



2019-2020 **ANNUAL REPORT**



Contents

ANNUAL REPORT 2019–2020



4 About us

6 From our CEO

8 From our Chairperson

10 Coping through COVID

12 Housing Services

14 Community Engagement

20 Assets

22 Projects and Development

24 Our partnerships

26 Our board



28 Finance

29 From our Treasurer

30 Financial statements



About us

OUR VISION is for all people to know Jesus and be integrated into the body of Christ through the vehicle of Christian-based housing.

OUR MISSION through Christ is to deliver high-quality housing, services, and support for people in need.

OUR VALUES

- Committed and transparent
- Collaborative and inclusive
- Caring and compassionate
- Innovative and resourceful

Established in 1992 as Lutheran Community Housing Support Unit, Cornerstone Housing Ltd is a Tier 1 housing provider under the National Regulatory System (NRS).

We manage approximately 714 properties within metropolitan Adelaide and country South Australia. Our portfolio of housing is diverse, with a range of different housing programs.

We currently employ 23 staff members with experience in property management for social and private housing portfolios, tenant support, financial management, asset management, and project development.


We are a registered real estate agency and maintain full not-for-profit charity status with the Australian Taxation Office and Australian Charities and Not-for-profit Commission.

total 
properties

714



\$581.55

average 
gross income
per week

*average
weekly
rent* 

\$135.40



99.01%

**occupancy
rate** 

new 
tenancies

98





From our CEO

by Graham Ross, CEO

'Uncertain times is certainly the theme for most people in 2020 with the fires in late 2019 and then COVID-19 to top things off.'

'I am excited about the future for Cornerstone and the people we will have the privilege to serve in providing them with a home to call their own.'

What an incredible year of challenge and change this has been. I can't tell you how many emails, reports, articles and general correspondence I have received that started with inquiring about how I am going as we move forward in such uncertain times.

'Uncertain times' is undoubtedly the theme for most people in 2020, with the fires in late 2019 and then COVID-19 to top things off. We shouldn't be surprised as the word of God speaks of end times (Matthew 24:6-8). The trouble is, though, none of us expect such calamity to end up at our doorstep, but COVID-19 brought a great shock to us here in Australia, which I think for most of us made us realise how tenuous life can be.

I believe the challenges that we have faced in 2020 (clear vision) is a timely reminder that we are to look up and take note of what God wants for our lives. Therefore, I want to look up and forward to the Cornerstone that I see in the future.

I see a Cornerstone that is not about balance sheets and property, although these are important.

I see a Cornerstone staff that realises the whole reason it exists is to earn the right through love and care to speak into the lives of the poor in spirit about the hope that each of them can have in Jesus (Jeremiah 29:11-14).

I see a Cornerstone that will create new housing opportunities greater than what I ever could have imagined for people (Ephesians 3:20,21). New housing is not necessarily to grow the balance sheet or the size of Cornerstone, but it will provide people from all walks of life with the opportunity to get into home ownership, even if it means holding equity shares (similar to equity start offered by HomeStart Finance) in these properties in order to help the poorest of the poor. I ask the question, 'Why can't homeless people receiving JobSeeker be eligible for home ownership?'

I see a Cornerstone that will have



more than enough resources to assist:

- people requiring emergency accommodation fleeing domestic violence
- 16-year-olds and upwards who for whatever reason have been estranged from their parents
- reformed addicts through Teen Challenge South Australia to receive permanent low-cost housing to move through to home ownership
- refugees with absolutely no income
- mums and dads really struggling in bringing children up by themselves
- those who struggle with mental illnesses.

I see a Cornerstone that will partner first with churches all over South Australia that have the heart to reach out to their fellow South Australians and will love and embrace them into their local communities.

I see a Cornerstone that will be a significant part of facilitating the return to the local village concept in our communities, as well as a leader in the introduction of truly effective community engagement and mission throughout the whole community.

I see a Cornerstone that will be an innovator in many spheres, such as the provision of energy-efficient housing, employment creation, housing technologies for people generally as well as those with disabilities, and food co-ops and community gardens.

I am excited about the future for Cornerstone and the people we will have the privilege to serve in providing them with a home to call their own.

I wish to thank all the staff from the bottom of my heart for their commitment and dedication to the cause of Cornerstone Housing.

Thank you to the incredible board of Cornerstone and all members of subcommittees for their commitment and wisdom in helping me as the

CEO of Cornerstone realise its vision.

I would especially like to thank Neil Power, who has been with me since the mid-1990s, and as chairperson, shared his wisdom in charting a course through the new world order of NRS and professionalising this organisation without losing its heart. Your wisdom will be greatly missed, Neil!

From our Chairperson

by Neil Power, Chairperson



‘This year has been dominated by COVID-19 and exploring new opportunities for Cornerstone Housing through developing partnerships with other organisations.’

This year has been dominated by COVID-19 and exploring new opportunities for Cornerstone Housing through developing partnerships with other organisations. COVID restrictions have required staff to modify their work arrangements as well as some of our outreach and community engagement programs.

To meet the increasing community housing needs, Cornerstone is investigating housing development opportunities and innovative funding opportunities.

Cornerstone completed two housing developments in Morphettville this year and has developed a pipeline of new proposals, which are under active assessment and analysis. A number of these are expected to commence in the next 12 months.

Consistent with Cornerstone’s Tier 1 status, we are investing in new analytical and management tools to improve our expertise and capacity for financial analysis of new housing developments and funding options, management of our housing assets, and organisational governance. Cornerstone had a very positive

report from the National Regulator with all the categories satisfactory with some areas for improvement, which we accept as part of our continual improvement program.

Cornerstone has focused its efforts on community engagement to support our tenants and the broader community with the Adrian Street project, student placements from the University of South Australia, and connections with local support groups. While COVID constrained these activities, we are making progress.



Cornerstone would not function effectively without the dedicated effort of our staff members. I would sincerely like to thank them for the professionalism and loving commitment they bring to Cornerstone in progressing its mission. Our staff has worked in increasingly limited office space at Maylands. Cornerstone has secured new offices in Stepney, which will provide adequate good-quality space and facilities to allow staff members to work in a professional environment and service our tenants and other clients.

I would also like to thank the Cornerstone board members for their leadership, support, strategic advice and the personal commitment of their time and energy, and their belief in the vision of Cornerstone. The board members are actively involved in the board subcommittee, as well as the subcommittees of WHS and Risk, Asset and Property Development, Finance and Audit and Community Engagement.

I also wish to acknowledge and thank the support of additional industry and sector members who dedicate their time freely with specific skills, knowledge and experience on our subcommittees: Rob Brooks (stepped down) and Alistair McFarlane (property development) on Asset and Property Development Subcommittee, now joined by Jeremy Clapp (engineering); Julie Kaesler (finance) on the Finance and Audit Subcommittee; and Glyn Taylor (chaplaincy) working in community engagement.

On a personal level, I am stepping down as chairperson on the board of Cornerstone Housing. I became involved in Cornerstone Housing in the mid-1990s as a member of a local support group for tenants in Cornerstone houses and as a representative on the board. I continued as a member on the board in various formats, first as a representative board, until it became a governance board when Cornerstone became

incorporated. I have been fortunate to serve as the vice-chairperson and, most recently, as chairperson.

I have been fortunate to see the growth and progression of Cornerstone Housing from its early days.

I must highlight and compliment the vision, energy and commitment of Graham Ross, who saw a need for housing people in need and did something about it. I salute and congratulate Graham on his continuing leadership of Cornerstone Housing and the vision and influence he has provided to the community housing sector.

Coping through COVID-19



by Christine Easom
Business Services Manager

'We are proud of what we have achieved during this difficult time. All departments remained fully operational within the limits of government requirements, and we have been able to continue to deliver a high-quality service to our tenants.'

Business continuity

As part of Stage 2 of our Business Continuity Plan, on 6 April 2020, the majority of our staff transitioned to working from home. Two staff members stayed at Portrush Road to answer incoming calls, collect mail, do banking, and assist with scanning and preparing documents. That was a great help to the staff working offsite.

Where required, we purchased additional IT equipment for staff to use while working from home, as well as for planning for the potential scenario of a total lockdown.

Some staff continued to come into the office on a restricted basis to ensure continuity of their roles to attend to sign-ins and other matters that couldn't be dealt with at home.

Zoom meetings became the new normal for sharing information, encouraging connection, and conducting monthly subcommittee meetings and any other meetings as deemed necessary.

Tenant services

Property sign-ins continued, although staff took care, with limited face-to-face contact. All housing inspections ceased. Tenant contact that staff members couldn't address by phone or email was by appointment only.

Eleven tenants contacted Cornerstone, expressing financial hardship due to job loss through COVID-19. Cornerstone initially contacted the SA Housing Authority to express concerns around undertaking the March rent review, due to putting more undue financial stress on tenants, as well as the increased workload on an already stretched Centrelink. It has since been ruled that rent reviews for community housing are not to be undertaken across the sector until further notice.

Community engagement

We made connections via phone with all tenants over 55 years of age to check on their wellbeing and ensure that they had supports in place.

We also had ongoing communication with all tenants, but especially our tenants with low scores of wellbeing identified in our Impact Measurement Study.

University SA placement students undertook a project called 'Caring for tenants during COVID 19', where they phoned more than 600 tenants.

Food hubs set up in partnership with food rescue charity Faithworks helped to assist tenants and the wider community.

We also made substantial updates to the Cornerstone website and Facebook page, notifying tenants of the latest news, food collection points, and contact numbers to access a community chaplain.

Finance

Implementing paperless processes across all workflows, such as bank reconciliations, accounts payable, and debtors, enabled us to continue all services while being offsite. We maintained workflows and timelines with only small delays in some cases.

Training, hygiene and awareness

All staff completed Online Infection Control Training. Staff members have also been diligent in observing social distancing rules and hygiene practices when dealing with tenants.

Summary


While COVID-19 is still an ongoing problem, and the full impact of the pandemic is yet to be seen, we are proud of what we have achieved during this difficult time. All departments remained fully operational within the limits of government requirements, and we have been able to continue to deliver a high-quality service to our tenants.

Special recognition goes to Craig from IT, who had the enormous task of ensuring that work could continue from our homes, and to Teresa from Finance, who developed a paperless finance system in less than a week.

All staff (particularly the older generation) had a steep learning curve with technology but have mastered the art of Zoom meetings. What a tremendous era of technology we live in that allows us to meet in this way.

While some may have wondered how working from home could work, it has been an opportunity to use the peace and quiet of a home work-environment to be productive and creative in our thinking. Some say they work harder from home than when they are in the office, which is a great outcome, and others have loved the benefit of the extra sleep-ins in the morning and the opportunity to go to work in their leisurewear.

We are all grateful that no staff members were without a job through this period, and it has given us a new insight into the possibilities of a truly flexible workplace.



Housing Services

by Aaron Ross, Housing Services Manager



‘We faced many challenges during COVID-19, including the ban of housing inspections and how to maintain a high level of service and support from isolation.’

Housing Services implemented significant changes to improve efficiencies in day-to-day operations.

We implemented a vacancy action plan and strict monitoring of the vacancy management process, which has resulted in Cornerstone’s fastest vacancy turnaround times in four years.

A new online tenant filing system is nearing its completion. Back in early 2019, the department set its sights to go almost paperless – no easy task – as, collectively, over 600 tenant folders require scanning and processing. The early intention, however, of simply improving day-to-day efficiencies proved invaluable when COVID-19 forced a lockdown and the adoption of new technology, where paperless online systems became essential.

Cornerstone faced many challenges during COVID-19, including the ban on housing inspections and how to maintain a high level of service and support from isolation.

But nothing was more challenging than managing rent arrears.

A moratorium on evictions and many facing financial loss saw a large spike in arrears across all portfolios; however, thanks to the diligent work of the Housing Services staff, we managed arrears professionally and courteously to those affected, resulting in a rapid decline as restrictions eased. We ended the financial year in a better position than we started – an unexpected result during an unprecedented pandemic.

Cornerstone and Shelter SA formed an exclusive partnership to develop ‘Homes4Good’, an affordable housing initiative appealing to benevolent landlords to rent their properties out at below-market rate.

So far, this has attracted four new properties to our fee-for-service portfolio, all of which currently house tenants with barriers to housing. We look to grow this housing type as Cornerstone and Shelter SA explore the possible benefits that could be offered to like-minded landlords, the first being the newly announced ‘Land Tax Exemption Pilot’ that Cornerstone is eligible to offer.



Student placement projects

Warradale community development project

During May and June 2020, two UniSA students worked as a team and enthusiastically connected with tenants, residents, local support group Warradale Lutheran Church, and local support services to complete a detailed needs analysis and referral pathway documents. Both of these documents will serve as a valuable resource for the tenants themselves and also the Warradale church and Cornerstone staff when seeking to serve our tenants better.

Caring for tenants during COVID-19

To address the COVID-related effects of social isolation, loneliness and a decline in physical health and wellbeing, UniSA students contacted more than 600 tenants by phone during the early months of the pandemic. Through these 'light touch', friendly neighbourly chats, they identified tenant needs and referred on as appropriate.

Throughout COVID, Cornerstone was also able to connect with food charities Faithworks and the Stables, who assisted in linking the supply of food via our local support group networks to families doing it tough.

Community chaplaincy

Glyn Taylor from Chaplaincy Australia completed his chaplaincy placement with Alphacrucis College at Cornerstone Housing, working on the community chaplaincy program.

Adrian Street project

Cornerstone has 29 properties on Adrian Street, Ingle Farm. Cornerstone has a strong connection with local support group, Life Church. UniSA students worked with Life Church to host a community BBQ to connect with tenants and hear about their needs. The students completed a community profile of the local area. They are looking at the current needs in the community and funding options for a lead person to run the Community Hub at Life Church.

Home ownership pathways

This year, we have continued to foster relationships with HomeStart finance and Habitat for Humanity SA to provide home ownership opportunities for people on a low- to-medium income or are disadvantaged in some way.

We also connected with Mike Withrow from the Home Program. We have had several tenants express interest in home ownership, and some attended the information session put on by the Home Program.

It is early days, but we have begun ongoing discussions in our Projects and Development and Asset Management departments around the need to develop a feasible business plan if we are going to incorporate some new homes from future developments to be sold to eligible tenants.



Partnership with Chaplaincy SA

by Jeff Marshall, Director of Chaplaincy South Australia

Chaplaincy Australia SA is very excited to be working with Cornerstone to provide another level of support to tenants and the opportunity for local support groups to upskill some of their volunteers.

The skills learnt in becoming a chaplain are invaluable when it comes to assisting tenants who might be looking for support during life's challenging time. To have that level of support where a community chaplain can connect and empower a tenant explore the informed options and solutions is invaluable to not only to a tenant but a local support group, such as a church.

We look forward to seeing regional chaplain coordinators across the Cornerstone footprint as we move forward, resulting in community chaplaincy teams ready to assist in their communities and, in particular, Cornerstone tenants and their families.

What is a Community Chaplain?

by Glyn Taylor, Community Chaplain, Chaplaincy Australia

Chaplains share the love of Jesus through practical demonstration by meeting a person's needs where possible, showing unconditional love in a non-judgemental way, and providing presence.

For complex needs, community chaplains network and refer to the appropriate organisations or gain the

appropriate resource at that particular time. Through working collaboratively with clients, chaplains empower people to become more independent and self-reliant, increasing their self-esteem and self-worth.

Chaplaincy in action

In the southern suburbs of Adelaide, there is an elderly couple who were struggling during the earlier part of the COVID-19 times and had no food. They also had poor accessibility to shops, transport and any support. These unchurched people had recently entered a state of deep remorse. They had recently lost their family dog who they had for over ten years, especially the older man who walked him frequently as a way of coping with life and his ongoing chronic depression. He was ready to hear about a loving God – the same God who took his dog and had given him depression, suffering and anxiety. He and his wife experienced the love of God through the food dropped off and people willing to listen and provide a physical presence when and if they were ready to share their pain. The food came from a local Christian community centre called the Stables, managed and organised by a husband and wife team with a shared vision of love for God and all his people.

We also connected with a 60-year-old Cornerstone Housing client living in the northern suburbs by herself with only her dog. She had multiple health concerns, and her co-morbidities included chronic depression, anxiety, asthma, and a heart condition. Through her frequent hospital admissions, her garden and lawns had become out of control, which was a primary source of further anxiety, adding to present issues of financial hardship. The Community Chaplain was able to network with four organisations to get the tenant's yard cleaned up for \$60. The Christian community came together to help.



The pathway to home ownership

Othow moved out of his Cornerstone unit that he called home for seven years.

He has been successful in building a beautiful new home in a quiet cul-de-sac in a great neighbourhood in Adelaide's northern suburbs – only 15 minutes away from his work at Adelaide Poultry and two doors down from his best friend.

Othow was born in Ethiopia. He has a wife and two young children who are in the process of moving from Ethiopia to Australia. Othow says this has been a long and expensive process. He believes, in the end, it will be worth it as he loves Australia and feels, although it is expensive, it will be much better for his family in the long run.

One Cornerstone worker Matt has been incredible in helping Othow out so many times. Matt originally helped to settle him into his Cornerstone home and assisted him with furniture and maintenance needs. Matt also helped him to get settled into a local church, the Ark Salisbury Lutheran.

'It was the people from the Lutheran church that got me connected to Cornerstone in order to get a home to start with, and they were a great help to me', he says.

Othow decided to stay in his Cornerstone home until he could save up enough money to buy his own place.

Many people came and went from the nearby units where Othow was living, but the whole time he had a plan to work and save hard.

He received the first home buyers grant of \$15,000 for building a new home, which was a great help, and he managed to save up for a deposit.

'Once people get into community housing, [it] is a great opportunity for them to save up the deposit they need to buy their own home', he says.

'If someone has it in their heart to buy a house, they can do it. They need to make the decision, come up with a plan, and then stick to it!', he says.

Free to enjoy family life



Living in transitional accommodation, Dustin and his family were in a dire situation, facing homelessness and possibly having to go back to the Philippines. But then they found stable accommodation with Cornerstone Housing.

Dustin has been married to Rima for eight years, and they have three children together, Jasmine, six, Amber, five, and Thorsten, five months.

After living in the Philippines for two years, the family decided to move to Adelaide, where Rima's sister lives with her husband. 'They said we could stay there for a couple of months until we found a place, but without a proper and official rental history, it was difficult, and we could only stay there for so long', says Dustin.


'It came to the time where we had to leave, and so we contacted a homelessness company called UnitingSA. Fortunately for us, they organised a stay in a hotel. We were there for a month or more, and then later, we moved to transitional housing for six months. At this place, our girls were able to start school/kindy for the first time in Australia.'

But while the family had a roof over their heads, being transitional housing, it was only a temporary option. Thankfully, a caseworker provided the family with a list of community housing providers to contact in hope of securing long-term housing.

'We sent out emails to many on the list, and Cornerstone was one to reply with a house to look at. We came down here [to Seaford Rise] to take a look and loved it instantly. It has a good-sized backyard and is on a nice street with friendly residents. So, we promptly accepted the place, moved in over that week, and now here we are', says Dustin.

Having stable housing has enabled Dustin to study a Certificate IV in Health Care and to give back to the community through volunteering for the CFS. He hopes to also start a Diploma in Paramedic Science.

'We are super happy and very grateful for how Ben and Cornerstone Housing helped us out. They have given us the ground to settle down and become comfortable with the big move from overseas (especially for my wife and children). Without Cornerstone Housing, we would possibly still have been in a difficult situation, maybe even needed to go back overseas to the Philippines.'

A photograph showing a man in a blue button-down shirt on the left, smiling and handing a large grey plastic basket filled with food to an elderly man on the right. The basket contains various items including oranges, apples, corn, bread, and a carton of milk. The elderly man has white hair and is looking at the food with a thoughtful expression. The background is a plain, light-colored wall.

'With more and more people experiencing financial distress and food insecurity amid the COVID-19 pandemic, food aid is more important than ever.'



Food for the community

With more and more people experiencing financial distress and food insecurity amid the COVID-19 pandemic, food aid is more important than ever. In response, this year, one of our focuses has been on connecting our tenants to food hubs.

Our Community Engagement Facilitator Dan has worked with some of our local support groups (LSGs) to establish food hubs and free food giveaways to help the Cornerstone community and beyond. Through Faithworks, a Christian food rescue service, our LSGs, such as Life Church Ingle Farm, can serve the Cornerstone community and beyond with practical love and generosity.

As well as supplying food to agencies and churches around South Australia, Faithworks has a brick-and-mortar centre located in Blair Athol.

At the Faithworks Centre, everybody is welcome to drop by, regardless of the situation from which they come.

'We see an imbalance, in that so much food gets wasted, yet some people go without food. We try to rescue some of the food that may otherwise go to waste and provide it to people who could use it', says Bruce Kurtzer, who runs Faithworks along with his team of volunteers.

Faithworks has a range of free and low-cost items, which fluctuates

depending on what's available.

The usual suspects include free bakery items, loaves of bread, and bags of fruit and veg. Pre-made takeaway meals, small gift packs, and other pantry items are available for purchase at a low cost.

The Faithworks Centre is located at 5 Clifton Street, Blair Athol SA, and is open Monday to Friday from 10.00am to 4.00pm.

Details on food giveaways are posted on Faithworks' Facebook page www.facebook.com/faithworks. events



Life is just beginning

One of our tenants, Diane, was offered a home through LHI Retirement Services that will better suit her current needs, so she has moved on from Cornerstone Housing after seven years. Here's what she has to say about what Cornerstone has meant to her.

I've needed stability, support, consideration, and maintenance, both physically and spiritually. I received spiritual support from my congregation at Glynde Lutheran Church, as well as encouragement from my friend Dan at Cornerstone Housing!

Cornerstone Housing has been instrumental in giving me a great home. My grandies could come to play, I had a garden area big enough to grow my own vegetables and enjoy the outside space, and I was close to the Linear Park where I could enjoy daily walks.

Currently, I volunteer two days a week at Lutheran Community Care at Blair Athol with clients in need. I love to provide them with hope and practical support. My life at the LHI Retirement Village is just beginning!

'Cornerstone Housing has been instrumental in giving me a great home.'

Asset Management

by Adam Turrell, Asset Manager



The 2019–2020 financial year was one that will no doubt be known as one of unprecedented times. The bushfires that ravaged South Australia almost seem like a distant memory in the wake of the COVID-19 pandemic.

However, these fires literally hit close to home, coming within meters of our Woodside properties. Thankfully, though, both the residents and their properties were unharmed.

As a company, Cornerstone was able to adapt quickly to the effects of the pandemic, with employees promptly resourced and equipped to begin working from home. That brought with it many new challenges, but the staff, especially the Assets and Maintenance team, did an exceptional job of ensuring that the quality of service being offered to our tenants was not compromised during this transition.

Although we had to restrict many of our planned maintenance works, there was plenty of work in the

background to ensure we were ready to reimplement our deferred planned works.

A big thank you to the Maintenance and Assets team and also our contractors, who have also been exceptional in adjusting to the ongoing changes.

The majority of the annual planned asset and maintenance works are based on a cyclical program. In addition to these cyclical maintenance items, there are often unique projects outside of this plan. These projects can range in complexity, with some from this year.

A major project undertaken this year was the overhaul of the ageing car park at our Somerton Park units. The goal of the car park demolition and upgrade was to improve the aesthetics of the area and also achieve more car parking spaces for our tenants. The team did a great job in achieving this, creating a better space for all.

Another project we undertook this year was improving the lighting for some of our elderly residents. The existing lights were becoming increasingly problematic and not suitable for the clientele. During the process, we upgraded the lights to solar powered led lighting, which allowed us to not only improve the safety of our residents but also reduce maintenance and energy consumption.



**by Peter Schulze,
Projects and
Development
Manager**

Another milestone

February 2020 saw the completion of Cornerstone's Stage 4 development at Claines Avenue, Morphettville. The development involved the construction of eight Torrens Title, two-storey terrace houses as part of a renewal and expansion program. The project was undertaken as a joint venture with Rivergum Homes from design through to civil works and construction, with all houses sold to assist in funding Cornerstone's new housing development agenda.

This development achieved all of the required performance outcomes and was another successful project that was supported by the South Australian Housing Authority Community Housing Asset Renewal Program (CHARP). Over the past 2 years, Cornerstone Housing has now completed projects involving the construction of 27 houses in Morphettville.

Development plans

The identification and scoping of new projects is an ongoing process to ensure a pipeline of appropriate development activity. Cornerstone is building capacity and positioning itself to be more influential in managing the entire development process of new projects.

The Cornerstone Housing Board has approved two new projects during the past financial year, namely in Flinders Park and Klemzig. Both projects fall within CHARP. The projects will deliver 43 new housing outcomes with a significant number of houses retained as community housing rentals.

The initial phase of the Flinders Park program has commenced, with the construction of all 12 houses due to be completed by the end of 2021. Six of these houses will be retained as community housing.

Designed as one-level terrace houses, they will provide secure, energy-efficient, integrated accommodation close to transport, shops and services.



Several other developments are currently being scoped on inner-suburban sites of Adelaide. These sites potentially involve single-storey houses, two-storey terrace houses and apartments. A workshop with D Squared Consulting and subsequent research on an environmentally sustainable and energy-efficient design is informing and influencing Cornerstone's design priorities, attributes and amenities, aiming to reduce energy costs and the overall carbon footprint.

System improvement

During the year, Cornerstone has made a significant investment in system improvement and additional staff to support the planned portfolio growth and the associated management and compliance requirements. We are now using Estate Master (Argus) feasibility software to assist in making more informed decisions on prospective developments. We have undertaken work with Cornerstone finance and the board to establish investment/development benchmarks to enable consistent evaluation of future project proposals.

These governance and management controls will provide greater confidence in assessing our opportunities and mitigating any associated risks.

Asset and Property Development Subcommittee

Members are appointed by the Cornerstone Housing Board and have attended four scheduled meetings over the past financial year and countless other meetings and discussions to support the Cornerstone Housing development agenda. Genuine gratitude is extended to all members of the Asset and Property Development Subcommittee and particularly to the external members, Cathryn Hamilton, Alistair McFarlane and Robert Brooks. The committee has been very supportive and has provided expertise, advice, strategic guidance and influence. Following a very engaging tenure, Robert Brooks has advised his resignation from the subcommittee, and special thanks have been conveyed to Robert for his invaluable support over several years.

'Cornerstone is building capacity and positioning itself to be more influential in managing the entire development process of new projects.'



Our partnerships

Adelaide City Council

Faith Lutheran Church Warradale

Alphacrucis College

Glynde Lutheran Church

Axios

Government of South Australia

Balaklava Church of Christ

Habitat for Humanity Australia

Bank SA

Harvest Community Care

Baptist Care SA

Hills Community Options

Buildtec

Hillview Services for the Disabled

BDO

HomeStart Finance

CBB

Hope Central Inc

Chaplaincy Australia

Houspect

CommPower Industries

LBH Accountants Pty Ltd

Community Housing Council of South Australia

Life Church Ingle Farm

Edge Church Reynella

Life House Church Murray Bridge

Edwardstown Baptist Church

Lighthouse Disability



LLL	Salisbury Lutheran Church
Lutheran Church of Australia	Second Chances
Lutheran Community Care	Shelter SA
Lutheran Disability Services	St Johns Lutheran Tea Tree Gully
Mission Australia Housing	Summertown Uniting Church
Nexia Edwards Marshall	Tectvs
Noarlunga Christian Centre	Teen Challenge South Australia
ONE Life Church Parafield Gardens	The Arches Bail Support Program
PQSA (Paraquad)	University of South Australia
Point Data	Whittles
Real Estate Institute of South Australia	Wireless Communications
Rivergum Homes	
Rostrevor Baptist Church	
SA Housing Authority	

Our board



GRAHAM ROSS
CEO & BOARD MEMBER

Graham founded Cornerstone Housing Ltd in 1992 and has over 30 years of experience in supporting low-income people in housing. Graham has served on several community housing-related boards. Graham is also CEO of two other not-for-profit organisations, Teen Challenge SA Inc (since 2006) and Help at Home Inc. He is also an ACC minister of religion and a registered real estate agent.



NEIL POWER
CHAIRPERSON

BEng, MEngSc

Neil is a long-standing member of the Cornerstone Housing Board. He was appointed chairperson in 2014. Neil has relevant management experience at an executive level in SA public service and has been on the boards of many research institutes. In 2017, he undertook the Company Directors Course conducted by the Australian Institute of Company Directors.



PETER COBIAC
TREASURER

BEC, FCA

Peter has worked for Corporate Scorecard since 2003 as Chief Ratings Analyst/Project Manager in the financial analytics team providing corporate, financial and risk advisory service to large Australian-based organisations and federal and state government departments. His prior employment includes being a senior auditor and taxation specialist, a partner in a chartered accounting firm, and a software development and management consultant.



CATHRYN OBST
BOARD MEMBER

BPPsySc, MSW, Member AASW

Cathryn has studied Christian leadership, has a Bachelor of Psychological Science, a Master of Social Work, and is completing a Master of Applied Project Management. With extensive not-for-profit sector experience, she teaches at the University of South Australia and consults for churches and not-for-profit organisations.



GRANT MITCHELL
BOARD MEMBER

LLB (Hons), BEc

Grant is a partner and leader of Minter Ellison's insurance and corporate risk team in South Australia. He specialises in professional indemnity claims, directors' and officers' liability and complex public and product liability claims. Grant also provides advice in relation to policy drafting and commercial contracts.



DR CATHRYN HAMILTON
BOARD MEMBER

PhD, MUrbRegPlan, GradCertMgt, BAppSc

Cathryn has 21 years of experience working in state government in the areas of environmental management, risk assessment and research. She is a lecturer at Adelaide University (planning policy and regulation), a research consultant (planning and the environment), the chair of Commission on Social and Bioethical Questions for Lutheran Church of Australia and New Zealand, and a committee member of the SA branch of Renew.



WESLEY CHAPMAN
BOARD MEMBER

MBA, GAICD

Wesley is an innovative leader with over 20 years of experience in a variety of strategic leadership roles. Wesley is currently the Executive Director Strategic Development with PEER. He previously held a number of senior roles within Wesfarmers Industrial Division companies. His key skill areas include strategy, governance, leadership, finance and business development.



Finance

by Teresa Farrell, Finance Manager

This year has been one of unprecedented challenges. Who could have foreseen that we would enter into a world pandemic and the effect this would have on our organisation?

Cornerstone has been able to keep the financial impact of the global pandemic to a minimum and resulted in a positive result for this year.

The year began with a fourth member joining our department on a part-time basis; however, we asked Subu to join us on a full-time basis halfway through the year. The Finance department also provided support on a weekly basis to the Development department. I am proud to report the Finance department provides the organisation with a continued foundation for sound financial stewardship going forwards.

During this financial year, Cornerstone made the transition to online with our accounting software, which seemed to be a timely prelude for the unprecedented challenge of the pandemic that was to come for our organisation.

The challenge of working from home in the second half of the year posed a huge dilemma. The solution resulted in a successful transition to a paperless system. The pandemic certainly posed a challenge to managing

processes within the organisation. I am proud to say that the Finance department met this challenge head-on and managed to adjust to a paperless system overnight as a result of the pandemic. We are now continuing to streamline the paperless system to continue as we transition back to the office.

Cornerstone finished the year with a net surplus of \$1,166,052, which has shown a great result in a very challenging time.

Our portfolio remained consistent over the year, with one property being successfully sold to a tenant. That was a great result in seeing a tenant move to home ownership.

Our private property management portfolio has been maintained, with Cornerstone this year registering with Revenue SA to provide our private landlords with Affordable Housing Land Tax Exemptions for their properties. This is a new initiative from the South Australian Government, which Cornerstone, as a community housing provider, can access.

I would like to take this opportunity to thank my Finance department especially, but also the staff of Cornerstone, for their support this year in navigating the times we live in.



From our Treasurer

by Peter Cobiac, Treasurer

The audited financial statements prepared include the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements, Directors Report, Directors' Declaration and Independent Auditor's Report. The following is an abridged version, and a full copy of the financial statements are available on request.

It is pleasing to note that the audit has not revealed any material issues with accounting standards or the financial management of Cornerstone. Management ensures that good stewardship and sound financial management is part of Cornerstone's policies and procedures, with regular audits and policy reviews, which are included in reporting as part of the compliance for government funding. Cornerstone relies on government subsidies, resources and income generated from tenant rent to maintain its financial viability, and we do not rely on donations to fund our organisation.

The net surplus for the year was \$1,166,052 (2019: \$7,326,583), being a satisfactory result for the year.

Closing retained surplus was \$109,111,850 (2019: \$107,945,798).

The NRAS incentive amounted to \$343,696 (2019: \$380,812), while management fees were \$243,165 (2019: \$270,650) and interest received was \$79,242 (2019: \$101,350). Rent was \$4,826,335 (2019: \$4,793,978). The revenue for the SACHA-funded properties returned to the South Australian Government was \$862,080 (2019: \$861,768). Property expenses amounted to \$1,626,917 (2019: \$1,693,958), and administration/other expenses were \$448,723 (2019: \$505,094).

Cornerstone's portfolio, as at 30 June 2020, consisted of 508 properties: 391 SACHA-funded, 70 stimulus, 16 affordable housing, 30 NRAS and 1 privately-owned property. Alongside this, Cornerstone provides management services and expertise currently to 79 other organisations or individual owners, which comprises an additional 206 properties.

Finally, I would like to take this opportunity to thank all the staff (particularly in dealing with the very difficult COVID-19 issues and having to work from home) and board members of Cornerstone who have helped to make this another successful year.



The summary financial statements are an abridged version from Cornerstone Housing Ltd's full financial statements for the year ended 30 June 2020. A copy of the full financial statements and accompanying notes are obtainable upon request.

Financial statements

Statement of comprehensive income

For the year ended 30 June 2020

	2020 \$	2019 \$
Income		
Revenue	5,436,819	5,418,177
Other income	1,642,765	7,445,124
Total income	7,079,584	12,863,301
Expenses		
Administration expenses	448,723	505,094
Fixed payments	862,080	861,768
Depreciation (plant and equipment)	59,270	57,501
Depreciation (right of use asset)	16,840	-
Donations	12,160	-
Utilities expense	2,951	3,717
Interest on borrowings	340,776	432,465
Interest on lease liabilities	3,250	-
Maintenance expenses	1,152,635	765,970
Mission/Community Engagement	25,453	12,128
Property expenses	1,626,917	1,693,958
Minimum lease payments	-	61,140
Short term lease payments	74,278	-
Repairs and maintenance	3,916	15,763
Staff expenses	1,284,283	1,127,214
Total expenses	5,913,532	5,536,718
Net operating profit	1,166,052	7,326,583
Net profit for the year	1,166,052	7,326,583
Total comprehensive income for the year	1,166,052	7,326,583

Statement of financial position

For the year ended 30 June 2020

	2020	2019
	\$	\$
Current assets		
Cash and cash equivalents	5,583,809	5,440,733
Trade and other receivables	540,500	237,309
Other current assets	288,657	228,495
Total current assets	6,412,966	5,906,537
Non-current assets		
Investment properties	131,732,723	131,615,677
Plant and equipment	114,481	166,959
Intangible assets	239,080	-
Right of use assets	485,900	-
Total non-current assets	132,572,184	131,782,636
TOTAL ASSETS	138,985,150	137,689,173
Current liabilities		
Trade and other payables	146,498	154,803
Provisions	328,618	258,664
Borrowings	455,297	327,030
Lease liabilities	92,213	-
Total current liabilities	1,022,626	740,497
Non-current liabilities		
Borrowings	7,026,533	7,572,096
Provisions	22,361	42,354
Lease liabilities	413,352	-
Total non-current liabilities	7,462,246	7,614,450
TOTAL LIABILITIES	8,484,872	8,354,947
NET ASSETS	130,500,278	129,334,226
Equity		
Capital contributed	18,583,838	18,583,838
Asset revaluation reserve	2,804,590	2,804,590
Retained surplus	109,111,850	107,945,798
TOTAL EQUITY	130,500,278	129,334,226



8165 5300
185 Portrush Road, Maylands SA 5069
PO Box 100, Marden SA 5070
cornerstonehousing.com.au
[@cornerstonehousingltd](https://www.facebook.com/cornerstonehousingltd)
ABN 53 168 938 118
ACN 168 938 118