

Southern Cross Housing



Annual Report

2022 – 2023

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About Us

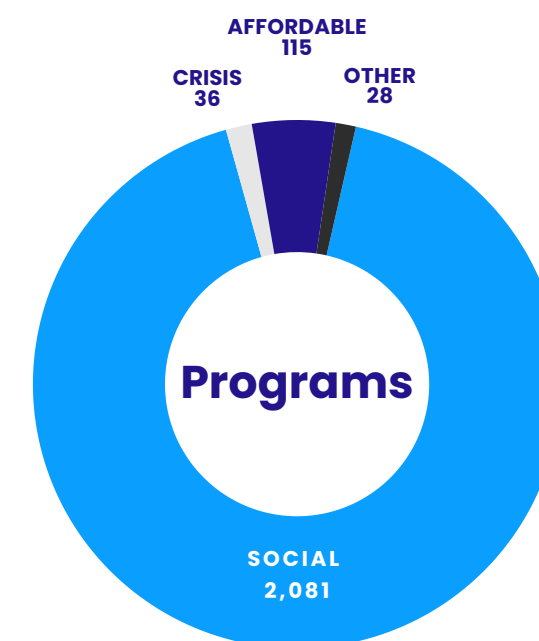


We believe in safe, secure and affordable housing for everyone.

Southern Cross Housing (SCH) is a Tier 1 Registered Community Housing Provider under the National Regulation System for Community Housing. We are the largest Community Housing Provider covering South-East NSW with a service delivery area from Wollongong to Eden across to Cooma and Jindabyne

2,250+

Owned and Managed Dwellings



Our Mission

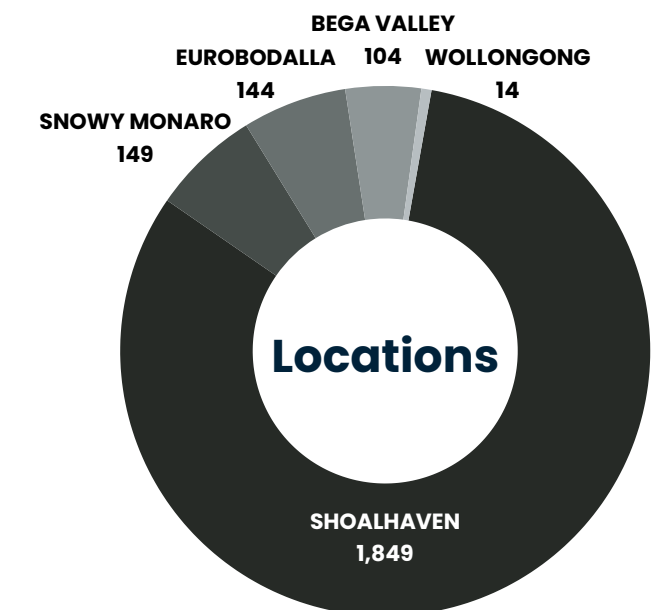
Provide and grow affordable housing and appropriate support for people in need.

Our Values

Respectful | Ethical Empathetic
Innovative | Professional
Accountable

Our Vision

A home for everyone as a foundation to a fulfilling life.



Our Chairman

The housing crisis continues unabated. Property values are well beyond the means of an increasing number of Australians, rental inventory at an all-time low, and more people than ever are in need of affordable housing. Waiting lists are growing at a much faster pace than new homes are being built, and communities suffer when essential workers can't find anywhere to live. In this environment we continue to manage our current portfolio to the best of our ability, while urgently exploring options to expand supply.

Our team has done an outstanding job in both these areas: looking after our current tenants while developing projects which can be brought to fruition quickly when funding becomes available.

The 2023 financial year delivered a strong profit. At the same time, and most importantly, all service delivery KPI's were met or exceeded; thus we are running both efficiently and effectively and this is an exceptional outcome for the year.

Despite the strength of our balance sheet this is a huge problem, and real impact can only come with significant contribution from the Federal and State Governments. After years of little progress in this area it finally looks as though we are poised to get some traction in the year ahead. We are ready to go with a number of exciting projects, and not a moment too soon for those in desperate need of somewhere to live.

Southern Cross Housing is just one Community Housing Provider. A good one most certainly, but we are part of an industry which combined needs to drive the discussion with Governments as to how we can collectively increase & improve our role; to get more homes built, to operate as efficiently as possible, to provide tenants the supports they need, to leverage our assets and our experience. We are a very willing participant in those discussions.

Year in year out, our team perform miracles. They work hard, are good at what they do and are committed to the task at hand: assisting our tenants and improving the communities in which we live. They deserve our thanks and gratitude. At the same time our board continues to evolve as the growing size and complexity of the business demands more robust governance. Sincere thanks are due to my colleagues on the board for their dedication, skill and guidance.

Southern Cross Housing has come a long way in the last few years. We have made a positive contribution to the communities in which we operate. We are, however, conscious of the fact that much more is needed and that will keep us focussed in the years ahead.



Nicholas Thomas
Chairman



Our CEO

The 2023 Financial Year has been a remarkable journey of capacity and capability building for Southern Cross Housing. Our dedication to providing affordable and social housing solutions has driven us to cement our portfolio growth strategy and through perseverance, hard work, and commitment, we see our vision coming to fruition.

Unfortunately, we have witnessed the cost of living significantly increase beyond what many people can simply afford. Over the 12-months to June 2023, median advertised rents increased by 11.5% in capital city areas, with Sydney increasing by 13%. In some cases, rents in regional NSW across our service delivery area rose by more than 10%. These pressures continue to increase demand for more crisis, social, and affordable housing.

The delivery of more housing is one of our main priorities. We need to do this as quickly as possible within our financial means. This year we have focused on acquiring land and preparing designs and development approvals so we have projects ready to go. There has been political commitment of more investment into housing and we want to be ready as best as possible.

As we look toward the coming years with an ambitious pipeline of some 400 dwellings, Southern Cross Housing will deliver some truly exciting property developments that will not only change lives but transform entire neighbourhoods. One of our most ambitious projects currently in the planning phase is the major development in Bomaderry. This project embodies our vision for a brighter future, with plans for approximately 250 affordable and social housing dwellings as well as a retail space that will house commercial shops for social enterprises. These spaces will not only provide valuable job opportunities but also contribute to the sustainability of our community.

However, it's not just about bricks and mortar; it's about the dedicated individuals who make it all possible. Our organisation's growth is a testament to the dedication and expertise of our staff and their continuous commitment to professional development. This has been a driving force behind our achievements. The importance of ongoing cross-training, especially as we grow, cannot be overstated. It ensures that we maintain a solid understanding of our operating environment and the evolving challenges our teams, and our community, are facing. This integrated approach to learning and development has been a key ingredient in our success.

I am extremely proud of our team. Once again, we have received a clean bill of health with by our regulator, we have maintained our expenditure within budget forecast, and exceeded our target surplus. This means we can invest more back into our communities.

As we move forward with these exciting developments and continue to grow, we remain steadfast in our mission to provide safe, affordable, and nurturing environments for those who need it most. Together, we will make a lasting difference in the lives of countless individuals and families. Together, we are building a brighter future for all.



Alex Pontello
Chief Executive Officer



Our Governance

Southern Cross Housing is governed by a skills-based Board of Directors. The Board is responsible for the overall governance, management, and strategic direction of the organisation and for delivering accountable corporate performance in accordance with the organisation's goals and objectives.

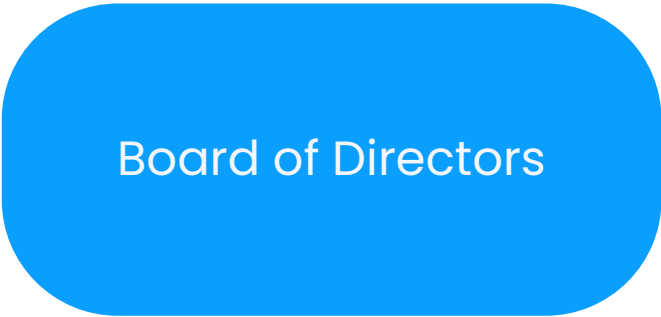
Governance Evaluation Committee



June Stevens



Michael Pryke



Board of Directors



Laura Wynne



Nicholas Thomas



Alex Pontello



Peter Beer



John McDermott



Lee Hillam



John Penkaitis

Our Board



NICHOLAS THOMAS (CHAIR)

Joined Southern Cross Housing Board in July 2015

Nick was previously a Managing Director of STA Travel, directing STA's international businesses in the US, Asia, and Europe. Between 2007 and 2009 he managed a World Bank development project in Tonga, improving the sustainability of their airport infrastructure, before returning to Australia as CEO of Recreational Tourism Group. Nick became CEO of Wunan Foundation, based in the East Kimberley, providing educational employment and housing opportunities to local indigenous communities.



JOHN MCDERMOTT (DEPUTY CHAIR)

Joined Southern Cross Housing Board in January 2019

John has over 19 years' financial accounts management experience in the building sector, including 7 years with Southern Cross Housing, he knows the Shoalhaven economy, having worked locally for 16 years in a range of small to medium sized businesses. John has strong governance and reporting knowledge complimented by strong project and people management skills.



ALEX PONTELLO

Joined Southern Cross Housing in 2016

Alex has held senior executive & advisory positions within private, public & not-for-profit sectors that have supplied him with a wealth of knowledge relating to development finance, property portfolio planning, asset management, NRSCH accreditation, and social housing policy. Alex holds a Master's Degree in Property Development, a Graduate Diploma in Urban Estate Management, Clerk of Works qualifications, a licensed Builder, and a registered Certified Practising (property) Valuer (CPV).



LEE HILLAM

Joined Southern Cross Housing Board in November 2019

Lee is a registered Architect and Director of Dunn & Hillam Architects. She is an invited Juror for City of Sydney Design Excellence Competitions and a sessional tutor in the Bachelor of Architecture program at Faculty of the Built Environment UNSW. Lee previously worked with the Government Architect NSW as the principal and acting director of design excellence.



PETER BEER

Joined Southern Cross Housing Board in October 2009

Peter is a Councillor with Snowy River Shire Council. He was formally the Chairperson of the Monaro Tenancy Scheme and is the former Director of Environmental Services of four Councils. He is also the Chairman of the Uniting Church Committee, Cooma. Peter is a qualified Building Surveyor, Town Planner and Health Surveyor.



JOHN PENKAITIS

Joined Southern Cross Housing Board in November 2003

John has been a Board Member since 2003. He has been the Auditor for many local community organisations such as the Women's Refuge, Family support, as well as local pre-schools and churches. John has an Economics Degree, and is a retired Chartered Accountant.



MICHAEL PRYKE

Joined Southern Cross Housing Board in February 2020.

Michael holds a Professional background in Sales, Marketing and General Management. The first half of his career was spent in the medical arena, working for multinational corporations, working with high-end medical consumables and treatments. The second half of his career was spent in IT, predominately in the area of client and contract management in large-scale outsourcing contracts. Michael's focus has always been on managing complex commercial relationships of profitability & equity between the client and supplier.



DR LAURA WYNNE

Joined Southern Cross Housing Board in May 2023

Dr Laura Wynne is a researcher with a decade-long history of conducting, delivering and communicating research across a range of fields in university, government, and non-government settings. Laura has a PhD in social science, and significant expertise in housing policy, land-use planning, and environmental sustainability policy and practice.

Laura's doctorate focused on the renewal of public housing estates in NSW, with a case study of the planned redevelopment of the Waterloo public housing estate exploring residents' experience of displacement and urban change.

Our Strategy

Our Tenants

- Deliver best practice tenancy management.
- Provide and facilitate support services to meet tenant needs.
- Achieve measured social impacts aligned with Human Services Outcomes Framework.
- Support tenant ambitions to create opportunity and improve lives.
- Meet our Customer Service Charter, and drive constant improvement through tenant engagement.



Our Homes

- Deliver best practice asset management.
- Develop and build new social and affordable housing stock.
- Progress a portfolio realignment strategy, expanding supply of homes to match demand, more environmentally sustainable, better designed and fit for future purpose.
- Develop affordable home ownership opportunities
- Pursue additional stock transfers, grants and tenders to increase our portfolio



Our Partnerships

- Maintain and nurture productive partnerships with all levels of government and statutory bodies.
- Actively contribute and involved with effective industry bodies.
- Drive social service collaboration and integration delivering customer solutions.
- Build and cultivate relationships that create scale and operating efficiencies.
- Engage and collaborate with private sector enterprises, leveraging the expertise and capabilities of both parties to achieve common goals.



Our Organisation

- Maintain robust and ethical governance that drives growth, manages risk, and ensures compliance.
- Manage financial sustainability to underpin social, operational, and development decisions.
- Continue to enhance organisational capacity and capability to pursue opportunity, improve efficiency, and enhance service delivery.
- Promote professional development ensuring a skilled workforce. Employees are supported in their roles and offered opportunity to progress.
- Drive organisational culture by promoting and upholding our values in all we do.
- Explore business diversification to create new related income streams.





Reconciliation Action Plan

The first SCH Reconciliation Action Plan was completed and endorsed by Reconciliation Australia. The 'Reflect' RAP comprises of over 12 actions that SCH has committed to complete in 2023-2024 on its journey to reconciliation with our Aboriginal and Torres Strait Islander community.

Southern Cross Housing (SCH) finalised its 2023-2024 Reconciliation Action Plan (RAP) in late 2022, which outlines how SCH will play its part in closing the gap between First Nations people and other Australians. The RAP is an important step for SCH to work with and create opportunities for First Nations people, promote culturally safe processes and practices, and contribute to advancing reconciliation in Australia. The SCH RAP provides SCH with a strategic framework to support the reconciliation movement, with actionable items across four areas: Relationships, Respect, Opportunities, and Governance.

We are proud to announce that we are on track with completing the actions in the plan, thanks to the hard work of both our Communities Assist and People & Culture Teams. Some of the projects that have been completed include:

- Developing a First Nations Event Calendar
- Creating a directory of services and programs to support our tenants in a culturally safe, appropriate, and responsive way
- Working closely with members of our First Nations community through the Aboriginal Tenant Advisory Committee
- Liaising with local Elders to develop educational and training material around cultural protocols that we will provide to all SCH staff in the coming months

Our RAP Working Group met for the first time and was a great opportunity for key stakeholders to come together, review our progress so far, showcase some of the initiatives that different departments within SCH were working on, and plan for the next stages of our RAP's implementation.

Our reconciliation journey is an exciting time for us as an organisation and we are already seeing the benefits; not only from a business perspective, but also for our First Nations tenant community and among SCH staff.



Painting by local artist Rodney Seymour from the Yuin nation.
The painting represents the story of Southern Cross Community housing and the journey to support people in the community with housing.



Our People

Executive Team



Alex Pontello
Chief Executive
Officer



Hannah MacRae
Chief Financial
Officer



Eric Coulter
Chief Operating
Officer



Aaron Mott,
Executive Manager,
Property Services



Stephen King,
Executive Manager,
Construction &
Development

Southern Cross Housing has an incredibly passionate team of people, and to ensure they have fulfilling careers with opportunities to grow and learn, heavy investment into skills development continues.

A number of initiatives designed to recognise their contribution to the organisation and retain the talent needed for future growth have been implemented. These initiatives include but are not limited to:

- 4- day work week option,
- Recognition and rewards program,
- Corporate Discounts Benefit program,
- Social Club,
- Gifted days off to spend with their family and recharge.

Recognising the challenges our people face at work, the Executive Team at SCH want to express our deep gratitude to our teams for their continued resilience and commitment to SCH's purpose and values.

Employees: 71

Female Managers: 50%

**Managers who identify as
Aboriginal and Torres Strait
Islander: 7%**

**Training and
Development Spend: 220k**

**Staff believe their Manager is
a good leader: 95%**

JAMES

In 2009, James was employed as a Regional Manager in the Northern Territory, where he lived with his wife and four children. When their relationship broke down, James was forced to leave his wife, his home, and his children.

James left with just one bag of clothes and no job. He moved to Victoria, hoping to find work, but ended up returning to Nowra, his hometown, to be closer to his mother.

Soon after arriving, he gained full custody of his children.

Luckily, James had secured employment, but he and his children still had no other option but to move into a run-down property owned by some of his relatives. The family lived in an industrial estate with no hot water, no toilet, no stove, and no shower for nine years, as James couldn't afford to rent in the private market. He applied for many rental properties despite knowing that they were out of his budget, and faced years of rejection, causing the single dad to feel hopeless and depressed.

James eventually applied for social housing with the help of his mother, who lived in a property managed by Southern Cross Housing and was offered an affordable housing property in West Nowra.

James's life has seen a remarkable turnaround since moving into his new home. The change has been nothing short of transformative, providing his family with a sense of pride and a newfound confidence. The improved living conditions, including better internet, have allowed them to catch up on many aspects of modern life that they previously missed out on.

Passionate about Southern Cross Housing's mission, James actively participates in the Nowra Tenant Advisory Committee and contributes to projects, especially those focused on energy efficiency. His business acumen and dedication to community service reflect his commitment to making a difference for others facing adversity.



JAY'S STORY (DE-IDENTIFIED)

Jay applied for the Start Safely program, seeking assistance while transitioning away from a violent relationship with the father of her two children. Upon entering the program, Jay, who was pregnant with her second child, had been temporarily staying with her parents. While appreciative of her parents' support, she was determined to find stable and secure accommodation to build independence for herself and her children.

Jay received approval for a private rental and was able to activate her Start Safely subsidy. During her engagement with the program, she gave birth to her second child, commenced studies toward a Diploma in Community Services to broaden her employment opportunities, resolved her family court matters, undertook casual employment and embarked on a transformative journey based on positive change.

Recently, at her own request, Jay concluded her participation in the program after successfully achieving all identified goals. Jay is just one of the many similar stories that the Start Safely program and team benefits.

Housing Services

Tenancy Services

This year has certainly seen its fair share of challenges with significant cost of living increases adding pressure to already tight budgets facing our communities. Despite this, Southern Cross Housing remains committed to sustaining tenancies and working alongside our community partners to assist our tenants with facing these challenges.

There is an abundance of research articles that outline the importance of stable housing and how having this can lead to better life outcomes. The importance of sustaining tenancies, particularly vulnerable tenancies remains a focus area for our tenancy staff. We understand the need for early intervention and referral to support services to empower our tenants to achieve stable housing that may otherwise lead to homelessness. Many of these referrals have assisted our tenants to clear debt, engage with community activities, improve health outcomes, and access support to purchase items such as fridges and washing machines.

While working hard to sustain tenancies our team is still very much focused on our key performance indicators which has realised 4,413 completed property inspections, a combined total of 2,634 referrals to support services (892 of these relate to homelessness), 88% of tenancies maintained for a period of more than 12 months and 83% of exits from our tenancies being positive. This focus has also seen reductions in both rent and non-rent debt with SCH continuing to work with our ex-tenants around costs associated with their previous tenancies.

Access & Demand

The Access & Demand (A&D) team were intensely focused throughout the year providing support and assistance to those most vulnerable in our communities facing homelessness.

The team together with Support Services continued to deliver much needed programs, including the Together Home Program which saw 30 long term rough sleepers being housed with additional support from wrap around services to sustain their tenancies.

SCH also commenced delivery of Rent Choice Youth which assists young people aged 16-24 who require independent housing. The program's challenges aligned with that of the private rental market: rents being disproportionate to affordability. With case management assistance from local youth support services, 6 young persons have been able to enter the private rental market and begin to build a successful tenancy history.

This year Temporary Accommodation was delivered within budget expectations. For the year, we undertook a total of 963 TA Assistances comprising of 2,428 nights of accommodation.

It is evident that meeting demand for Social Housing continues to be a challenge due the private rental markets increasing unaffordability, coupled with low turnover of tenants exiting social housing due to fewer affordable exit options. The allocations team was able to keep vacant turnaround days below five on average for another consecutive year, showing their commitment to ensure that clients receive high quality assistance and are able to achieve positive housing outcomes.

Communities Assist

Southern Cross Housing is about much more than providing accommodation. It's also about building communities and supporting our tenants to achieve their life goals. This year the Communities Assist (CA) Team worked extensively on projects with NSW Police and other Government Agencies, Local Councils, Support Providers, and Tenants. These projects included:

- Improving safety, reducing crime, and strengthening community. Feedback from Tenancy Officers highlighted that some tenants were fearful for their safety and felt that their communities were fragmented. To address these issues proactively, the CA team analysed crime statistics for East Nowra, Bomaderry & Bega and developed a research paper aimed at identifying and providing suggestions to improve safety concerns in and near community housing estates.
- Ensuring that older tenants have comfortable homes and access to necessary supports to sustain their tenancies whilst they safely age in place. This project included:
 - Educating tenants on available services,
 - Identifying barriers and strengthening seniors' inclusion
 - Promoting and supporting employment of tenants in the Aged Care Sector.
 - Linking older tenants with Aged Care Support Services, resulting in recurrent financial support for some.
- Assisting in developing and implementing streamlined referral pathways to support tenants living in squalor due to hoarding disorders.

The CA team also facilitates the June Stevens Scholarship Program. Further details are provided on the following page.

4,400+

Home Visits

83%

Positive Exits

5,402

Processed
Rent
Reviews

4,116

Nights of supported
Accommodation
provided (incl. TA)

97

Active Start
Safety
Clients

2,600+

Referrals

445

Supported Tenancies

June Stevens Scholarship Program

During FY22-23 \$30,000 was distributed to 28 tenants under the SCH Scholarship Program. Successful recipients were drawn from the Shoalhaven, Eurobodalla, Bega Valley and Snowy Monaro areas. The recipients backgrounds were varied with many completing study at either Primary school, High school and TAFE or University.



Belinda



“Thanks to Southern Cross Housing and their support through the June Stevens Scholarship Program, I will complete my Bachelor’s degree in Psychology this year. The support has been fantastic.”

Jackson

I will be able to complete further TAFE studies and personal independent research, and I will be able to do further digital courses, without having to pay extra expenses to access and use public facilities. I'm able to communicate more efficiently and educate myself on topics that interest me.

Karen

My educational goals for myself and my son have been easier to achieve with the scholarship. I continue to study law at university. Without the continuing support of the scholarship, I feel I would not be able to complete all of my units.



JUNE STEVENS

Joined Southern Cross Housing Board in October 2002 | Retired in September 2022.

June was an integral part of the Southern Cross Housing Board, and came with a wealth of knowledge from her experience as the former Chief Executive Officer of Australian National Lifeline and Lifeline South Coast, a Foundation member of the Nowra Neighbourhood Centre, and a Marriage and Family Therapist for over ten years.

To recognise this, Southern Cross Housing’s Scholarship program was named after her. We wish June all the best, and thank her for her tireless efforts over her 20 year tenure.

Property Services

FY22-23 saw Property Services deliver our largest ever rollout of Capital upgrades across our portfolio. With assistance of LAHC's Capital Funding Program, Property Services delivered over \$5.7 Million in lifecycle planned maintenance. Tenants surveyed following the completion of planned works had a 92% satisfaction rate with the quality of work and SCH's performance in its delivery.

We have also achieved significant improvement of our Weighted Average Condition Grading index, from 4.82 at the commencement of SHMT, to 5.95 at the end of FY22-23. Improvements have also been made in reducing properties "below maintained standard" at time of survey, from 30.7% to 8.8%.

The centralised administration team has also had a successful year, with overwhelmingly positive feedback from our tenants and support partners regarding our management of incoming calls. One of the biggest improvements was in the management of tenancy inspections. When the Centralised Administration Team took over this program, there were 192 properties in the portfolio that had not had an inspection in the last 12 months, as of the end of FY22-23, it was reduced to only 2 properties.

72 Kitchen Replacements

106 Bathroom Replacements

32 Roof Replacements

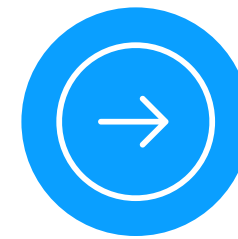
17 Floor Covering Replacements

94 Properties Fenced



<1 MIN

AVERAGE
HOLD TIME



\$5.4M

SPENT ON
MAINTENANCE



11,928

WORK ORDERS
ISSUED



1,180

SITE QUALITY
AUDITS
COMPLETED

REFURBISHMENT



In June, SCH completed an insurance rebuild with the addition of a 1-bedroom granny flat built under the same roof line. Innovative ideas like this allows SCH to increase the social housing portfolio in our region at a reduced cost per dwelling, and house more people in need.



Clean up & Lawns Crews

This dedicated and hardworking team have serviced a significant number of SCH properties and shared spaces with free services, resulting in a positive visible impact on the presentation of our Shoalhaven properties and surrounds. In July 2022 SCH introduced 'quoted tenant cleanups' at below market rates so that we can continue the great work this team does.

Another beneficial service was introduced in September 2022, offering an 'annual complex cleanup', where eligible tenants were given the opportunity to have any unwanted household items collected and disposed of by SCH, free of charge.



90

ASSISTED TENANT
CLEAN UPS

60

ANNUAL COMPLEX
CLEANUPS

68

TENANT
LAWNS MOWED

420

TONNES OF
RUBBISH REMOVED
FROM SCH PROPERTIES

Our Projects

During 2022-23, Southern Cross Housing continued to push forward with its development pipeline. With the 8.7-hectare B4 zoned site in Bomaderry there has been intensive negotiations with Council and Transport for NSW regarding the proposed subdivision of the land. The site is to be developed into a master planned community comprising SCH's head office, retail space and some 250+ affordable and social housing dwellings.

The vision for the site includes a preschool, predominantly dedicated to assisting SCH employees, commercial shops dedicated for social enterprise training facilities such hair and beauty, café, convenience store, furniture restoration and a fruit and vegetable store supplied by onsite gardens. These businesses will not only provide training and employment opportunities but will also provide low-cost goods and services to our residents. Medical consulting rooms are also planned for the complex.

It is envisaged that civil works will commence in mid-2023.

SCH is pleased to report that the project partly funded under the NSW Govt Community Housing Innovation Fund (\$4.8m) at Coomea St Bomaderry has received Development Consent. This exciting project will provide much needed social and affordable housing consisting of 39 units. The site is ideally located within the Bomaderry town centre, with access to transport, shops and services.



Shoalhaven City Council and Department of Communities & Justice have worked closely with SCH to deliver this project which included a \$2.2m land grant and was identified in Council's Shoalhaven Affordable Housing Strategy. Construction is expected to commence in mid to late 2023.

In the Ulladulla area, a 4-storey project is in the final stages of Council approval. The project will consist of 24 units predominantly for affordable housing and will incorporate a lift and basement car parking. This will be a significant project in the heart of the Ulladulla CBD and will also have our SCH office to service the local community. It is expected that the development will commence in 2024.



Another focus for SCH has been two projects for women and children escaping domestic violence. SCH was successful in obtaining a \$2.4m grant under the Commonwealth Government's Safe Places initiative for projects in Ulladulla and Cooma. Both are new generation boarding houses and are specifically planned and designed to blend in with surrounding development, and are in close proximity to shops, services, and transport. Both projects consist of 6 fully self-contained rooms with a common room for residents and outreach support services.

The project at Ulladulla has commenced and completion is planned for May 2023. The other project at Cooma has received final building consent with construction to be completed by June 2024.

SCH has also been busy planning new projects to add to the development pipeline. SCH was successful in securing funding of \$1.65m under the NSW Govt's Together Home Program for a project in Nowra. Plans are being finalised for a 13-unit project which will be used to assist clients at risk of homelessness. The project will consist of 2 buildings both with a community room and will provide modern fully self-contained units, close to transport links and support services.



In Ulladulla within walking distance to the CBD, SCH is finalising plans for 6 affordable homes consisting of 3 and 4 bedrooms in a 2-storey design.



In the Bega area, SCH has purchased a large centrally located site that is Council approved for seniors housing. Given the shortage of affordable housing in the Bega area and the rare opportunity to secure a large site, SCH is analysing all planning options. SCH's vision is to provide a range of affordable housing dwelling types on the site.



Corporate Services



This year has been a remarkable one for the Corporate Services team at Southern Cross Housing. We have achieved significant milestones that have not only improved our internal operations but also enhanced our service delivery to our tenants.

Our IT systems have been incredibly reliable, with an uptime of over 99.5%. This high level of performance has ensured that our organisation can work efficiently and effectively, without any significant disruptions or downtime. This has been instrumental in maintaining our high standards of service and meeting our operational objectives.

In terms of regulatory compliance, all compliance requirements were completed on time, and we received zero recommendations or rectifications. This is a testament to our commitment to adhering to the highest standards of corporate governance and regulatory compliance. It also reflects our dedication to transparency and accountability in all our operations.

We have also made significant improvements across the organisation. These include the implementation of automation processes and improved data collection systems, which has had a positive impact on reporting. These enhancements have increased our operational efficiency and provided us with more precise and timely information for decision-making. Furthermore, we have introduced a new phone system that has streamlined our tenant communications. This has improved our responsiveness and allowed us to provide better and more timely service to our tenants.

We look forward to building on these achievements in the coming year and continuing to provide excellent service to our tenants.

NRSCH TIER 1

ACCREDITATION
WITH NO
RECOMMENDATIONS

36

INTERNAL DEPARTMENT
AUDITS COMPLETED

99.5%

IT BUSINESS SYSTEMS
AVAILABILITY





Our Finances

Our results for the year show continued growth with positive momentum across key NRSCH financial performance indicators.

For the year ended 30 June 2023, Southern Cross Housing (SCH) again received an unqualified audit report from our auditors, Kothes & Co and delivered an operating surplus of \$9.2 million, up 97% on the prior year. A highlight of the result is our continued balance sheet strength and capital position. This reflects our continued emphasis on prudent financial management and our agility and adaptability in uncertain times.

We have confidence that SCH is well positioned for the current environment, and in the organisations ability to meet its financial and organisational obligations. As we look to the future, Southern Cross Housing remains focused to maintain our financial momentum through sustainable growth opportunities, continual improvement and increased efficiencies, all which will enable us to continue servicing our clients and our broader communities.

H MacRae

Hannah MacRae
CFO

4.16M
TOTAL
COMPREHENSIVE
INCOME

25%
EBITA
MARGIN

9.2M
OPERATING
SURPLUS

72.4M
NET
ASSETS

Financial Statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2023	2022
	\$	\$
For the year ended 30 June 2023		
Revenue	36,305,344	29,981,395
Financial income – interest on cash at bank	419,294	71,247
Other income – Property transferred to the company	-	-
Other income – Gain on disposal of fixed assets	40,509	-
Employee benefits expense	(6,674,175)	(6,690,800)
Impairment loss on non-financial assets	(181,237)	(184,171)
Depreciation – property, plant and equipment	(234,217)	(258,043)
Amortisation of right-of-use assets	(701,902)	(1,892,863)
Finance expenses	(60,854)	(35,057)
Administrative expenses	(857,825)	(804,907)
Corporate expenses	(204,112)	(190,207)
Office expenses	(178,726)	(163,271)
Tenancy and property management expenses	(18,465,792)	(15,162,517)
Surplus before income tax	9,206,307	4,670,806
Income tax expense	-	-
Surplus from continuing operations	9,206,307	4,670,806
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss		
Revaluation changes for property, plant and equipment	(5,045,917)	13,744,020
Other comprehensive income for the year, net of tax	(5,045,917)	13,744,020
Total comprehensive income for year	4,160,390	18,414,826

STATEMENT OF FINANCIAL POSITION

	2023	2022
For the year ended 30 June 2022	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	23,131,931	26,046,282
Trade and other receivables	6,285,337	1,277,486
Other assets	735,356	658,625
TOTAL CURRENT ASSETS	30,152,624	27,982,393
NON-CURRENT ASSETS		
Property, plant and equipment	57,631,834	54,833,393
Right-of-use assets	899,222	1,521,351
TOTAL NON-CURRENT ASSETS	58,531,056	56,354,744
TOTAL ASSETS	88,683,680	84,337,137
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	5,458,873	3,288,057
Lease liabilities	444,795	1,192,777
Provision for property maintenance	-	2,714,957
Employee benefits	657,279	718,359
Other liabilities	9,235,272	4,801,899
TOTAL CURRENT LIABILITIES	15,796,219	12,716,049
NON-CURRENT LIABILITIES		
Lease liabilities	454,427	328,574
Other liabilities	-	3,019,870
TOTAL NON-CURRENT LIABILITIES	454,427	3,348,444
TOTAL LIABILITIES	16,250,646	16,064,493
NET ASSETS	72,433,034	68,272,644
EQUITY		
Reserves	12,729,733	17,775,650
Retained earnings	59,703,301	50,496,994
TOTAL EQUITY	72,433,034	68,272,644

STATEMENT OF CASH FLOWS

	2023	2022
For the year ended 30 June 2022	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from operating activities	33,893,878	36,628,322
Payments to suppliers and employees	(28,290,191)	(24,339,185)
Interest received	282,784	60,994
Interest paid	(60,854)	(35,057)
Net cash provided by / (used in) operating activities	5,825,617	12,315,074
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property, plant & equipment	57,233	-
Purchase of property, plant and equipment	(8,095,299)	(2,793,195)
Net cash provided by/(used in) investing activities	(8,038,066)	(2,793,195)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(701,902)	(1,892,863)
Net cash provided by/(used in) financing activities	(701,902)	(1,892,863)
Net increase/(decrease) in cash and cash equivalents held	(2,914,351)	7,629,016
Cash and cash equivalents at beginning of year	26,046,282	18,417,266
Cash and cash equivalents at end of financial year	23,131,931	26,046,282



Southern Cross Housing

