



ESG REPORT

2023

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORTING

Hume is driven by social outcomes, and we know a sustainable future is vital if we are to deliver on our purpose – creating opportunities for people to prosper.

Currently, community housing providers report in a voluntarily capacity and to self-certify. Soon, ESG sector-wide coverage will be a standard requirement, recommended by lenders, and feature external verification.

Institutional investors, who want to work with us on development and growth opportunities, increasingly require information about our ESG achievements. As outlined throughout this report, we already aim to provide both a sound commercial return on investment and positive ESG outcomes.

This year Hume signed up to adopt the ESG Reporting Standard for Social Housing under CHIA NSW. As a sector, we will deliver appropriate risk adjusted returns, as well as having consistent, standard measures to demonstrate our positive impact on sustainability – relating to people’s lives and livelihoods, liveable places, and productive economies. This will make the value of the community housing sector more transparent and raise investor confidence that we are appropriately managing ESG risks and achieving positive impacts.

Our Outcomes Framework is a key social ESG commitment which identifies, measures and reports on our social impact and the return-on-investment we achieve through our programs and services. We have also started to measure and mitigate our environmental impacts in line with the NSW mandate to achieve net zero emissions by 2050, with a 50% reduction by 2030. Hume takes our role in meeting these targets seriously and will develop our ESG strategy in accordance with the United Nations Sustainable Development Goals.

Our commitment to operating as a thriving organisation has seen us continue to focus on our employees and take feedback from our Employee Opinion Index. We keep making progress in technical learning, leadership and professional development, as well as improving our systems, policies and processes which all contribute to employee engagement.

We’re also addressing ESG reporting standards for our sector, including steps to reduce our carbon emissions, reduce fuel poverty for customers, make new developments more sustainable and, importantly, deliver a social impact. In some cases, we have strategies in place, or are implementing ESG initiatives, but are not yet measuring outcomes.

In the coming year we’ll be working closely with the community housing provider sector, our customers, employees and the community to fast-track the development and implementation of Hume’s ESG strategy.



ESG REPORTING STANDARDS FOR AUSTRALIAN COMMUNITY HOUSING

HUME COMMUNITY HOUSING ESG OBJECTIVES

STANDARD

HUME PROGRESS



SOCIAL

THEME 1

Affordability and Security

Customer

Ensure our customers our housed securely

C1 – Number of tenancies dedicated as social, affordable or market housing + either % of income paid or % discount provided.

We are committed to providing safe and affordable housing options for low-income individuals and families in our communities.

Social Housing: 3,553
Specialist Disability Accommodation: 480
Affordable Housing: 447

We regularly assess and adjust rental rates to ensure accessibility and affordability for our residents.

Social Housing rent calculated at 25% of gross household income, energy supplement and 100% Commonwealth Rent Assistance.

Affordable housing rent will not exceed 80% of the market rent. Ideally calculated at 30% of gross household income.

C2 – Number of existing tenancies (existing property vacancies and new supply completed by end of FY) allocated to priority (social rents), general (social rents), transitional (social rents), transitional (young people), disability (social rents), affordable (social housing eligible), affordable (low and moderate income).

Social: 3,553 (79.3%)
Affordable: 447 (10%)
Specialist Disability Accommodation: 480 (10.7%)

C3 – Share, and number, of new homes (owned and managed) that were completed in the last financial year, allocated to general needs (social rent), intermediate rent, affordable rent, supported housing, housing for older people, low-cost home ownership, care homes, Private Rented Sector or other.

New homes: 31 (owned and managed)
Supported Housing: 42%
Social Housing: 58%

C4 – Actions Hume is taking to improve energy efficiency and reduce energy and/or transport costs.

In 2023 we accessed a government funded program replacing 18 older style water heaters with slimline cost saving EcoVantage units in a senior's complex. The benefit to individual customers is approximately \$750 per year in financial savings, The slimline design has also increased much-needed storage space.

Currently selecting a partner to pilot electrifying properties and assessing feasibility (and processes required) to install solar/batteries.

A water efficient shower head replacement program is also underway.

C5 – What % of rental tenancies have continuous tenancy or six-year fixed lease or longer?

Our rental tenancies have the following duration profile:

- 6–10 years: 25.17%
- 11–20 years: 20.73%
- Over 20 years: 14.46%.

Properties with continuous tenancies for six years plus total: 60.36%.

ESG REPORTING STANDARDS FOR AUSTRALIAN COMMUNITY HOUSING

HUME COMMUNITY HOUSING ESG OBJECTIVES

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HUME PROGRESS

THEME 2

Building Safety and Quality

Properties and Environment

Ensure our properties are safe and fit for purpose

C6 – What % of homes with a gas appliance have an in-date, accredited gas safety check?

Accredited gas safety checks on appliances are not a legislated requirement in NSW. Hume however is developing a strategy to reduce reliance on fossil fuels, using only electrical appliances.

C7 – What % of buildings have an in-date and compliant Fire Risk Assessment?

We are on track to achieve 100% compliance by end of September 2023.

Hume conducts annual rigorous fire and safety testing across our portfolio. Safety testing is performed on a calendar year basis, not financial year.

C8 – What % of buildings meet Hume’s building safety standard (if applicable)?

Target is 85% of all properties inspected annually as a component of customer wellbeing visits and property inspections.

The target was revised following a reduction in inspections undertaken during COVID lockdowns. Under our Housing and Impact strategy compliance will increase to 85% by FY 24.

Property Assessment Survey target is 33% of the portfolio per annum. We achieved 95% of this target with the remaining 5% omitted due to property non-access.

Of surveyed properties, currently 89% are classified as maintained or well maintained

THEME 3

Resident Voice

Customer

Provide a high-quality, person-centric customer experience

C9 – What arrangements are in place to enable residents to hold management to account for provision of services?

Hume’s Complaints and Appeals Policy and process encourage customers to report any dissatisfaction with our services and support.

- Customers can do so in person, in writing or online. We acknowledge complaints within 48 hours and aim to resolve a complaint with 20 days.
- Customers can also seek MP and Ministerial representation if dissatisfied with our response.
- Monthly Complaints and Appeals metrics are reported to Hume’s Board.

Customers can also contribute feedback and suggestions through:

- Voice Leadership Groups
- Customer Voice Forums
- CHIA Customer Survey – Benchmark survey measuring overall satisfaction with Hume’s services, repairs and property condition
- Customer Experience Surveys – Quarterly (measuring overall satisfaction, ease and trust)
- Customer membership at the AGM
- Board Customer Engagement Framework.

C10 – % of tenants satisfied with the overall services provided by Hume.

We reported an increase in Customer satisfaction of 5% in July 2023 to 64%.

In January 2023, customer satisfaction was down (59%) compared with the December–January 2022 result (63%).

C11 – In the last 12 months, how many complaints or appeals have been upheld by the Hume Customer Support Team?

A total of 183 Complaints and 64 Appeals were received. Of these 183 Complaints and 59 Appeals were resolved.*

Open complaints from last FY – 11

Complaints and appeals upheld – 20

Complaint resolution satisfaction score was 51% at end FY 23.

* Resolved complaints and appeals includes open tickets from previous financial year.



SOCIAL

THEME 4

Resident Support

Customer
Deliver sector-leading support programs that facilitate our customers' financial, social, physical, and mental wellbeing

C12 – What type of support coordination services and/or additional support does Hume provide to applicants, clients and residents?
C12A – What impact does Hume support coordination services have?

Hume provides comprehensive support coordination services. See Together Home Program and Tenancy Sustainment Coordination (above). See also Hume's Outcomes Framework on page 29 for impact created.
Additional support is provided by Hume as a component of our Temporary Accommodation Program and Housing Independence Program, Supported Temporary Accommodation and Hume's Caryina Program on page 34. The impact of these programs is also measured and reported on.

THEME 5

Placemaking

Customer
Contribute to creating vibrant and connected communities

C13 – Provide examples or case studies of Hume placemaking activities.

Hume's Community Cohesion Strategy drives localised placemaking initiatives across regions. See initiatives including Seniors' Hubs (page 39), Hume in Bloom (page 40) and HuMen (page 41), and a list of community events conducted this year (page 40).



ENVIRONMENTAL

THEME 6

Climate Change

Properties and Environment
Improve the environmental sustainability of our existing properties and operations
and
Integrate environmental and social considerations into design, construction, and operation of all new developments

C14 – Distribution of NatHERS ratings of existing homes (those completed before the last financial year).

C15 – Distribution of NatHERS ratings of new homes (those completed in the last financial year).

C16 – Please report Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions.

Hume inherited an ageing portfolio of more than 2,200 properties in the Hunter region. We are implementing a redevelopment strategy to improve the NatHERS ratings of existing homes.

All future Hume developments will have a NatHERS rating of at least 7 in line with the National Construction Code.

Hume undertook identification of material GHG emissions sources within its offices across scope 1, 2 with Scope 3 yet to commence.

GHG emissions as a direct result of an activity:

- fleet vehicles (fuel usage)
- Hume bus (fuel usage)

GHG emissions from the indirect consumption of an energy commodity in office locations covering:

- electricity usage
- potable water usage
- waste generation
- energy usage
- fleet vehicles
- Hume customer bus

To date we have:

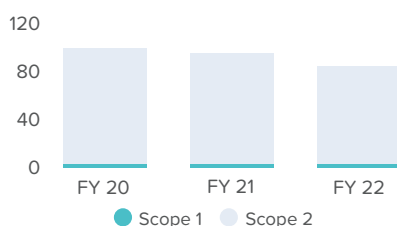
- key objectives established
- environmental inventory and baseline dashboard developed to track environmental indicators
- baseline data for two years collated to assist with initial analysis
- inventory and baseline report developed and under consideration.

Results

- Gradual decline in electricity consumption and GHG emissions – FY 20–22 see graph.
- Electricity consumption generated 97% of total FY 22 emissions.
- Remaining emissions were fleet vehicles and Hume bus fuel usage.
- High level of completeness and confidence of the material emission sources. However, where gaps in the data were present, an average daily rate was used to calculate the associated emissions.
- Closure of Parramatta and Claymore offices has further reduced electricity consumption.

Scope 3 emissions will be investigated following the introduction of solar panels and batteries to assist tracking usage across the portfolio.

Absolute emissions



THEME 6

Climate Change (cont)

C17 – What energy efficiency actions has the housing provider undertaken in the last 12 months?

The introduction of Tap to Print in all offices is reducing electricity consumption, along with paper usage.
Automated lighting conserves electricity in offices.
Transition to cloud-based file servers is reducing reliance on inhouse servers.
The decision to close two office locations has further reduced energy consumption.

C18 – How is the housing provider mitigating the following climate risks: increased flood risk, increased risk of homes overheating?

We have identified 129 properties in extreme wildfire zones, along with a small number of properties located in flood zones. Hume is developing a strategy to exit these locations.
We are also developing a climate change risk register as part of this work.

C19 – Does the housing provider give residents information about correct ventilation, heating, recycling etc? Please describe how this is done.

Environmental awareness information developed includes ventilation and mould reduction strategies, cost efficient heating and cooling tips and opportunities to participate in community-based recycling programs and initiatives.
Information is disseminated across quarterly customer newsletters, social media and Hume website.

THEME 7

Ecology

Properties and Environment

Improve the environmental sustainability of our existing properties and operations

and

Integrate environmental and social considerations into design, construction, and operation of all new developments

C20 – How is the housing provider increasing Green Space and promoting Biodiversity on or near homes?

Hume has over 71 green spaces including community gardens and communal rooftop gardens across homes and complexes.
We have established community gardening programs operating in Maitland and Telopea. We have three regional community garden projects where we work with a range of sponsors including Bunnings to promote environmental sustainability and social connection.
Hume also encourages customer utilisation and beautification of private green spaces via our Hume in Bloom gardening program (see page 40).
The new Charles Street Liverpool development will provide more than the required deep soil planting to allow native, drought tolerant planting to flourish, as will all pipeline developments.

C21 – Does the housing provider have a strategy to actively manage and reduce all pollutants? If so, how does the housing provider target and measure performance?

Hume operates registers documenting known pollutants including asbestos.
Our Property Assessment Survey documentation records known instances of mould, lead paint etc.
We are developing a strategy and policies to manage pollutants like asbestos and will define and establish targets and measurements to assess performance in minimising risk.

ESG REPORTING STANDARDS FOR AUSTRALIAN COMMUNITY HOUSING

HUME COMMUNITY HOUSING ESG OBJECTIVES

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ENVIRONMENTAL

THEME 8

Resource Management

Properties and Environment

Improve the environmental sustainability of our existing properties and operations

and

Integrate environmental and social considerations into design, construction, and operation of all new developments

C22 – Does the housing provider have a strategy to use or increase the use of responsibly sourced materials for all building works? If so, how does the housing provider target and measure performance?

A strategy for responsibly sourced building materials is in development. This will be underpinned by a new contract process for service providers using a procurement weighting score.

C23 – Does the housing provider have a strategy for waste management incorporating building materials? If so, how does the housing provider target and measure performance?

Hume aligns with partners who share and support a sustainable approach.

A Waste Management strategy will be developed by 2024.

Waste management is identified under our new procurement contract process, with weightings on suppliers as part of the tender and selection process.

Hume's preferred builder for a new development confirmed approximately 90% of waste produced on site can be recycled or converted to recovered resources.

C24 – Does the housing provider have a strategy for good water management? If so, how does the housing provider target and measure performance?

A water management strategy is due for release in 2024. The strategy defines targets and performance measures, and Hume will report against these.

The Charles Street Liverpool development currently underway meets the BASIX target of 40 for water use.

Hume has achieved partial compliance with a program to install water efficient showerheads across our portfolio. Compliance rate will be reported in FY 24.



GOVERNANCE

THEME 9

Corporate and Governance

Governance

Maintain compliance with relevant governance codes and standards

C25 – Is Hume registered under the National Regulatory System for Community Housing (NRSCH)?

Yes, Hume is a registered Tier 1 Community Housing Provider.

C26 – What is the most recent regulatory grading/status?

Tier 1 status confirmed in May 2023.

C27 – Is Hume a not-for-profit?

Yes. Hume is a for purpose organisation.

C28 – What codes/standards of governance does Hume meet?

Public company

C29 – Explain how the Hume Board manages organisational risks.

See annual report pages 56 and 60.

C30 – Has Hume been subject to any adverse regulatory action in the last 12 months that resulted in enforcement or other equivalent action?

No. Hume has not been subject to any regulatory action.

ESG REPORTING STANDARDS FOR AUSTRALIAN COMMUNITY HOUSING

HUME COMMUNITY HOUSING ESG OBJECTIVES

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HUME PROGRESS

THEME 10

Board and Trustees

Governance

Board diversity and capability

C31 – What are the demographics of the Hume Board? And how does it compare to the demographics of residents and area of operation?

Hume's Board comprises of:
Male 5
Female 3.

C32 – Hume Board and Executive Management team that have turned over in last two years.

Hume Board
Two Directors have retired in the last two years, two new Directors have taken their place.
Executive Management
Hume has a new executive team, largely from internal promotions.

C33 – Is there a maximum tenure for a Hume Board member? If so, what is it?

There is no tenure limit in the constitution, however, Hume's internal Governance Framework recommends 10 years as a maximum tenure, which can be increased by a decision of the Board.

C34 – What % of the Hume Board are non-executive directors?

100%

C35 – Number of Hume Board members on the Audit Committee with recent and relevant financial experience.

There are four Directors on the Governance, Audit and Risk Committee and all have recent and relevant financial experience.

C36 – Are there any current Hume Executive Management team members on the People and Culture Committee making decisions about remuneration?

Membership of all Committees of the Board are comprised of Directors only. Executive Management attend meetings but are not members.

C37 – Has a succession plan been provided to the Board in the last 12 months?

Yes, a Board Succession plan has been provided.
There is a new Executive Management team, and a succession plan is in development in respect of these roles.

C38 – For how many years has the current Hume external audit partner been responsible for auditing the accounts?

Two years

C39 – When was the last independently-run, Board-effectiveness review?

An independent external review was conducted in 2020.

C40 – Are the roles of the Chair of the Board and CEO held by two different people?

Yes

C41 – How does Hume handle conflicts of interest at the Board?

Board Members and employees are governed by Hume's Conflict of Interest policy.
Disclosure is called for regarding all decisions. If a conflict is identified, Directors sit out decision making. Any declared conflicts of interest are recorded in the minutes as a standard Board meeting agenda item.
New employees and Board members are required to complete a Conflict-of-Interest declaration at the time of induction and are asked annually to renew.



GOVERNANCE

THEME 11

Employee Wellbeing

Employee

Maintain an engaged team

C42 – Does the housing provider pay the Real Living Wage (or equivalent)?

Hume has sought to consistently ensure Award employees are paid above Award, contributing to financial inclusion within our own community as well as supporting the talent attraction and retention strategy.

Non-Award salaries are benchmarked annually and consider external factors such as the wage price index.

C42A – What is the Hume Employee Opinion Survey score?

74% employee engagement score
96% are aware of the values of the organisation
93% believe in the values of this organisation
93% believe in the work done by this organisation

C42B – What is the Hume staff retention rate?

Aon total attrition for 2023 is 26.5%, up 5.3% since last year, driven by voluntary attrition (23% up 6.1% since last year). In contrast, voluntary attrition at Hume as at 30 June 2023 was 27%.

Employee

Develop and maintain a diverse and inclusive organisational culture

C43 – What is the gender pay gap?

Hume has gender equality policies and practices, particularly governing remuneration, recruitment, performance and development, employee support, flexibility and parental leave.

Employee

Prioritise the health and wellbeing of our people

C44 – How does Hume support the physical and mental health of its staff?

Employees have two Employee Access Program providers to choose from.

Combined service for 2023 was 46.5 hours usage.

Mental Health Employee Opinion Survey for 2023 results found 73% of employees agree that their job provides them with work/life balance.

Hume operates a wide range of wellbeing initiatives see page 45 for more details.



Now there's even more ways to contact us



Messenger



WhatsApp



Live Chat



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Cabrogal Country
Fairfield NSW 2165

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