

*Annual Report 2008-09*

Aboriginal Housing Victoria



This artwork is provided by Aboriginal Housing Victoria's artwork collection.



## Our Vision

Aboriginal Housing Victoria will develop and manage the provision of housing assistance to the Aboriginal Community in a manner that delivers accessible, affordable, appropriate and secure housing that meets the social, cultural and economic aspirations of the Victorian Aboriginal Community.

## Our Values

Aboriginal Housing Victoria's Board of Directors seek to ensure that they add value by guiding, assisting and supporting management of the Company to achieve the company's goals. Aboriginal Housing Victoria is committed to the following values and principles.

### Empowerment

AHV is committed to the belief that improved outcomes for tenants and their families will be achieved as they are empowered to act on their own behalf, and have access to adequate resources to do so.

### Access, equity and participation

AHV operates in an open and responsive manner to ensure maximum possible access for members and tenants to information and decision-making within the organisation; and by referral to other service providers for assistance, information and practical support.

### Representation

AHV represents its membership to work towards achieving a fair distribution of resources to services

which are relevant and accessible to tenants and their families.

AHV collects, collates and represents the views of its membership in advocating on behalf of tenants and their families and in contributing on their behalf to policy development and resource allocation.

### Collaboration and co-operation

AHV works together with stakeholders (including its membership, networks of community-based organisations, service providers and funding sources) to ensure best possible service delivery.

### Information dissemination for empowerment

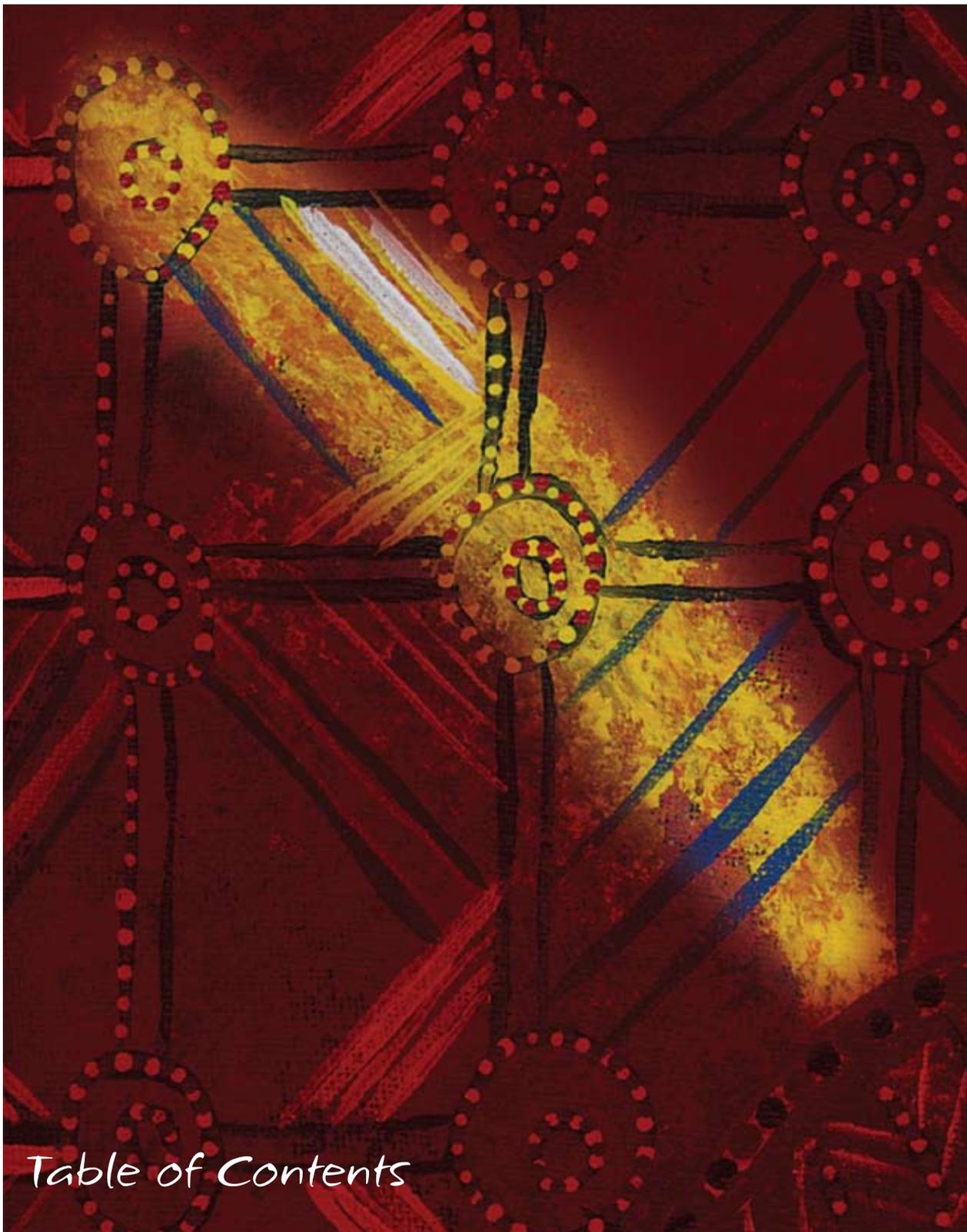
AHV collects, collates, interprets and distributes information about community housing and related matters to members and tenants. Such information may be gathered as a result of research, discussion or consultation, or through individual advocacy or support. This information is treated as a valuable resource to be disseminated through a variety of media and in an easy-to

understand format as a means of empowering members and tenants and their families.

### Respect for people and their individual rights

AHV respects and promotes the individual rights of tenants, staff and all persons with whom we come into contact and will treat all in accordance with the Housing (Housing Agencies) Act 2004, National Community Housing Standards, the Homelessness Assistance Standards, Indigenous Governance Principles, and other legislation of the Commonwealth of Australia and the Parliament of Victoria.

AHV respects the privacy of clients and staff and will protect the confidentiality of personal information in accordance with the law.



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ended 30th June 2009



## Minister's Introduction

**Throughout 2008-09 Aboriginal Housing Victoria has continued to make a significant contribution to Indigenous housing in Victoria and it gives me great pleasure once again to introduce its Annual Report.**

In June 2009 AHV became the first Indigenous housing agency to be registered as a housing provider in Victoria. It was also the largest Indigenous Housing agency in Victoria with a portfolio of over 1,100 properties under its direct tenancy management.

In December 2007, the Government and AHV announced that Aboriginal housing tenants in the Aboriginal Rental Housing Program would be given the opportunity to transfer the management of their tenancies from the Office of Housing to AHV. I am very pleased to report that

the progress of the transition was exceptional during 2008-09; by year's end, 80% of tenants within the program had chosen to transfer.

Transferring tenancy management to AHV ensures that tenants have access to an Aboriginal landlord and a more personalised and culturally sensitive service by Aboriginal people for Aboriginal people.

The Brumby Government has maintained its strong commitment addressing the housing need of Indigenous Victorians through partnership with AHV. During 2008-09, the Victorian Government allocated over \$12 million to acquire, maintain and improve Aboriginal Housing properties in Victoria. Thirty Four new Aboriginal Housing dwellings were acquired, bringing the total AHV stock to 1,404 – a record high.

I would like to congratulate AHV on its achievements, not only during 2008-09 but over the many years of the partnership with the Government, and re-iterate the Government's commitment to further strengthening this partnership in 2009-10 and beyond. AHV has continued to accept the challenges to develop and strengthen its own business and to further enhance the housing prospects for Indigenous Victorians.



**RICHARD WYNNE**  
Minister for Housing  
Minister for Local Government  
Minister for Aboriginal Affairs

*In June 2009 AHV became the first Indigenous housing agency to be registered as a housing provider in Victoria.*



## Chairperson's Overview

**Since October 2007, Aboriginal Housing Victoria (AHV) along with the Office of Housing (OoH), has been implementing Stage Two – Transition to Independence.**

AHV, in partnership with OoH, co-managed 1343 properties under the Victorian Aboriginal Rental Housing Program (VARHP), with AHV providing an advocacy and liaison role and helping to inform policy.

Stage One – Transition to Independence was preparing AHV internally to become a self sustaining business. We did that by directly employing staff of the Aboriginal Housing Services Unit, Department of Human Services into the organisation. The Directors moved to implementing a Governance structure and co-opting specialist skills at Director level, and an increase in administrative staff accordingly.

Stage Two was the transfer of Tenancy Management from Director of Housing to AHV by tenant choice and consent.

At 30th June, 2009 AHV had successfully transferred 1184 properties (note: at the time of writing this report AHV had

exceeded 1218 properties transferred). Tenants who chose not to transfer their property to AHV management have had their tenancies reverted to mainstream housing and the property no longer forms part of the Aboriginal Housing Program.

As Chairperson of AHV, I would like to extend my sincerest gratitude to our tenants who agreed to transfer their tenancies to AHV, successfully securing the properties for the future of our families. The overwhelming support provided by our tenants has meant that AHV is now financially viable as a self-funding business, however, we still rely on our tenants to pay rent on time and stay two weeks in advance.

The success of Stage Two – Tenancy Management, is directly attributed to our successful partnership with the Office of Housing, Department of Human Services over many years, and the strong will and commitment of successive State Housing Ministers to assisting Aboriginal Housing Victoria in becoming an independent and autonomous business on behalf of the Victorian Aboriginal community.

I thank the Hon Richard Wynne MP, Minister for Housing, Local Government and Indigenous Affairs for his ongoing commitment to working with us and his generous contribution throughout the past year which allowed us to grow the portfolio by a further 34 properties across Victoria.

Congratulations to the CEO, Ms Sharon Paten and her staff who worked tirelessly to achieve registration as a Housing Provider.

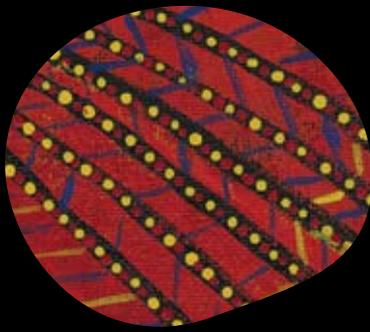
Congratulations must also go to my fellow Directors with a special acknowledgement to Dr Owen Donald for his commitment and support of Aboriginal Housing Victoria both as the previous Director of Housing and more recently Director on the Board of Aboriginal Housing Victoria.

And lastly, thank you to the Aboriginal Housing Officers and Representative Committee Members who have spoken to tenants, knocked on doors and signed over more than 1200 families to AHV, along with staff from the Office of Housing, ensuring that we have a healthy housing portfolio for the future of our community.



**TIM CHATFIELD**  
Chairperson

*Stage Two was the transfer of Tenancy Management from Director of Housing to AHV by tenant choice and consent.*



# Chief Executive Officer's Report

## **The year ending 30 June 2009 was both exciting and challenging in terms of Aboriginal Housing Victoria becoming a self funded business and moving away from relying on Government grants under the Commonwealth State Housing Agreement for running the Company.**

In June 2009, AHV became the first Indigenous housing agency to be registered under the Housing (Housing Agencies) Act 2004. This ensures that Aboriginal Housing Victoria have the ability to deliver safe, secure and affordable housing for the Victorian Aboriginal community well into the future and the capacity to grow the program for families on the waiting list.

AHV is now solely funded on a rent retention model and provides a direct service by Aboriginal people for Aboriginal people.

This has been made possible by the tenants who initially advised the Director for Housing that they wanted Aboriginal Housing Victoria as their landlord. It was finalised when our tenants agreed to sign their tenancy over to us.

Not only did they agree to sign over their tenancy, but they also ensured that the property stays in the hands of a community owned and managed organisation to support them and their family for generations to come. We thank you for your faith and trust in us, and assure you that we are striving to continuously improve our service to you.

We have also implemented a new tenancy and asset management system, with a commitment to further enhancements to improve business outcomes. Arrears enhancements to the system will trigger and automate arrears recovery processes, link directly into VCAT and Centrelink and enhance our asset management ability.

In the near future, the system will allow tenants to Log In and update their application details, view rental accounts on line and raise maintenance requests on line. We will be undertaking a project to determine how our tenants can gain access to computers to enable them to take charge of their housing business with us.

We have updated the Policies and Procedures and are more than happy to have feedback from our tenants and applicants about the decisions that affect them. We will also have an ongoing process of reviewing policies as the need arises.

We are developing Key Performance Measures as required for:

- Percentage of new tenancies visited within 6 weeks of tenancy commencement
- Percentage of tenancies visited at least once every two years
- Allocated vacancies
  - average calendar days vacant
- Current rent arrears
  - Average number of calendar days in arrears
- Percentage of arrears cases actioned
- Percentage of tenants in arrears

- Vacated tenants in arrears
  - Average number of calendar days owed
- Percentage of tenants paying rent by direct debit
- Percentage of assessment of tenant eligibility for subsidised rent completed within 5 days
- No. of unsubstantiated maintenance claims against tenants over 60 days

There are also Key Performance Measures required to be reported to the Office of the Registrar.

- **Tenant Rent Arrears**
  - Total rent collected from tenants as a proportion of total amount of rent charged in year ended 30 June, 09.
- **Evictions**
  - Number of evictions over a 12 month period as a proportion of the total number of tenancies existing.
- **Current tenants owing more than 8 weeks rent at year end**
  - The number of tenants whose arrears total more than eight weeks as a proportion of the total number of tenants paying rent as at 30 June.
- **Tenant satisfaction exiting**
  - 100% minus the number of tenants over a 12 month period expressing dissatisfaction with their tenancy in an exit survey as a proportion of number of tenants exiting over that period.
- **Voids Loss**
  - Rent foregone due to tenancy units being vacant as proportion of total rental income for year ended 30 June.

- **Arrears written off as bad debt**

- The total annual rent loss due to arrears written off as bad debt as a proportion of total amount of rent due in year ended 30 June.

- **Tenancies maintained**

- The number of tenancies maintained over a 12 month period as a proportion of the total number of tenancies.

- **Client/tenant complaints**

- The number of tenant/prospective tenant complaints resolved as a proportion of all tenant/prospective tenants complaints for year ended 30 June.

- **Tenant satisfaction – housing services**

- The number of tenants expressing overall satisfaction with housing services in a tenancy survey (at a point of time) as a proportion of number of tenants responding.

Aboriginal Housing Victoria are also in the process of managing the Waiting List independently from the Office of Housing. All applicants who consent, will have their information provided to Aboriginal Housing so that they are then able to have a choice of the Waiting Lists they want to be registered on.

Aboriginal Housing Victoria entered into a partnership with the Office of Housing to develop and deliver the Certificate IV Indigenous Social Housing training for Aboriginal Housing Officers/Housing Support Workers across the State.

In 2009/10, Aboriginal Housing Victoria will enter into a partnership directly with Swinburne University to further deliver the training to a second round of participants. This training is being undertaken by staff of Aboriginal Housing Victoria and Co-operatives across the State.

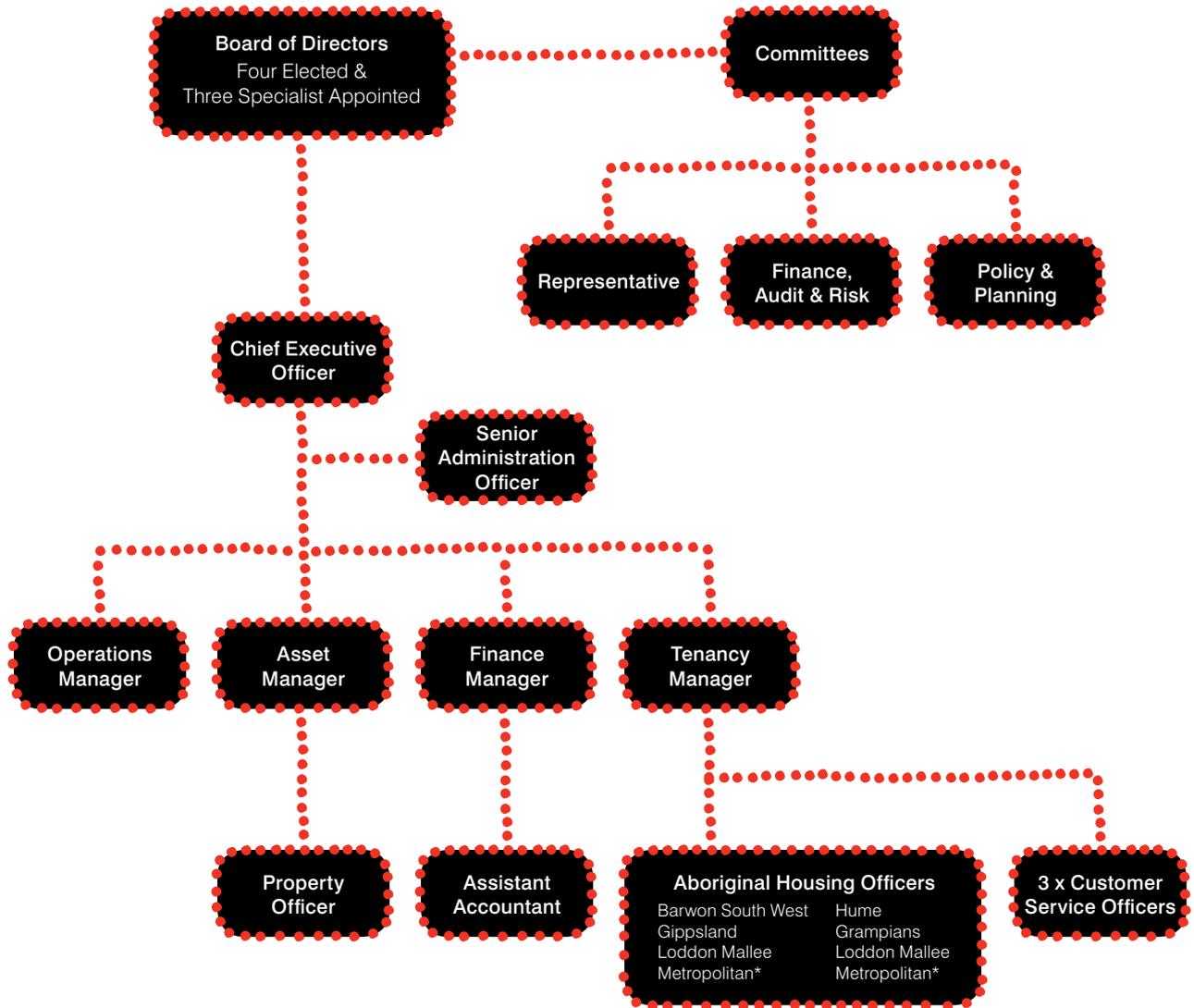


**Sharon Paten**  
Chief Executive Officer

*We thank you for your faith and trust in us, and assure you that we are striving to continuously improve our service to you.*



# Organisational Chart



\* Denotes Senior AHOs



## Projects

### Certificate IV Indigenous Social Housing

In 2007, a new regulatory framework came into effect in Victoria for community housing providers.

There were four key objectives behind the Framework:

- ensure that all housing agencies are viable, well governed and properly managed;
- protect and ensure accountable use of government assets managed by the affordable housing sector;
- build confidence in the public and private sector to invest in and grow affordable housing; and
- ensure quality and continuous improvement in service delivery and outcomes for tenants.

The Department for Families, Housing, Community Services and Indigenous Affairs, in association with the Victorian Indigenous Housing Joint Planning Committee auspiced a key project for the development and delivery of the accredited Certificate IV in Indigenous Social Housing training package.

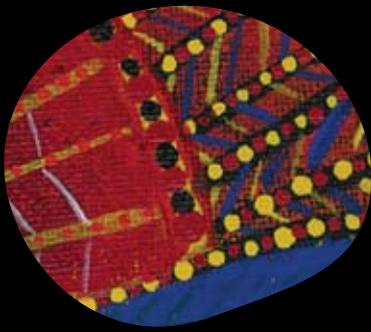
AHV congratulates all participants who completed the Certificate IV – Indigenous Social Housing training.

### Indigenous Social Housing Forum and Graduation

The Indigenous Community Housing Forum and Graduation Dinner held at the Melbourne Town Hall on Tuesday, 18th November provided an opportunity to bring participants in Indigenous housing in Victoria together to:

- discuss future directions,
- share information on best practice – what's new, what's working, what's needed,
- discuss further training initiatives, and
- celebrate the Graduation of Indigenous Housing Officers in the Certificate IV Indigenous Social Housing, 2008.





## Tenancy Management

**With the conclusion of Transition to Independence, AHV is now able to concentrate on improving the service provision for Tenancy Management.**

With over 1200 properties under our direct control, we have regional Aboriginal Housing Officers who remain committed to providing face to face support to our tenants and Customer Service Officers based in Melbourne who are being trained to answer all your queries.

We have implemented a new tenancy and asset management system which will enhance our capacity to deliver a high level of customer service. We thank you for your patience to date, and assure you that we are working hard on resolving implementation issues.

Throughout May and June 2009, AHV visited communities in Swan Hill, Mildura and Bendigo. AHV welcomed constructive criticism and also the opportunity to re-iterate what is essentially a change in service delivery since AHV became sole tenancy Managers of the Aboriginal Housing Program.

Whilst the Tenancy Management arm of AHV is now fully operational, we remind tenants that maintenance is still carried out by the Office of Housing.

AHV currently allocates applicants to our Housing Program from the Office of Housing (OoH) wait list. We are in negotiations with OoH to have our own waiting list which will include all current applicants of the OoH.

Until this process is confirmed, we ask community members to continue to apply for public housing using the OoH's General Housing Application, but remember to tick that they are Aboriginal to be eligible on AHV's waiting list.

**Rent reviews** will be conducted in November 2009. This means that AHV will review the rent being charged to each tenancy to ensure the appropriate amount of subsidy is being charged.

Although this review is carried out twice per year, it is compulsory for tenants to provide AHV with up-to-date information at the time household circumstances change. If the household income reduces rent charges will be reduced immediately. Alternatively, as AHV has adopted the OoH's policy to 'freeze' rents between review periods, should a household's income increase (where they are currently being charged a reduced subsidised rent) AHV will not increase the rent charge until the next review period.

After 7 ½ years with AHV, Maria Cunningham has resigned as the Tenancy Manager and we take this opportunity to thank her for her hard work and dedication to achieving Transition to Independence.

If you require a home visit by the Aboriginal Housing Officer, please ring head office between 9am-5pm, Monday to Friday on 1300 724 882 and request a home visit be booked.

Once again AHV wishes to thank our community for supporting us through this transition. AHV promises to work effortlessly to ensure we provide the best possible, culturally appropriate service to our community.



## Asset Management

### Office of Housing owned properties

Aboriginal Housing Victoria, in partnership with the Office of Housing, is dedicated to ensuring that over 1200 properties are maintained to the highest standard possible.

The maintenance and repairs of the ARHP are the responsibility of the OoH, however, AHV plays an integral role in assisting tenants with maintenance queries and acting as an advocate for tenants. Tenants in OoH owned properties are encouraged to call the Maintenance Call Centre (MCC) in the first instance but AHV assists elders and those with particular issues by contacting the MCC on their behalf.

When tenants experience difficulties with the MCC, AHV will liaise on their behalf or contact local housing offices to expedite maintenance requests.

AHV staff also provide direct support in the provision of home visits to determine maintenance requirements.

AHV liaise between the OoH and Contractors for access and support when upgrade contracts are let for Tender. AHV also play a

monitoring role for quality of works on ARHP properties and liaise with COMAC when there is requirement for rectification.

### Asset management plan, policy and procedures

AHV is proactively involved with the OoH in relation to the acquisition, disposal and maintenance of all OoH owned properties. There is a requirement for both parties to work collaboratively to ensure the long term viability and sustainability of the properties for the program.

AHV meets on a monthly basis with Property Services and Asset Management to monitor and report on the annual budget for acquisitions and upgrades.

All new constructions, purchases and upgrades meet the requirements of AHV and Office of Housing Standards.

Existing properties are constantly reviewed and monitored via property condition reports to ensure that an overview of the portfolio is available. The AHV Asset Plan identifies the future intent for properties including, redevelopment opportunities, disposals and upgrade.

### Highlights of 2008/2009

- The 2008/09 financial year yielded a total of 25 new properties for the Aboriginal Rental Housing Program. A budget \$3.4m was originally allocated for the construction program with an anticipated yield of 15 properties. The budget was extended to \$3.7m and resulted in the construction of an additional 4 properties. These 19 newly constructed properties were handed over to AHV for tenancy management prior to 30 June, 2009.
- At the beginning of 2008/09 a budget of \$2m was allocated to the spot purchase program with an anticipated yield of 7 properties. The budget was underspent by approximately 15% with these unused funds being reallocated to the construction program, foregoing 1 purchase in order to handover the additional 4 constructions. The 6 newly purchased properties were handed over to AHV for tenancy management prior to 30 June, 2009.
- The ongoing transfer of tenancies from the OoH to AHV meant that at the time of transfer, properties were

*Existing properties are constantly reviewed and monitored via property condition reports to ensure that an overview of the portfolio is available.*

inspected for repairs and maintenance. As a result, most of the properties which transferred across received minor maintenance and repairs. It was also an opportunity for properties to be flagged for future program works such as painting and carpeting.

- As in previous years, \$3m was allocated to the upgrade program. An additional \$0.5m was allocated to the upgrade program as part of the Nation Building Fund. The extra funding enabled over 63 properties to receive maintenance and repairs.
- Overall, approximately \$12m of funding was allocated to the acquisition and physical improvement of Aboriginal Rental Housing Program properties across Victoria.

### **Aboriginal Housing Victoria owned properties**

AHV owns and manages 41 properties including 40 rental properties across Victoria.

AHV is responsible for the maintenance and upgrade, disposal, demolition and re-development of its own portfolio of 41 properties.

Repairs and maintenance to these properties commenced in June 2009 and it is anticipated that the allocated budget of just under \$0.5m will be spent by late November 2009.

**Tenants can contact the Maintenance Call Centre on 13 1172 for all repairs.**





# Aboriginal Housing Victoria's Committees

## Representative Committee

The Membership of the Representative Committee consists of the following:

- Mr Trevor Edwards, Board appointed Chairperson
- Vacancy, Loddon Mallee Region
- Mr Rex Atkinson, Hume Region
- Mrs Patricia Ockwell, Southern Metropolitan Region
- Mr Gary McGuinness, Eastern/Northern Metropolitan Region
- Mr Brendan Edwards, Grampians Region
- Mr Joey Chatfield, Barwon/South West Region
- Mr Shaun Braybrook, Western Metropolitan Region
- Vacancy, Gippsland Region

The Representative Committee is the conduit between the Aboriginal community (including tenants, applicants and other community members) and the Board of Directors of AHV. Each Representative member is a community representative for their geographical region.



Trevor Edwards



Rex Atkinson



Pat Ockwell



Gary (Gilla) McGuinness



Brendan Edwards



Joey Chatfield



Shaun Braybrook

### Finance, Audit and Risk Committee

The Membership of the Finance, Audit and Risk Committee consists of the following;

- Mr Mark Lipson (Chairperson)
- Mr Tim Chatfield (Director)
- Dr Owen Donald (Director)
- Mr Graeme Austin (Director)

The key roles of the FAR Committee are to assist the Board in fulfilling its corporate governance, monitoring and evaluation responsibilities in relation to AHV's financial reporting, internal control system, risk management system and the internal and external audit functions.



Mark Lipson



Dr Owen Donald



Tim Chatfield



Graeme Austin

### Policy and Planning Committee

The membership of the Policy and Planning Committee consists of the following;

- Mr Kennedy Edwards (Chairperson)
- Mr Trevor Edwards (Director)

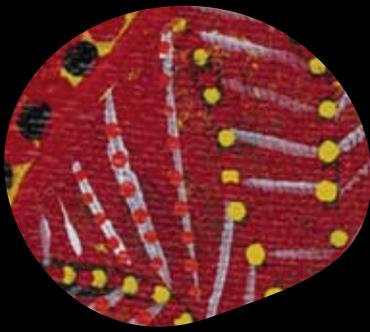
The purpose of the Policy and Planning Committee is to support and enhance the Boards governance role in regards to policy-making and planning and reviewing the implementation of all policies and the organisation's strategic plan.



Trevor Edwards



Kennedy Edwards



## NAIDOC Event

### NAIDOC Theme 2009 – “Honouring our Elders and Nurturing our Youth”

The Family Day was held on Thursday 9 July 2009, on a glorious sunny day, at the Collingwood Children’s Farm. There was an estimated 800 - 1000 people attending throughout the day, which contributed to it’s success.

Sharon Paten, CEO, Aboriginal Housing Victoria (AHV) officially opened the day, and Auntie Pat Ockwell (Indigenous Elder) provided a traditional Welcome to Country, which was followed by a speech by the City of Yarra, Mayor, Amanda Stone and a welcome speech by Alex Walker, Farm Manager, concluded the speeches for the day.

Morning tea, Barbeque lunch, fresh fruit and a full program of events followed the official speeches, featuring Indigenous Artists and story tellers throughout the

day. Inside the barn the children participated in the traditional dancing and singing. This was enjoyed by all present. Each artist performed to a large crowd and whilst entertaining the children, the artists also educated them, on the history of the Indigenous culture such as, how the land was used, how kinship works, the use of animals and also stories from the dreamtime and how this shaped the past.

Visitors to the NAIDOC Event enjoyed free entry into the farm and once again everything was provided at no cost. The event was proudly sponsored by the City of Yarra.

All activities, such as the Emu Feather Craft, Bead making, Boomerang Painting and Face Painting were in demand all

day and was a huge hit with the crowd. As was the free raffle and the Colouring in competition. The prizes were received with much pleasure.

Over the past five years the numbers attending the event have grown in size, the Family Day is one of the highlights of NAIDOC Week Celebrations.

Indigenous and non – Indigenous families throughout the City of Yarra and the community look forward to attending each year. This year the NAIDOC Family Day attracted schools and international visitors. Feedback received was very positive, AHV were complimented on the organisation and the fabulous fun filled day’s events and catering.





## Sponsors and Supporters

**We gratefully acknowledge the financial and professional support and advice we have received over the past year from our sponsors and supporters. Your valuable support has ensured that financially we are able to reinvest our profits into ensuring our program maintains its social housing objectives.**



### City of Yarra

The City of Yarra is an inner metropolitan municipality which is home to a diverse community of 69,000 people. Yarra is one of Australia's smallest inner city municipalities at 19.5 kilometres and features lively arts and entertainment precincts, vibrant shopping and café strips, and numerous sports and recreational facilities.

The City of Yarra remains an important meeting place for Indigenous people and is a proud partner with Aboriginal Housing Victoria supporting activities in celebration of NAIDOC Week.



### Collingwood Childrens Farm

Established in 1979, the Collingwood Children's Farm is a Not for Profit community resource providing country experiences for city people.

Collingwood Children's Farm along with the City of Yarra forms a partnership with Aboriginal Housing Victoria to provide a free family day to celebrate NAIDOC Week.

On family days there are free pony rides, hay rides, a BBQ and activities matching the theme.



### Office National

Tailoring office supply and technology solutions for business needs, Office National is Australia's independent supplier of Stationery, Office Equipment and Computers.

Paul John Office National is a proud and committed supporter of Aboriginal Housing Victoria's NAIDOC Week activity at the Collingwood Children's Farm.



### Department of Justice

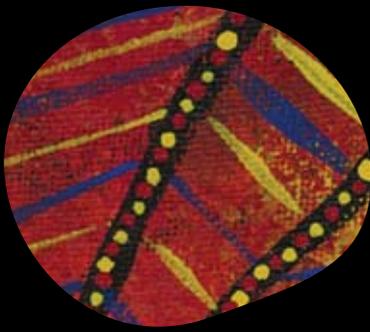
The Indigenous Issues Unit, Department of Justice provides policy and strategic advice to the Justice Portfolio Ministers and the Departmental Secretary. The Department of Justice in partnership with the Indigenous community is committed to improving Indigenous justice outcomes for the Victorian Aboriginal community.

The Department of Justice provide grant funding annually to assist Aboriginal organisations to undertake NAIDOC activities. Aboriginal Housing Victoria has been the recipient of such grants for the past two years.



### Victorian NAIDOC Committee

The NAIDOC Committee makes key decisions on Victorian NAIDOC funding activities, and proudly contributed to this years NAIDOC family fun day at the Collingwood Children's Farm.



# Corporate Governance

Aboriginal Housing Victoria is committed to abiding by all relevant laws and regulations and providing employees with a safe and rewarding working environment. In its deliberations, it will consider the broader community, external and internal stakeholders, and the company's responsibilities as a corporate citizen of good standing.

Day to day management of the groups affairs and the implementation of the corporate strategy and policy initiatives are delegated by the Board to the Chief Executive Officer and the Management Team.

Aboriginal Housing Victoria strives to comply with essential corporate governance principles.

Aboriginal Housing Victoria has a strong sense of its obligations to the wider community as a whole, and its corporate governance incentives comply with this overarching objective of serving the community to the best of its ability.

## WHAT IS CORPORATE GOVERNANCE?

Corporate Governance refers to adopting appropriate standards and encouraging ethical behaviour and compliance with the Company's own governing documents. It includes monitoring the Company's compliance with corporate governance standards.

## LAYING SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board operates in accordance with the broad principles set out in its charter, available on the company website ([www.ahvic.org.au](http://www.ahvic.org.au)).

This charter details the composition and responsibilities of the Board as follows:

### Composition

- The Board is comprised of non-executive directors that bring a fresh perspective to the Board's consideration of strategic, risk and performance matters and are best placed to exercise independent judgement and review and constructively challenge the performance of management.
- The Chairperson is elected by the full Board and is required to meet regularly with the Chief Executive Officer.
- The company is to maintain a mix of Directors on the Board from different backgrounds with complementary skills and experience.
- The Board considers the appropriate mix of skills required by the organisation to maximise its effectiveness and its contribution.

### Responsibilities

The responsibilities of the Board include:

- Strategic Planning
- Risk Management
- Reporting and Disclosure
- Management
- Performance
- Corporate Governance

The Board has established committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Current committees of AHV are:

- Finance, Audit and Risk Committee
- Policy and Planning Committee
- Representative Committee

The committee structure and membership is reviewed on an annual basis.

Each committee has its own written charter setting out its roles and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All of these charters are reviewed on an annual basis and are available on the company website. All matters determined by committees are submitted to the full Board as recommendations for Board ratification. Minutes of committee meetings are tabled at the following Board meeting.

The Board, through its charter, and subject to certain exceptions, delegates authority to the Chief Executive Officer for the management of the company, and to ensure all appropriate decisions are adequately determined. The Board strives to maintain a high level of accountability.

### **STRUCTURING THE BOARD TO ADD VALUE**

The Board seeks to ensure that:

- At any point in time its membership represents an appropriate balance between Directors with experience and knowledge of the organisation and Directors with specialist expertise or a fresh perspective.
- The size of the Board is conducive to effective discussion and efficient decision making.

#### **Appointment of Director's**

In accordance with the company's constitution the number of Directors comprising the Board is no less than 4 and no more than 7.

- *Terms of Office*

The company's constitution specifies that Directors hold office for a term commencing on the date from which he or she is appointed and concluding at the expiration of the third Annual General Meeting of the Company following appointment.

- *Commitment*

The number of meetings of the company's Board of Directors and of each Board Committee held during the year ended 30

June 2009, and the number of meetings attended by each Director is disclosed under "Board of Directors".

Prior to appointment or being considered, each non Executive Director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the company.

- *Conflicts of Interests*  
Directors and Board Committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the company's expense. Prior written approval is required however, this will not be unreasonably withheld.

In light of the above, it is important to note the Company restructure and revised constitution which were created and administered through the Constitution Committee. Aboriginal Housing Victoria, acknowledges the need for modification to meet evolving needs of the community at large.

### **PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING**

In performing the responsibilities of the Board, Directors should act at all times in a manner designed to create and continue to build sustainable value in accordance with the duties and obligations imposed on them by the organisation's constitution and law.

### **SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**

The company and Finance, Audit and Risk Committee follow policy to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

The external auditor is requested to attend the Annual General Meeting and be available to answer questions about the conduct of the audit and the preparation and content of the audit report.

The CEO and Finance Manager have made the following certifications to the Board:

- That the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and are in accordance with relevant accounting standards.
- That the above statement is founded on a sound system of risk management and internal compliance and control and which implements the policies adopted by the Board and that the company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

**MAKE TIMELY AND BALANCED DISCLOSURE**

Disclosure is aimed to take place in a timely and reasonable time-frame with transparency being the overarching aim.

**ENCOURAGE ENHANCED PERFORMANCE**

The Board will undertake a regular self assessment of its collective performance, the performance of the CEO, Chairperson and of its Committees. Management is invited to contribute to the appraisal

process which will be facilitated by an independent third party. The Board seeks to approve the criteria for assessing performance of senior management and for monitoring and evaluating the performance of senior management generally.

**REMUNERATE FAIRLY AND RESPONSIBLY**

The responsibilities of the previous Remuneration Committee are now undertaken by the Finance, Audit and Risk Committee. Such

responsibilities include monitoring matters outstanding with auditors, the ATO, ASIC and financial institutions as well as monitoring compliance with the Corporations Act 2001.

**RECOGNISE THE LEGITIMATE INTEREST OF STAKEHOLDERS**

The Board acknowledges its responsibilities to external stakeholders and the wider community at large. This includes their most important stakeholder, the Aboriginal community members.





## The Company Directors



**Tim Chatfield**  
Chairperson

### **Tim Chatfield**

Chairperson, Victorian Indigenous Housing Joint Planning Committee, Deputy Chairperson, Aboriginal Cultural Heritage Council Victoria, Member, Framlingham Aboriginal Trust, former Tumbukka Chairperson, ATSIC and former Ministerially appointed Taskforce Member, Victorian Indigenous Family Violence Strategy.

### **Graeme Austin**

Court appointed Elder, Koori Court Division of Broadmeadows Magistrates Court, Bringing Them Home (BTH) Worker, Victorian Aboriginal Health Service, Deputy Chairperson, MAYSAR (Melbourne Aboriginal Youth, Sport & Recreation), Representative, RAJAC Committee, Member, Kirrae Whurrong Native Title Working Group and Member, Fitzroy Stars Working Group and Negotiation Team.



**Graeme Austin**  
Deputy Chairperson



**Trevor Edwards**

### **Trevor Edwards**

Active in the Aboriginal community for over 35 years and a strong advocate for social economic outcomes for the Aboriginal community, particularly low income earners. CEO, Wathaurong Co-Operative, Director, Native Title Services, current Community Justice Panel Worker, Geelong area.

### **Jacquelyn Turfrey** LLB (Hons), Grad Dip EOA, CSA

Graduate Diploma Corporate Governance (CSA) completed Director Duties and Corporations Law component in 2006.



**Jacquelyn Turfrey**



**Dr Owen Donald**

### **Dr Owen Donald** BA (Hons 1) Monash, Ph.D. Urban Research Unit, ANU.

Over 25 years experience in senior management roles in the public sector at Commonwealth and State levels, as well as in the private sector. Former Victorian Director of Housing, CEO Australian Housing and Urban Research Institute, Board Member Homeground Services Ltd, Member of Finance and Audit Committee for Australian Institute and Chair, National Housing Supply Council.



Mark Lipson

**Mark Lipson**  
**B.Bus., B.Ed., Al.Arb.A, CA**

A Forensic Accountant with over 20 years of expertise. Member, Institute of Chartered Accountants in Australia, Professional Conduct Tribunal, CPA Australia, Forensic Accountants Special Interest Group, an Associate Member, Institute of Arbitrators and Mediators in Australia and part time ordinary member of VCAT, legal practice list.



Kennedy Edwards

**Kennedy Edwards**  
**Currently undertaking Bachelor of Arts in Visual Arts**

Over 33 years of experience working in and for the Aboriginal community commencing as a Recreational Officer working with Aboriginal kids and running camps at Camp Jungai. Became a Housing Worker for the Victorian Aboriginal Co-operative for 12 months and was successful in an application for Housing Officer within the Ministry of Housing. After 11 years as a Housing Officer, became the first Chairperson of the Aboriginal Housing Board of Victoria and remained for ten years. Assisted other well respected community Elders run Cabaret's in order to raise funds to establish the Aboriginal Funeral Fund. Previous President of Victorian Aboriginal Education, Former Director, Victorian Aboriginal Health Service, Drug and Alcohol Worker for two years and Fitzroy Stars Football Club player.

**ATTENDANCE AT BOARD AND COMMITTEE MEETINGS TO YEAR ENDING 30 JUNE 2009**

	Board		Policy & Planning		Finance, Audit & Risk		Representative	
	A	B	A	B	A	B	A	B
Tim Chatfield	11	11	2		8	5	4	2
Graeme Austin	11	11	2	2	8	8	4	
Trevor Edwards	11	11	2	2	8		4	4
Kennedy Edwards	11	11	2		8		4	
Jacquelyn Turfrey	11	9	2		8		4	
Mark Lipson	11	6	2		8	6	4	
Owen Donald	11	7	2		8	7	4	

Column A – Indicates the number of meetings held during the financial year

Column B – Indicates the number of meetings attended during the period the Director was a member of the Board and/or Committee

REPRESENTATIVE COMMITTEE MEMBERS	QUALIFICATIONS	KEY RESPONSIBILITY
Raymond Clarke	Active Aboriginal Community Member for 11 years.	<p>Elected by community members of the region in which they reside, for the purpose of providing a link between the community, AHV staff and the Board of Directors.</p> <p>The objectives of the Representative Committee are:</p> <ol style="list-style-type: none"> <li>1. To represent Aboriginal Housing Victoria at community forums;</li> <li>2. To ensure regular communication with community and Aboriginal service providers;</li> <li>3. To ensure that tenants and applicants of the VARHP have a process of participation and feedback to the Board of Directors; and</li> <li>4. To ensure regular liaison and consultation with the Aboriginal Housing Officers in the regions.</li> </ol>
Shaun Braybrook	Manager Wulgundo Ngalu, DOJ Learning Place, Corrections Vic. Vic Football coach, State-wide Annual Indigenous Football/ Netball Carnival.	
Ralph (Rex) Atkinson	Active Aboriginal Community Member for over 20 years. Aboriginal Housing Board of Victoria, Executive Member.	
Pat Ockwell	Community Director for Aboriginal Community Elders Service (ACES). Deputy Chairperson, Dandenong Aboriginal Co-Operative, Member, Koori Children's Court (Melbourne), Member Koori Adult Court (Broadmeadows).	
Brendan Edwards	Active Aboriginal Community Member for more than 25 years. Health Worker, Budja Budja Aboriginal Co-op. Board Member on various Aboriginal Co-Operative organisations inc, Gunditjmarra Aboriginal Co-op, Wathurang Aboriginal Co-Op and former Chairperson, Budja Budja Aboriginal Co-op.	
Joey Chatfield	Active Aboriginal Community Member for more than 16 years. Active Board Member and Chairperson, Gunditjmarra Aboriginal Co-Operative, involved on Victorian Museum Aboriginal Cultural Advisory Committee, Regional Manager and Cultural Officer, Cultural Heritage in South West Victoria.	
Gary McGuinness	<p>Certificate III and IV in Radio Broadcasting.</p> <p>Active Aboriginal Community Member for over 31 years, Various Community Organisations, Koori Radio Station 3KND, Aboriginal Affairs Victoria, Victorian Aboriginal Health Service.</p>	



## Financial Report

### DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2009.

The names of the directors in office at any time during, or since the end of, the year are:

- Tim Chatfield
- Graeme Austin
- Trevor Edwards
- Owen Donald (resigned 30/06/2009)
- Mark Lipson
- Jacquelyn Turfrey
- Kennedy Edwards (appointed 28/10 2008)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The surplus of the company for the financial year after providing for income tax amounted to \$1,857,080.

The Company has nearly completed its Transition to Independence, as a result the resources and funding requirements have changed. These changes have seen a decrease in the grant for operations from the Office of Housing from \$1,583,620 to \$790,151, a reduction of 50%.

Aboriginal Housing Victoria is in transition from an agency of the Director of Housing advocating on behalf of applicants and tenants under the Aboriginal Rental Housing Program to an independent provider of housing and tenancy management services for Aboriginal people in Victoria. This transition has significant financial implications, including a progressive and substantial increase in revenues through rental receipts from the company's tenants, reduced operating subsidies from the Director of Housing, substantial increases in expenditure on property management and increased financial risk exposure.

The principal activities of the Company during the financial year were:

- Organisational and Operational review and restructure to support the current and future business functions;
- Establishment of a Representative Committee to facilitate tenant and applicant input into the activities of the organisation and the services that impact on them;
- Community consultations with tenants of the ARHP resulting in overwhelming support by community for transfer of responsibility of tenancy management to Aboriginal Housing Victoria; and
- Achieved registration as a Housing Provider, which gives the organisation true independence as a Housing Provider. At the end of June 1,184 tenancies were successfully transferred from Office of Housing to Aboriginal Housing Victoria.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.



The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

In line with the company being a not-for-profit entity, there have been no dividends declared for the year.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 24.

Signed in accordance with a resolution of the Board of Directors:

Director: Tim Chatfield

Director: Mark Lipson

Dated this 13th day of November 2009



**Aboriginal Housing Victoria** Financial Report for the Year Ended 30 June 2009

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF THE ABORIGINAL HOUSING VICTORIA**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

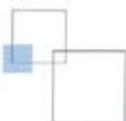
- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

LBW Chartered Accountants



Sripathy Sarma

Dated this day the 13<sup>th</sup> of November 2009



**LBW**  
Chartered Accountants

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## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	2009 \$	2008 \$
Rental revenue	2	5,569,781	826,873
Cost of sales		(2,552,582)	(316,995)
Gross profit		3,017,199	509,878
Other revenues	2	1,098,100	1,898,805
<b>Deduct:</b>			
Board Member expenses		115,050	213,324
Building & Equipment expenses		40,109	38,830
Communication expenses		60,964	54,034
Employee & Related expenses		1,139,180	1,223,522
IT Expenses		360,116	143,485
Administration Expenses		267,622	256,059
Project Expenses		183,484	141,576
Other expenses		91,694	100,867
Surplus before income tax		1,857,080	236,986
Income tax expense	1a	-	-
Surplus attributable to Organisation		1,857,080	236,986



**Aboriginal Housing Victoria** Financial Report for the Year Ended 30 June 2009

**BALANCE SHEET AS AT 30 JUNE 2009**

	NOTE	2009	2008
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,616,932	1,561,778
Term Deposit		83,626	78,472
Trade and other receivables	6	333,040	40,008
Prepayment	7	16,273	2,968
<b>TOTAL CURRENT ASSETS</b>		<b>4,049,871</b>	<b>1,683,226</b>
<b>NON-CURRENT ASSETS</b>			
Quarantined Funds		38,381	38,512
Office Land and Buildings	8	1,036,362	1,040,887
Rental Land and Buildings	8	6,681,888	6,729,337
Plant , equipment and Motor vehicles	8	87,383	108,585
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,844,015</b>	<b>7,917,321</b>
<b>TOTAL ASSETS</b>		<b>11,893,885</b>	<b>9,600,547</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	441,599	102,490
Employee Provisions	10	75,320	79,226
		825,643	423,795
Grants Carried Forward	11	308,724	242,079
<b>TOTAL CURRENT LIABILITIES</b>		<b>825,643</b>	<b>423,795</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Provisions		34,410	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>34,410</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>860,053</b>	<b>423,795</b>
<b>NET ASSETS</b>		<b>11,033,832</b>	<b>9,176,752</b>
<b>EQUITY</b>			
Issued capital		-	-
Reserves	12	539,211	539,211
Retained earnings		10,494,621	8,637,541
<b>TOTAL EQUITY</b>		<b>11,033,832</b>	<b>9,176,752</b>



**STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2009**

	NOTE	SHARE CAPITAL		
		Ordinary Shares	Retained Earnings	Asset Revaluation Reserve
		\$	\$	\$
<b>Balance at 30 June 2007</b>		-	8,400,555	539,211
Surplus for 2007/08		-	236,986	-
<b>Balance at 30 June 2008</b>		-	8,637,541	539,211
Surplus for 2008/09		-	1,857,080	
<b>Balance at 30 June 2009</b>		-	11,033,832	539,211



**Aboriginal Housing Victoria** Financial Report for the Year Ended 30 June 2009

**CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2009**

	Note	Company	
		2009	2008
		\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Rent Received		5,569,781	763,158
Grants Received		993,506	1,812,812
Payments to suppliers and employees		(4,505,593)	(3,279,217)
Interest received		94,604	58,346
GST Received/(Paid)		(107,133)	34,797
Finance costs		-	-
Other Income		9,989	3,936
Net cash provided by (used in) operating activities	16	2,055,154	(606,168)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		-	(24,630)
Net cash provided by (used in) investing activities		-	(24,630)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
		-	-
Net increase (decrease) in cash held		2,055,154	(630,796)
Cash at beginning of year		1,561,778	2,192,576
Cash at end of year	5	3,616,932	1,561,778



## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers *Aboriginal Housing Victoria*. *Aboriginal Housing Victoria* is a company limited by guarantee, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

### Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

### Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### Accounting Policies

#### a. Income Tax

Aboriginal Housing Victoria is an income tax exempt charity under subdivision 50-B of the Income Tax Assessment Act 1997. AHV is also endorsed by the Australian Taxation Office as a Deductible Gift Recipient under subdivision 30-BA of the aforementioned Act.

#### b. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

##### Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

##### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.



## Aboriginal Housing Victoria Financial Report for the Year Ended 30 June 2009

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

### Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	1.5%
Plant and equipment	7.5-33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

### c. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. (See Note 13)

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### d. Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



#### **e. Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### **f. Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### **g. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

#### **h. Revenue**

Revenue from the charging of rent is recognised upon the delivery of the service to tenants.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

#### **i. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

#### **j. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **k. Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.



**Aboriginal Housing Victoria** Financial Report for the Year Ended 30 June 2009

**NOTE 2: REVENUE**

Note	2009 \$	2008 \$
<b>Operating activities</b>		
- Rental revenue	5,569,781	826,873
<b>Total Rent Revenue</b>	<b>5,569,781</b>	<b>826,873</b>
<b>Grant revenue activities</b>		
- Office of Housing, Dept of Human Service Stream 2	790,150	1,583,620
- Office of Housing, Dept of Human Service Stream 1		-
- FACS Grant revenue	203,356	239,811
<b>Total Grant revenue</b>	<b>993,506</b>	<b>1,823,431</b>
<b>Other Income</b>		
<b>a. Interest revenue from:</b>		
- other entities	94,604	58,346
<b>Total interest revenue</b>	<b>94,604</b>	<b>58,346</b>
<b>b. Other revenue from:</b>		
- OoH Transfer of Assets		
- Donations		494
- Project Income	6,320	13,092
- Auspiced fund revenue		
- Other Income	3,670	3,442
<b>Total Other income</b>	<b>9,990</b>	<b>17,028</b>
<b>TOTAL OTHER REVENUES</b>	<b>1,098,100</b>	<b>1,898,805</b>



**NOTE 3: PROFIT BEFORE INCOME TAX**

	Note	2009 \$	2008 \$
<b>a. Expenses</b>			
Cost of sales		2,552,582	316,995

**NOTE 4: AUDITORS' REMUNERATION**

	Note	2009 \$	2008 \$
Remuneration of the auditor of the entity for:			
- auditing or reviewing the financial report			
LBW Chartered Accountants		18,000	13,500

**NOTE 5: CASH AND CASH EQUIVALENTS**

	Note	2009 \$	2008 \$
<b>CURRENT</b>			
Cash at bank and in hand		3,616,932	1,561,778
		3,616,932	1,561,778



**NOTE 6: TRADE AND OTHER RECEIVABLES**

	Note	Company	
		2009	2008
		\$	\$
<b>CURRENT</b>			
Rental receivables		333,040	35,408
Provision for impairment of receivables		-	-
		333,040	35,408
Other receivables			4,600
		333,040	40,008

**NOTE 7: OTHER ASSETS**

	Note	Company	
		2009	2008
		\$	\$
<b>CURRENT</b>			
Prepayments		16,273	2,968
		16,273	2,968



## NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Note	2009 \$	2008 \$
<b>OFFICE LAND AND BUILDINGS</b>			
Freehold land at:			
- independent valuation 2008	a	739,211	739,211
- directors' valuation 2001			
Total land		739,211	739,211
Buildings at:			
- independent valuation 2008	a	310,789	310,789
- directors' valuation 2001 at cost			
Less accumulated depreciation		(13,638)	(9,113)
Total buildings		297,151	301,676
Total land and buildings		1,036,362	1,040,887
<b>RENTAL LAND AND BUILDINGS</b>			
Freehold land at:			
- independent valuation 2008		3,799,035	3,799,035
- directors' valuation 2001			
Total land		3,799,035	3,799,035
Buildings at:			
- independent valuation 2008		3,163,293	3,163,293
- directors' valuation 2001 at cost			
Less accumulated depreciation		(280,440)	(232,991)
Total buildings		2,882,853	2,930,302
Total Rental Land and Buildings		6,681,888	6,729,337
<b>PLANT AND EQUIPMENT</b>			
Plant and equipment:			
At cost		169,914	169,914
Accumulated depreciation		(82,531)	(61,329)
Accumulated Impairment losses		-	-
		87,383	108,585
Total property, plant and equipment		7,805,633	7,878,809

The group's land and buildings were revalued at 30 June 2006 by independent valuers. Valuations were made on the basis of open market value. The revaluation surplus was credited to an asset revaluation reserve in members' equity.



**Aboriginal Housing Victoria** Financial Report for the Year Ended 30 June 2009

NOTE 8(a)

Aboriginal Affairs Victoria holds a mortgage for \$710,000 secured on the Scotchmer Street North Fitzroy Administration office to protect the investment of the State of Victoria.

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONT.)**

	<b>Freehold Land</b>	<b>Buildings</b>	<b>P &amp; E &amp; MV's</b>	<b>Rental Land</b>	<b>Rental Buildings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>a. Movements in Carrying Amounts</b>						
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year						
<b>Company:</b>						
Balance at the beginning of year	739,211	301,676	108,585	3,799,035	2,930,302	7,878,809
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation increments/ (decrements)	-	-	-	-	-	-
Depreciation expense	-	(4,525)	(21,202)	-	(47,449)	(73,176)
Capitalised borrowing cost and depreciation	-	-	-	-	-	-
Carrying amount at the end of year	739,211	297,151	87,383	3,799,035	2,882,853	7,805,633



**NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONT.)**

Note	2009	2008
	\$	\$
<b>b. Had land and buildings been stated at historical cost amounts they would be as follows:</b>		
Cost	510,789	510,789
Accumulated depreciation	(106,382)	(97,269)
Net book value	404,407	413,520
<b>c. Impairment Losses</b>		
There have been no impairment losses recognised by Aboriginal Housing Victoria in the 2008-2009 financial year.		

**NOTE 9: TRADE AND OTHER PAYABLES**

Note	2009	2008
	\$	\$
<b>CURRENT</b>		
Trade payables	323,646	21,002
Sundry payables and accrued expenses	117,593	81,488
	441,599	102,490

**NOTE 10: PROVISIONS**

Note	2009	2008
	\$	\$
<b>Analysis of Total Provisions</b>		
Current	75,320	79,226
	75,320	79,226

**Provision for Long-term Employee Benefits**

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.



**NOTE 11: GRANTS**

Note	2009 \$	2008 \$
<b>Name of Grant</b>		
ATSIC Tfr Aboriginal Hsg Co-Op Properties	19,114	19,114
	-	-
Dja Dja Liquidation funds	41,222	41,221
FACSLA Cert Iv Grant	228,282	181,744
FACSLA Grant for Property Upgrades	20,106	
<b>TOTAL GRANTS NOT YET SPENT</b>	308,724	242,079

**NOTE 12: RESERVES**

**a. Asset Revaluation Reserve**

The asset revaluation reserve records revaluations of non-current assets. In the 2005/06 year there was a revaluation of the Office Land and Buildings to \$1,050,000 which resulted in the creation of an Asset Revaluation Reserve of \$539,211.

**NOTE 13: CAPITAL AND LEASING COMMITMENTS**

Note	2009 \$	2008 \$
<b>b. Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
- not later than 12 months	58,812	124,019
- between 12 months and five years	50,688	48,290
- greater than five years	-	-
	109,500	172,309

**c. Capital Expenditure Commitments**

There are no current capital commitments.



## NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### Contingent Liabilities

There are no contingent liabilities nor contingent assets as at 30th June 2009.

## NOTE 15: SEGMENT REPORTING

Aboriginal Housing Victoria operates solely within one business and geographical segment being advising the Office of Housing, Department of Human Services on all aspects of the Victorian Aboriginal Rental Housing Program within the State of Victoria (Australia).

## NOTE 16: CASH FLOW INFORMATION

Note	2009 \$	2008 \$
<b>a. Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Operating surplus/(deficit) after income tax	1,857,080	236,986
Depreciation of Non-Current Assets	73,176	72,717
Decrease/(Increase) in current receivables	(293,032)	(23,581)
Increase/(Decrease) in payables	339,109	(38,416)
Increase in prepayments	(13,305)	29,905
Increase in current provisions	(3,906)	(20,470)
Increase in Deferred Provisions	34,410	-
Increase/(Decrease) in Grants c/fwd	(66,645)	(981,090)
(Decrease) in Quarantined Funds	131	-
(Increase) in Term Deposit	(5,154)	-
Net cash provided by operating activities incl Auspiced Grants	2,055,154	606,168



**NOTE 17: EVENTS AFTER THE BALANCE SHEET DATE**

a. There were no such events after balance date.

**NOTE 18: RELATED PARTY TRANSACTIONS**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**NOTE 19: COMPANY DETAILS**

The registered office of the company is:

**Aboriginal Housing Victoria**  
125-127 Scotchmer St  
North Fitzroy VIC 3068

The principal place of business is:

**Aboriginal Housing Victoria**  
125-127 Scotchmer St  
North Fitzroy VIC 3068



## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on the preceding pages are in accordance with the *Corporations Act 2001*:
  - a. comply with Accounting Standards and the Corporations Regulations 2001; and
  - b. give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director: Tim Chatfield



Director: Mark Lipson

Dated this 13th day of November 2009



Aboriginal Housing Victoria Financial Report for the Year Ended 30 June 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ABORIGINAL HOUSING VICTORIA

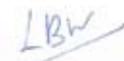
Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Aboriginal Housing Victoria, on 15<sup>th</sup> November 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's opinion

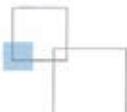
In our opinion:

- a. the financial report of Aboriginal Housing Victoria, is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

  
LBW Chartered Accountants

  
Sripathy Sarma

Dated this 13<sup>th</sup> day of November 2009



**LBW**  
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ABORIGINAL HOUSING VICTORIA

**Report on the financial report**

We have audited the accompanying financial report of Aboriginal Housing Victoria, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

*Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's responsibility*

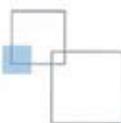
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Deloitte Accountants



Deloitte Accountants

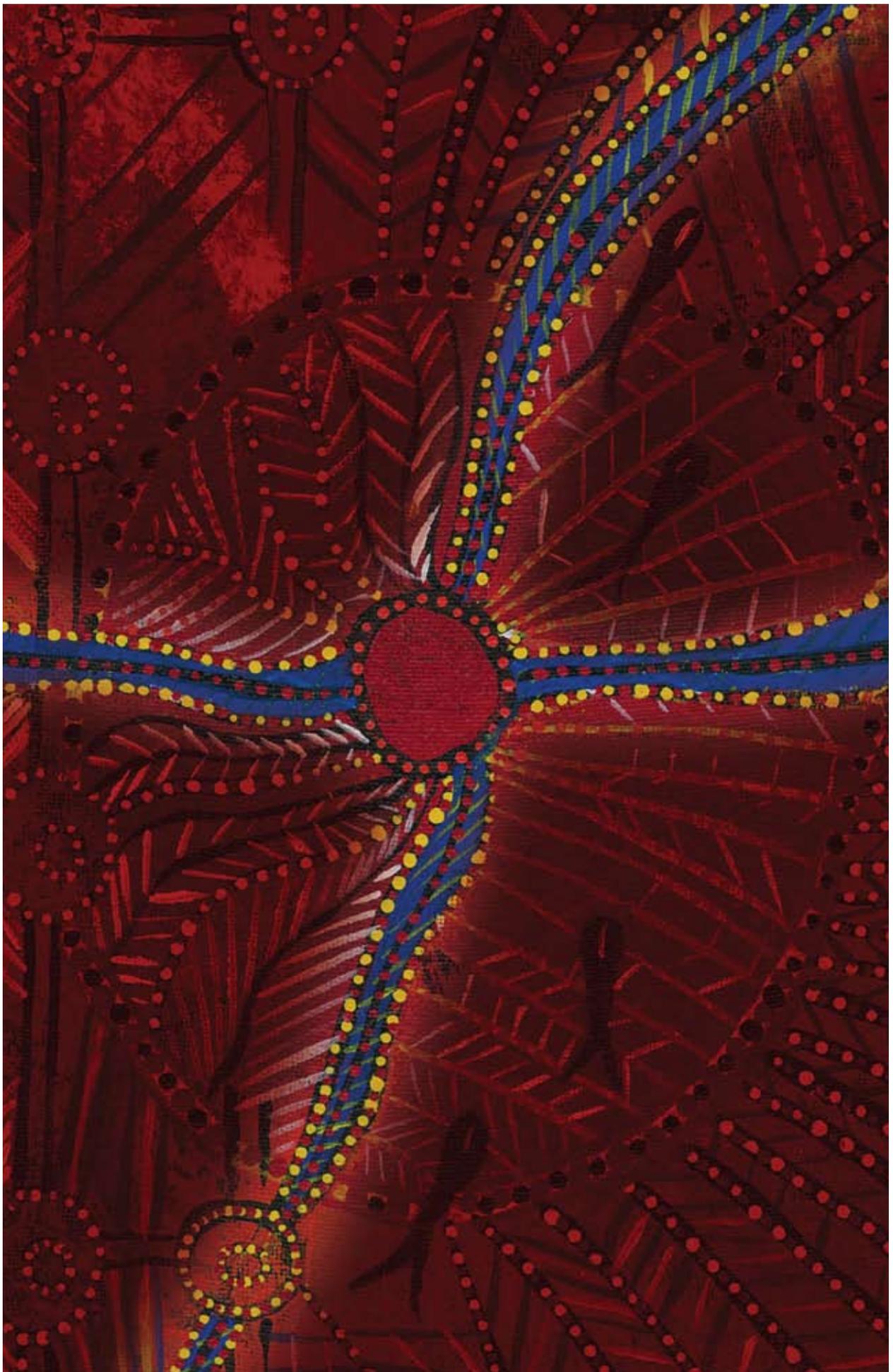
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