My report is written in another milestone year for Compass, in this its 30th year of operation. To celebrate this achievement Compass has produced a 30 year anniversary book which was launched at functions in Newcastle and Brisbane in November.

The book chronicles the path that Compass Housing has followed from humble beginnings in 1985 to the preeminent position it now holds in the Australian Community Housing Sector. The Compass of today is forever indebted to those early pioneers who became the initial Members, Board and staff of the fledgling organisation as without their unselfish commitment we would not have the Compass of today, a vibrant, innovative, strong and secure Community Housing Provider continuing to pursue its vision and mission to provide an increased supply of affordable housing and other community services to its current and future tenants and clients.

I am sure that those early pioneers would be surprised and very proud of what their efforts have created.
Compass has had another successful financial year with this report highlighting a number of the more significant figures; these items include a 82.5 per cent increase in total assets to $418M from $229M in 2014 while net assets have increased by 94.2 per cent to $373M from $192M in 2014. Compass has 4473 houses under management with the majority provided by state and Commonwealth governments under various programs and the remainder provided directly by Compass itself by leveraging the value of vested assets from the New South Wales Government.

On the 1st July 2014 Compass amalgamated with the Brisbane based 4Walls, which is now known as Compass Housing Services Queensland Ltd. This amalgamation has been very successful and has contributed significantly to Compass’ entry into the Queensland community housing sector. The former chair of 4Walls Brian Wrice has since been appointed to the Compass Board.

Compass also continued to develop its joint venture with the not-for-profit community housing developer BlueCHP. The joint venture company Logan City Community Housing will undertake the Logan Renewal Initiative contract from the Queensland Government. This contract to manage the existing 4800 properties in Logan will run over 20 years and during that time will develop an additional 1600 properties of which 1000 will be for affordable housing. Compass is also currently pursuing opportunities in New Zealand and is in the process of setting up operations there through the use of a subsidiary company.

The Board has continued the process of renewal and regeneration of itself and the governance structure of Compass which it started at a special general meeting in October last year. This saw the Board reduced in number to a maximum of nine with currently seven directors in place with four from New South Wales and three from Queensland. Three new directors were elected to the Board.
last year after an independent panel interviewed a number of possible candidates and recommended three to the Board. I want to thank the previous Directors who unselfishly voted for this renewal to occur even though it meant that they lost their positions on the Board.

This process was designed to enhance the combined skills of the Board and subsequently the Board endorsed the three recommended candidates for consideration and election by the members. This has allowed new ideas and thinking to be introduced to the Board and has worked very well in its first year.

Part of this new Governance structure was to have local Advisory Committees appointed by the Compass Board for each jurisdiction that Compass operates in. As a result, in December 2014 the Compass Board appointed a New South Wales State Advisory Committee that is to advise the Board on matters pertaining to New South Wales that it believes the Board need to consider. These Advisory Committees operate under their own Terms of Reference document and provide the opportunity for local matters to be bought directly to the Board, these can be matters relating to the tenants or from a wider perspective. The New South Wales Advisory Committee has also taken on the duties that were previously performed by the Compass Tenant Panel with the Advisory Committee containing tenant representation to allow direct tenant views to be considered. The Board is currently in the process of structuring the first Queensland State Advisory Committee.

The Board continued to be remunerated as agreed by the members at the last Annual General Meeting. The total amount approved by the members is also used to remunerate the various Board Committees, State Advisory Committees and any possible subsidiary Board structures in the future. The members will consider the maximum amount that can be paid in any one year at each Annual General Meeting for the following year in total for all groups within the Compass governance structure. The amount actually paid in total for all groups and individually for each Director will be advised to members as part of the Directors Report within the Annual Report.

The Compass Board also has the following Board Committees in place, Audit Risk and Compliance, Nominations and Governance, Remuneration and an Appeals Committee. I believe that the new structure is working well and will enable Compass to respond to any corporate governance challenges that may arise in the future.

Compass wishes to thank the New South Wales and Queensland State Governments and the Federal Government for the contracts that they have awarded to Compass during this year and in previous years.

I would like to thank the Board for its continued commitment to the sound governance of the organisation and for its ability to keep a focus on making decisions that will benefit the tenants, while addressing the many complex matters that arise in the community housing sector. I also want to thank them for their continued efforts on behalf of Compass in the many forums in which they represent it.

On behalf of the Board I also want to thank the Group Managing Director, and all the Executive team for leading Compass through another busy and challenging year. Also on behalf of the Board I wish to thank all the other Compass staff that work tirelessly to provide excellent service to all our stakeholders. This was highlighted by the outstanding efforts made by all staff involved to assist tenants impacted by the severe storms that hit the Hunter and Central Coast areas in April this year.

Compass continues to enhance its position as a strong, secure and innovative community housing provider and is in a strong position to take advantage of opportunities as they arise now and in the future. I am confident that it will continue to provide sector leading community housing across Australia and beyond in the years ahead and will also continue to provide its many tenants with excellent service.

I am honoured to have been the Chair of Compass Housing for another year.

PAUL JOHNSON
CHAIR