members of the community.

KEY WORKER HOUSING

Key workers such as nurses, teachers and police officers perform vital tasks for the community yet they are often locked out of living near their workplaces due to expensive rental prices.

Echo Realty provides fee-for-service property management for key worker housing on behalf of various organisations, and in May 2019, it expanded its key worker portfolio with the launch of a 61-apartment building in Epping.

Echo Realty was contracted as the building's property manager and were also responsible for creating the eligibility criteria, advertising the property, holding open homes, liaising with prospective tenants, handling tenancy applications, signing leases and managing tenancies.

The brand new building offers a mix of one, two and three-bedroom apartments and is located approximately 500 metres from Epping Station and within walking distance of shops and eateries.

As the properties are leased under an affordable housing scheme, residents have access to these high-quality, brand new apartments for up to 20% under the market rent.

To be eligible, applicants must be employed as a key worker in frontline services such as aged care, health care, education, emergency services, law enforcement and child care, fit within the income limits, and not own property.

NEWCASTLE

AFFORDABLE HOUSING IN THE CBD

Evolve Housing is expanding into the Newcastle area, which currently has limited options for affordable housing. We are developing a 30-apartment building located in the heart of the CBD.

Evolve Housing won the tender to deliver the project after a competitive Expression of Interest process in 2018 with the Hunter and Central Coast Development Corporation (HCCDC). The development application design was prepared with Sissons Architects as lead designer. Evolve Housing received the development consent from the City of Newcastle in December 2018. The purchase of the land from the HCCDC was finalised in February 2019 and local builder GWH Build was selected as the project design and construction contractor.

Newcastle Lord Mayor Nuatali Nemes said: “Developments like this are important to building strong local communities. We ensured that the rezoning included affordable housing and this is a good outcome for our community.”

“Access to secure, appropriate and affordable housing is not only a basic requirement for everyone, it’s crucial to creating an inclusive, dynamic and sustainable city.”

The project is currently under construction, with completion expected by mid-2020.

Read more about our Newcastle property on page 61.





Aboriginal artefacts

After receiving the development consent for our Newcastle development, Evolve Housing worked closely with Registered Aboriginal Parties, archaeological consultants and the Biodiversity and Conservation Division of the Department of Planning, Industry and Environment (formerly called the Office of Environment and Heritage). An Aboriginal Heritage Impact Permit (AHIP) and the Excavation Permit (EP) were obtained, which enabled excavation works to commence.

Working collaboratively, the archaeological excavation was successfully undertaken with Registered Aboriginal Parties who are local knowledge-holders. A number of Indigenous artefacts were uncovered, collected and recorded, and will be re-buried on-site for future generations. Stone fragments (as pictured) used as cutting or sharpening tools were the main artefacts found, which provide a glimpse into the life and practices of the Awabakal people.



PROPERTY PORTFOLIO

PROJECTS COMPLETED IN 2018–2019 AND UNDER DEVELOPMENT



TETRIS VILLAGE CLYDE ST, GUILDFORD

- 23 homes
- 23 beds
- Up to 36 people
- \$6 million*
- Completion: November 2018

Tetris Village is a four-storey development containing 23 social and affordable studio apartments. There are 13 social and 10 affordable apartments, including four accessible apartments.

Each apartment is furnished with a fold-down bed, adaptable table and chairs, fridge, washing machine, convection microwave and TV.

Nearby public transport makes the apartments readily accessible to the residents.

The development was built using modular construction techniques. Stackable modules, made from shipping container steel, were constructed off-site. This method shaved three to four months off the construction timeline.



KING GEORGES ROAD, ROSELANDS

- 26 homes
- 26 beds
- 26 people
- \$6 million*
- Completion: March 2019
- Partner: Pacific Link Housing

The King Georges Road project is a two-storey development containing 26 social and affordable studio apartments. There are 13 social and 13 affordable apartments, including two accessible and eight adaptable apartments. All are furnished with a double bed, table and chairs, fridge, washing machine, convection microwave and TV. There is a communal room for residents and open landscaped spaces. Nearby public transport makes the apartments accessible to the ever-expanding Canterbury-Bankstown region. There is parking for six cars and five motorbikes.



KANTARA ROAD, CANTON BEACH

- 30 homes
- 30 beds
- 30 people
- \$7 million*
- Anticipated completion: late 2020
- Partner: Pacific Link Housing

This property is a three-storey building for social and affordable housing residents. It includes 30 studio apartments — 10 social and 20 affordable apartments, five of which are adaptable apartments. Residents have access to a communal room and open landscaped spaces. There is parking for seven cars and five motorbikes.



MEREWETHER STREET, NEWCASTLE

- 30 homes
- 48 beds
- 78 people
- \$16 million*
- Anticipated completion: mid-2020

Redeveloped over the former heavy rail line next to Civic Station, this property will include 30 residential apartments dedicated for affordable rental housing. There are one-, two- and three-bedroom apartments. Four apartments are being constructed to suit Specialist Disability Accommodation.

Facilities include a ground floor car park and two communal roof top terrace areas. There will also be three retail tenancies in the building. The property is close to many CBD amenities including the light rail, a university, the Civic Cultural Precinct and Honeysuckle foreshore.



MORISSET

- Up to 40 homes
- 100 beds
- 140 people
- \$17 million*

Evolve Housing owns a number of adjoining properties in Morisset, which are occupied by social housing residents.

We are managing six properties in the region, and investigating additional properties, within a development area, while reviewing the best outcomes for these sites. Based on the needs of the people in the area, likely developments include townhouses or apartments. Feasibility and site analysis studies are being undertaken in 2019. A decision on the best direction forward is anticipated towards the end of 2019.

The properties and potential development area are well-located close to the town centre, shopping centre, recreational facilities and train station.

*Total development cost.

COMPLETED AND UNDER CONSTRUCTION IN 2018–2019:



5
PROJECTS



\$52
MILLION*



149
DWELLINGS



227
BEDROOMS



310
PEOPLE

COMMUNITIES PLUS PROJECTS: TELOPEA, LIDCOMBE, WEST RYDE, PADSTOW

We are working with developers on new projects in Telopea, Lidcombe, West Ryde and Padstow. Evolve Housing will manage the social and affordable apartments within these developments. The developments are part of the Communities Plus program, a NSW Government initiative that will include social, affordable and private apartments. Communities Plus aims to develop new mixed communities where social housing blends in with private and affordable housing. Residents have access to transport, employment, community facilities and open spaces.



“You feel much more a part of the community if you’re living and working in the same place.”

OUR RESIDENTS

RESIDENT STORY, ITA

Ita spent more than four hours a day commuting to her Chatswood workplace for years before she was offered an affordable property with Echo Realty, located just a 20-minute walk from her office. Ita lived in East Gosford before becoming an Echo Realty resident. She moved to the picturesque but distant suburb when she was priced out of the rental market in her former long-term hometown of Dee Why.

While Ita initially embraced her new coastal lifestyle, the excessive travel times, cost of commuting and social isolation began heavily impacting her life. Ita was getting home at 8pm from her job. “I found myself isolated more and more, and apart from the inconvenience, the days were so long it was ridiculous,” Ita said.

“I’d get home; I’d literally cook, wash the dishes, then go to bed and I thought ‘this is crazy’. That’s not a really good way to live to be perfectly honest — and then to just isolate yourself on the weekend because you’re tired.”

Ita’s old commute consisted of a 10-minute walk to a bus stop, a bus to the railway station, and a train from Gosford to Chatswood, taking around four-and-a-half hours per day all up and costing around \$80 a week.

Ita made the decision to move closer to work earlier this year. She feared she would end up living in a converted garage or small granny flat due to the high rental prices in Sydney.

Fortunately, she came across an Echo Realty advertisement online for a brand new apartment at

affordable housing rates, reserved for key workers* in the Willoughby Council area, and realised that she was eligible to apply.

Ita’s application was accepted, and three months on, her life has changed dramatically for the better. She now has more time and money, and no longer needs a car to travel.

“I walk to work, it takes me 20 minutes and that includes getting breakfast on the way — it’s a whole different lifestyle. I get home by 5.30pm. I’ve got all this extra time. I can meet people for dinner during the week.”

The rent that Ita pays at her new apartment is less than what she used to pay living in East Gosford. Having now experienced living in affordable housing, she said that she believes local housing for key workers* is vitally important.

“It’s much better for the community. It’s much, much better for your psychological and physical wellbeing. You feel much more a part of the community if you’re living and working in the same place,” Ita said.

“When I came across this I thought, there’s an organisation out there that is willing to help me, at my age, to work and live in the same vicinity. I’m so grateful.”

*Key workers, who may be eligible to rent our affordable housing properties, are defined as people who work in essential industries such as aged care, health care, education, emergency services, law enforcement and childcare.



05

OUR PEOPLE



Our diverse communities are reflected in the composition of our staff and Board members. Evolve Housing's 112 staff and eight directors are dedicated to helping our residents and increasing our social and affordable housing portfolio.



OUR PEOPLE

2018–2019 SNAPSHOT

112 EMPLOYEES
WORKING TO PROVIDE
AFFORDABLE HOUSING
TO AUSTRALIANS IN NEED



OF THE **21**
MANAGEMENT
POSITIONS, THERE
WAS AN ALMOST EVEN
GENDER SPLIT WITH
10 WOMEN AND 11 MEN
IN MANAGERIAL ROLES



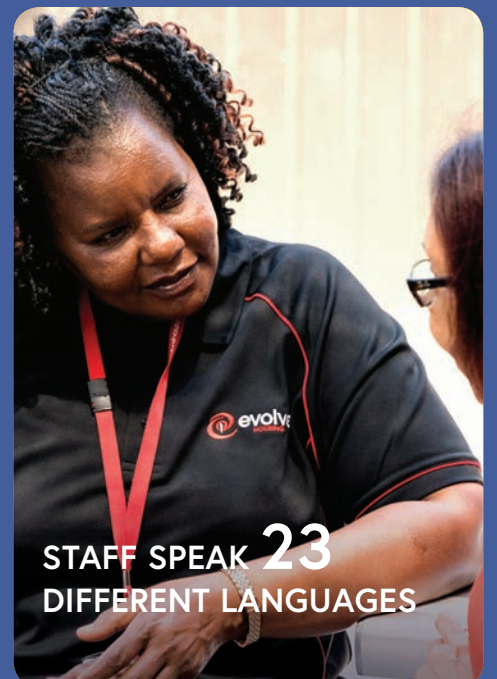
15 OF OUR STAFF HAVE
TAKEN UP THE OPTION OF
1 DAY OF VOLUNTEER LEAVE
SINCE IT WAS INTRODUCED
IN JANUARY 2019

41% WERE EDUCATED
AT THE TERTIARY LEVEL
OR HIGHER



65% ENGAGED IN
FLEXIBLE WORKING
ARRANGEMENTS

3 STAFF IDENTIFY AS
ABORIGINAL OR TORRES
STRAIT ISLANDER



STAFF SPEAK **23**
DIFFERENT LANGUAGES

HIGHLIGHTS

WHITE RIBBON ACCREDITATION

In January 2019, Evolve Housing was successfully accredited as a White Ribbon Workplace following an 18-month accreditation process. The process required significant commitment from our management and staff, and involved participation from all staff and reflection upon all of our attitudes and behaviours. The aim of the White Ribbon Workplace Accreditation Program is to provide the tools to create a culture of respect and gender equality throughout all levels of Evolve Housing.



ENHANCING BUSINESS PRACTICES

Over the last 12 months, Evolve Housing has focused on automating our human resources processes to drive excellence and deliver operational efficiency. We introduced My Safety, an online work health and safety portal, which enables team members to promptly report and manage workplace incidents, injuries or hazards. The portal also enables us to make informed decisions and enhances our internal reporting capacity.

As part of our commitment to investing in our people, an online learning and development system has been implemented. This has increased our understanding of the training needs of, and opportunities for, our staff. We now have a better understanding of how to continue to foster and nurture our talent.

ASPIRE

In October 2018, Evolve Housing launched ASPIRE, our integrated performance management, career development and talent management program.

It aims to provide our employees with access to career and professional development opportunities while also allowing us to deliver on our strategic goals. Enhancements are being made to the program as a result of feedback from team members. Through enabling and empowering our people, we are helping them aspire to achieve.

STAFF ENGAGEMENT/FEEDBACK

We commissioned a staff engagement survey in December 2018 to gather valuable insights and feedback about internal programs and initiatives.

We also sought employee opinions on Evolve Housing's strengths and areas that we need to focus on developing in the future. This feedback will help us to offer targeted, useful employee support and professional development programs.

STAFF STORY

SAIF RAMAN, INTAKE AND YOUTH SERVICE SUPPORT OFFICER

“I realised early on how people’s situations can change at the drop of a hat.”

How long have you worked at Evolve Housing?

I have been working at Evolve Housing for Youth for about three months now.

Can you describe what you do at Evolve Housing?

I am the first point of contact for new Evolve Housing for Youth referrals, and I do the initial phone assessment to see if the client is suitable for our service — if they aren’t, I refer them to more suitable services. I also do the initial assessment for young homeless people who drop into the office. I manage the Online Living Skills program, support caseworkers with clients who speak Arabic, and compile reports and statistics.

What do you find most satisfying about your job?

The most satisfying part of my job is when I help a client and they are appreciative of the support our team has provided. I work in a great environment and have a lot of support for professional development and growth.

What drew you to work at Evolve Housing?

I came to Australia aged 13, fleeing wartime in Iraq. I realised early on how people’s situations can change at the drop of a hat and if someone is able to help in the transitional process to a better life, I’d like to be

a part of that. Evolve Housing for Youth has given me the platform to help people in need.

How would you describe the workplace culture at Evolve Housing?

It is a very friendly environment. The work-life balance is great and the team life is very uplifting. My colleagues are very experienced in case management and client relationships. I started my career in the private sector and always felt like I wanted to give a hand up to people experiencing difficult times, because I grew up in my own difficult circumstances.

What kind of projects are you working on right now?

We are always developing new projects that will help our young people grow and our main priority is equipping our clients with the skills they need to flourish in life after they leave Evolve Housing for Youth. One of these projects is the Online Living Skills program, which includes interactive modules that teach practical living skills such as how to open a bank account or do laundry. While these may seem like simple tasks, they are necessary to successfully transition into adulthood and many young people living out of home for the first time may need some extra help developing them.



SAMANTHA

RESIDENT STORY

For most mothers, pregnancy is a time of joy, but for western Sydney resident Samantha, the lead up to the birth of her son William was marred with anxiety about housing security.

It is only now that she is living in an Evolve Housing property that Samantha has been able to afford the basic necessities of life and experience some stability.

As a single mother, Samantha had been struggling to make ends meet in a private rental property with her five year old daughter Mackenzie. She was barely staying afloat financially, when she changed to a higher-paying job to improve her financial situation.

Only three months into the new role, Samantha discovered that she was pregnant with William, and at her six-month performance review, she was retrenched.

Samantha started receiving a sole parent pension and began spiralling further into financial stress, falling behind in rental payments. Despite having a difficult pregnancy and gestational diabetes, she often skipped meals so she could feed her daughter.

"All I did with my pension was pay rent. I didn't have money for food; I didn't have money to send Mackenzie to daycare even for one day a week."

Samantha said: "I was borrowing money left, right and centre off people just to put food in the cupboard some weeks because literally after paying the rent I had \$100 a fortnight to live off and I hadn't paid any bills, I hadn't paid electricity, I hadn't even put money towards the water bill, so it became very difficult".

The new year began badly for Samantha, as she was served an eviction notice and began panicking about where she and her family could possibly live that was within their price range.

She found temporary relief from the government, who helped her pay off some rental arrears, but the stress from constantly looking for affordable accommodation and having to tell her story to so many different people triggered the premature birth of her son William.

William spent the first part of his life in the neonatal intensive care unit, and while Samantha was watching over him, taking care of Mackenzie and recovering from giving birth, she was still worried about how she could keep a roof over her children's heads.

It wasn't until Samantha received a call from Evolve Housing that her fortunes began to change. "It was getting to the point when I was getting really stressed out, I thought I was going to lose the kids, I thought I was going to be homeless," she said.

"I didn't know what I was going to do and I had 30 dollars left to my name which I was supposed to go grocery shopping with. I had a private missed call on my phone. I normally wouldn't even bother returning the call. They left a message though, so I ended up spending the last \$30 I had on credit and it was Evolve Housing".

She was quickly housed in a three-bedroom house in western Sydney, and has since been able to afford the basics for her family and a little extra on experiences that most people take for granted.



An Evolve Housing community engagement staff member also visited Samantha in her property and helped her apply for a no interest loan. The loan allowed her to buy furniture that she needed.

“My stress levels have come down, and we’ve got food in our cupboards. We can go do things every now and then that we were never able to do before even when I was working,” Samantha said.

“You can’t express the weight that lifts off your shoulders. If I didn’t get this house, I honest to God could not tell you where the kids and I would be today. It scares me and that’s why I’m very grateful and I do get emotional.”

“I feel more secure now, we’ve got a home whereas the other place was just a house.”

BOARD OF DIRECTORS

PAUL HOWLETT

CHAIRPERSON

Paul has an engineering and construction background with more than 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.



ALAN ZAMMIT AM, FAICD

DIRECTOR

Alan's 50-year career demonstrates expertise in finance, infrastructure delivery and property development. He is Managing Director of UPDM Pty Ltd, Chair of Norwest Association Ltd and a Director of Affordable Community Housing Alliance Tasmania, Wentwest Limited and Edmund Rice Foundation (Australia).

RHONDA HAWKINS AM, FAICD

DEPUTY CHAIR

Rhonda received the Order of Australia in 2015 for her 30 years' service providing academic opportunities to youth in western Sydney. Rhonda was Deputy Vice-Chancellor (Corporate Strategy and Services) and the University Provost at Western Sydney University for more than 25 years. Current Director appointments include Fitzgerald Aged Care, Wentworth Institute, the Greater Western Sydney Advisory Board and Riverside Theatres Advisory Board.



DAVID BORGER

DIRECTOR

David is a Director of the Western Sydney Business Chamber and was the youngest ever Lord Mayor of the City of Parramatta. He served as the NSW Minister for Western Sydney, Minister for Housing, Minister for Roads and Assistant Minister for Transport. He oversaw the construction of approximately 9,000 social housing dwellings. David is a Board Member of Westmead Medical Research Institute and Think Planners.

BOARD OF DIRECTORS

JOHN NESBITT

DIRECTOR

John Nesbitt is a Non-Executive Director with more than 40 years' experience across a number of sectors including banking and construction. His current positions include non-executive directorships at ME Bank Ltd, Chairman of AMP Capital Holdings Ltd and Chairman of AMP Capital Funds Management Ltd.

KAY VEITCH FAICD

DIRECTOR

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

NATALIE WALKER

DIRECTOR

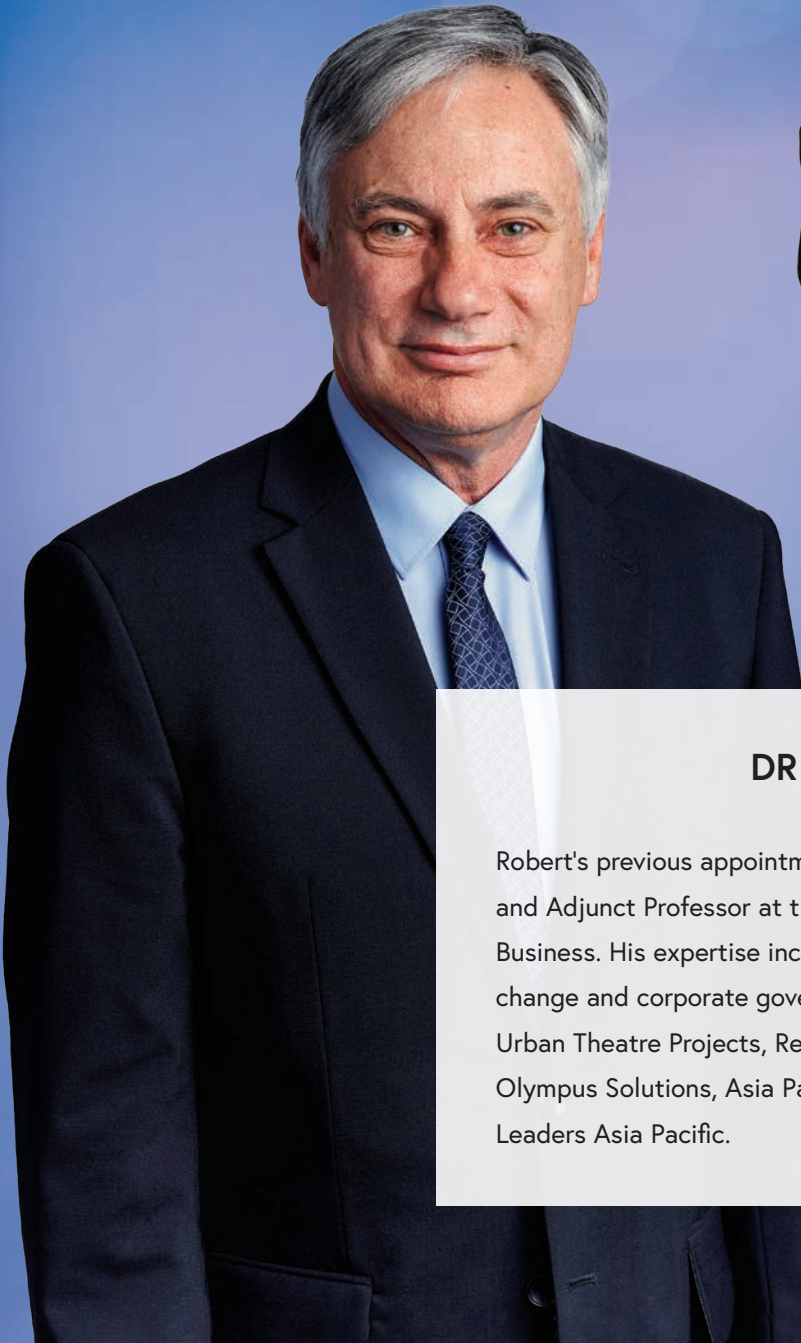
One of Australia's 100 Women of Influence in 2012, Natalie is co-chair of the National Australia Bank's Indigenous Advisory Board, Chair of the Cape York Girl Academy and Member of the Indigenous Business Australia's Investment Committee for its Real Estate Investment Trust. Her 15-year career spans social enterprise, social policy design, impact investment and social impact creation across a number of sectors.



DR ROBERT LANG

DIRECTOR

Robert's previous appointments include CEO of the City of Parramatta and Adjunct Professor at the Western Sydney University School of Business. His expertise includes urban planning, transformational change and corporate governance. Robert also sits on the boards of Urban Theatre Projects, Regional Development Australia (Sydney), Olympus Solutions, Asia Pacific International College and Place Leaders Asia Pacific.



BOARD AND COMMITTEE MEETINGS

Evolve Housing 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 community housing provider, Evolve Housing strives to meet and exceed the highest standards of sector governance. Our Board of Directors and the Evolve Housing team are committed to sound corporate governance as the foundation for achieving the company's vision, mission and strategy, while remaining accountable and transparent in our dealings. There were eight Board meetings in 2018–2019 (excluding Board subcommittee meetings).

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

COMMITTEE MEMBERS AS OF 30 JUNE 2019

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, until 16 October)
- John Nesbitt (Chair, from 16 October)
- Paul Howlett
- Robert Lang
- Natalie Walker (resigned from Committee 16 October)

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	
	E	A	E	A	E	A	E	A
Paul Howlett	8	8	5	4	1	1	2	2
Rhonda Hawkins	8	8	NA	NA	NA	NA	2	2
Alan Zammit	8	7	5	3	1	1	NA	NA
David Borger	8	7	NA	NA	1	1	NA	NA
Kay Veitch	8	8	NA	NA	NA	NA	2	2
Robert Lang	8	7	5	5	1	1	NA	NA
Natalie Walker	8	7	2	0	NA	NA	2	1
Andrea Galloway ¹	7	7	5	4	NA	NA	2	2
John Nesbitt	5	5	4	4	NA	NA	NA	NA

E = Number of meetings Director eligible to attend. A = Number of meetings attended by the respective Director.

1. Former Managing Director and CEO, resigned on 10 May 2019.

EXECUTIVE TEAM



LYALL GORMAN

CHIEF EXECUTIVE OFFICER

Lyall is a highly successful business leader with over 35 years' experience in senior management, project management and administration, joining Evolve Housing in May 2019. His career has spanned the public and private sectors, and he has held leadership roles at the Manly-Warringah Rugby League Football Club, Cronulla Sharks, Western Sydney Wanderers, Hyundai A-League and Association of Independent Schools NSW.

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. Jitender holds an Executive Master of Public Administration, Bachelor of Building and tertiary qualifications in civil engineering. Jitender was previously responsible for managing the Wentworth Housing and Department of Communities and Justice (community housing) asset portfolio and asset system.



MARK LENIC

GENERAL MANAGER, RESIDENT SERVICES

Mark has over 23 years of housing sector experience in contract management, residential management and asset planning. Previously, Mark was the General Manager of the Housing NSW Contact Centre where he led a team of 230 staff who managed 125,000 properties and 1.5 million interactions through telephone, email and other channels, as well as handling over 350,000 work orders annually.





PHILIP FROST

CHIEF FINANCIAL OFFICER AND GENERAL MANAGER, CORPORATE SERVICES

Philip brings over 30 years' experience in finance as an investment banker and chartered accountant. He has extensive experience in the financing of social and affordable housing projects and the development of institutional financing solutions via the Bond Aggregator model. Prior to joining the executive, Philip was a member of the Evolve Housing Board.



DAVID RISBEY

GENERAL MANAGER, DEVELOPMENTS DELIVERY

David is a highly accomplished, forward-thinking construction delivery executive. He has delivered more than 40 projects that are valued in excess of \$1 billion over 25 years. David holds a Bachelor of Building degree with Honours and is a GAICD. Previously, he had key leadership roles with Grocon, Walker and Coleman & Fairburn.



HANNA MYLLYOJA

GENERAL MANAGER, GOVERNANCE AND LEGAL

Hanna is a highly experienced General Counsel and Company Secretary with over 25 years of professional experience in a range of industries across multiple jurisdictions, including risk, compliance, governance consulting services, 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.

06

FINANCE

The performance over the 2018–2019 financial year builds upon the growth of the past four years. Major achievements include refinancing, an increase in operating profitability and a growth of rental income.

These are summary financial statements. For detailed financial statements visit evolvehousing.com.au/reports/financial-report

AUDITOR'S LETTER



Lead 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 Evolve Housing Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Evolve Housing Limited for the financial year ended 30 June 2019 there have been:

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

A stylized signature of the KPMG firm, written in a cursive script.

KPMG

A handwritten signature of David Willcocks, written in a cursive script.

David Willcocks

Partner

Sydney

23 October 2019

AUDITOR'S REPORT

PAGE 1 OF 3



Independent Auditor's Report

To the members of Evolve Housing Limited

Opinion

We have audited the **Financial Report** of Evolve 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 2019 and of its financial performance and its cash flows for the year ended on that date; and
- 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 2019;
- 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;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Group** consists of Evolve Housing Limited (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 in accordance with 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 Evolve 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 an audit opinion or 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 Disclosure 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.
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. 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
- 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 the 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

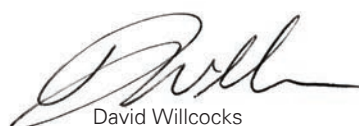


We also:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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.
- 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



David Willcocks

Partner

Sydney

23 October 2019

FINANCIAL

SUMMARY REPORT

	2019	2018	2017	2016	2015
Tenant Satisfaction					
Overall satisfaction with the organisation (%)	85 [‡]	85	80	83	80
Service Development					
Total housing properties	3,478	3,241	3,001	3,020	2,751
Finance Management					
Staff costs as % of total revenue (%)	21%	17%	19%	8%	14%
Property costs as % of total revenue (%)	58%	57%	53%	29%	53%
Administration costs as % of total revenue (%)	5%	15%	7%	5%	6%
Profitability Ratio — EBITDA / Operating Revenue (%)	18%	9%	12%	110%	27%
Liquidity Ratio — Current Assets/Current Liabilities	4.0	3.7	2.6	4	2.7
Cash at end of year (\$m)	9.3	9.3	15.6	13.40	17.19
Net profit (\$m)	(10.7)	25.8	8.8	48.78	10.96
Operating Net profit (\$m)	5.3	3.5	4.2	10.40	9.9
Retained profit (\$m)	259.7	271.6	246.2	237.41	33.88
Total Equity (\$m)	262.7	273.4	247.6	238.75	189.97
Housing Management					
Arrears (%) (BM* 4%)	0.5	1.2	1.3	1.94	1.69
Income loss Due to Void and Vacancy as a % of Total Rental Income (BM* 1%)	0.2	0.2	0.2	0.3	0.65
Void days (BM* 28 days)	5	15	28	27	20
Vacant days (BM* 14 days)	4	13	9	13	11
Number of tenants exiting the service because of Possession Order enforcement	5	7	14	10	8
Human Resources					
Ratio of all staff to lettable properties	1:31	1:39	1:33	1:38	1:32
Number of full-time equivalent staff	108	96	92	73	74

‡ Number indicated is the 2018 result. Next survey to occur in 2020.

* BM, Benchmark

CONSOLIDATED STATEMENT OF PROFIT AND LOSS, OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

	2019	2018
Revenue	51,400,805	45,801,560
Sale of investment properties	—	71,149,667
Other income	4,462,430	3,248,235
	55,863,235	120,199,462
Employee benefits expense	10,851,947	9,444,392
Bad and doubtful debts expense	69,786	235,345
Property expenses	31,056,865	31,053,132
Finance costs	3,907,756	1,107,597
Investment properties development expense — Harts Landing	—	69,966,733
Other expenses	4,100,742	4,408,020
	49,987,096	116,215,219
Net current year surplus	5,876,139	3,984,243
Change in fair value of investment property	(17,422,624)	22,169,250
Depreciation and amortisation expense	535,821	457,392
	(17,958,445)	21,711,858
Net current year (loss)/surplus	(12,082,306)	25,696,101
Other comprehensive income		
Revaluation of property	1,389,482	143,177
Total comprehensive surplus for the year	1,389,482	143,177
Total comprehensive (loss)/ surplus attributable to members of the entity	(10,692,824)	25,839,278

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	2019	2018
Assets		
Cash and cash equivalents	9,318,394	9,322,599
Accounts receivable and other debtors	4,686,400	3,958,562
Other current assets	21,956,846	6,834,896
Total current assets	35,961,640	20,116,057
Non-current assets		
Property, plant and equipment	7,363,610	5,866,599
Other non-current assets	1,142,637	1,117,487
Investment property	87,054,338	87,187,566
Investment property — restricted	210,252,908	221,007,493
Total non-current assets	305,813,493	315,179,145
Total assets	341,775,133	335,295,202
Liabilities		
Accounts payable and other payables	6,833,598	3,391,230
Provisions	1,570,408	1,438,981
Borrowings	659,303	686,049
Total current liabilities	9,063,309	5,516,260
Non-current liabilities		
Borrowings	70,000,000	56,374,294
Total non-current liabilities	70,000,000	56,374,294
Total liabilities	79,063,309	61,890,554
Net assets	262,711,824	273,404,648
Equity		
Reserves	2,919,117	1,529,635
Accumulated surplus	67,656,242	65,369,447
Accumulated surplus — restricted	192,136,465	206,505,566
Total equity	262,711,824	273,404,648

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Reserves	Retained Surplus	Retained surplus restricted	Total accumulated funds
Balance at 1 July 2017	1,386,458	43,975,204	202,203,708	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
Balance at 1 July 2018	1,529,635	65,369,447	206,505,566	273,404,648
Comprehensive income for the year				
Gain/(loss) for the year attributable to the entity	—	2,286,795	(14,369,101)	(12,082,306)
Surplus for the year attributable to the entity	—	2,286,795	(14,369,101)	(12,082,306)
Other comprehensive income	1,389,482	—	—	1,389,482
Balance at 30 June 2019	2,919,117	67,656,242	192,136,465	262,711,824

CONSOLIDATED STATEMENT CASH FLOWS

For the year ended 30 June 2019

	2019	2018
Cash flows from operating activities		
Receipts from customers and grants received from government	56,181,286	53,342,616
Payments to suppliers and employees	(43,887,417)	(56,872,123)
Interest received	322,069	190,896
Interest paid	(3,907,756)	(1,107,597)
Net cash from /(used) in operating activities	8,708,182	(4,446,208)
Cash flows from investing activities		
Payment from property, plant and equipment	(648,968)	(249,482)
Proceeds from sale of investment property, plant and equipment	5,618	—
Proceeds from sale of investment property	—	5,375,324
Payment for investment properties	(6,534,811)	(45,143,998)
Funds transferred to term deposits	(15,133,186)	—
Net cash used in investing activities	(22,311,347)	(40,018,156)
Cash flows from financing activities		
Proceeds from borrowings	70,000,000	38,236,239
Repayment of borrowings	(56,401,040)	—
Net cash from financing activities	13,598,960	38,236,239
Net decrease in cash and cash equivalents	(4,205)	(6,228,125)
Cash and cash equivalents at beginning of year	9,322,599	15,550,724
Cash and cash equivalents at end of year	9,318,394	9,322,599

PARTNERS AND CREDITS

KEY PARTNERS

3Bridges Community Incorporated

Ability Options

Altis Property Partners

Awabakal Local Aboriginal

Land Council

Barnardos

Billbergia

Brighter Access

Capella Capital

Catholic Care Social Services

Cerebral Palsy Alliance

Coffs Harbour Support Services

Community Housing Industry

Australia — NSW Division

Community Migrant Resource Centre

Cumberland Council

Darcy Street Project

Department of Communities and

Justice (formerly Family and

Community Services)

Department of Planning, Industry and

Environment

Disability Services Australia

DOOLEYS Lidcombe Catholic Club

DV NSW Service Management

Flourish — HASI*

Fighting Chance

Guildford Leagues

High St Youth Health Centre

Hunter and Central Coast

Development Corporation

Hunter Valley Disability Services

Independent Living Villages

Interaction Services

Landcom

Lendlease

Lifetime Care and Support Authority

LikeMinds

Linking Hearts

MacKillop Family Services

Macquarie Community College

Marist180

MAX Solutions

Mid North Coast Disability Services

Mission Australia

My Foundations Youth Housing

National Housing Finance and

Investment Corporation (NHFIC)

Nepean Community College

New Horizons

Northcott

Department of Planning, Industry

and Environment

OzHarvest

Pacific Link Housing

Parramatta Mission

PAYCE

Relationships Australia NSW

Ryde Area Supported

Accommodation for Intellectually

Disabled (RASAID)

Royal Botanic Gardens

Royal Rehabilitation Centre

S4S Training

Schizophrenia Fellowship

Stockland

Traders in Purple

West Connect Domestic Violence

Services Inc

Western Sydney University

Women's Community Shelters

* The Housing and Accommodation Support Initiative (HASI)

CREDITS

CEO: Lyall Gorman

General Manager, Community and Business Growth: Jitender Balani

Manager, Marketing and Communications: Nicole Miller

Editorial: Shannon Cochrane

Sub-editor: Kate Dorrell

Editorial support: Veronica Wehbe

Design: Timothy Hartridge

Production: Zulu8



Pictured (left to right): Evolve Housing Senior Manager of Business Support and Facilities, Pam Spano, with Werrington resident, Concepcion. Concepcion was excited to win a prize at the 2018 Annual Resident Meeting. This annual meeting is an opportunity for residents to ask questions, meet staff and Board members, and find out about the year ahead.

THRIVING COMMUNITIES FOR ALL PEOPLE

AFGHANISTAN • ALGERIA • ARGENTINA • ARMENIA • AUSTRALIA • AUSTRIA • AZERBAIJAN • 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 • KUWAIT • KUWAIT • KYRGYZSTAN • LAOS • LEBANON • LESOTHO • LIBERIA • MACEDONIA • MALTA • 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 • 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

