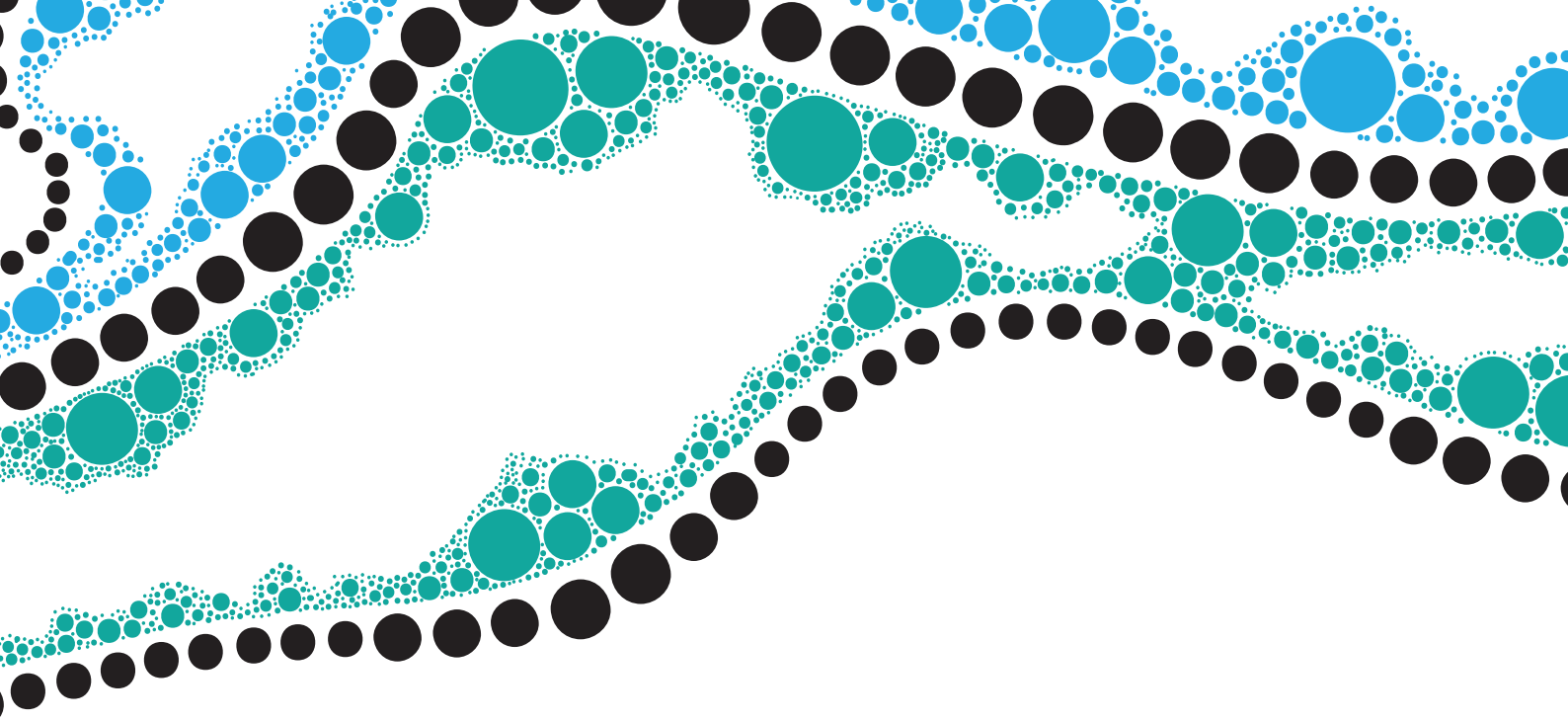




Aboriginal Housing Victoria
ANNUAL REPORT 2021-2022



Design and artwork: Reanna Bono, *Wiradjuri and Wemba Wemba* – Yakuwa Designs.

Description: *The artwork tells the story of Country and Culture and how they both support us in our homes. Our homes that are built on Country, with our rich culture woven into the land beneath us.*

Photography: Thank you to the community members and staff who volunteered and gave permission for their photographs to be published.

Acknowledgement

Aboriginal Housing Victoria (AHV) would like to acknowledge and pay respect to the Traditional Custodians of the lands throughout Victoria. We pay our respect to the Elders past, present and emerging, for they hold the memories, the traditions, the culture and hopes of Aboriginal Australia. We acknowledge that Aboriginal and/or Torres Strait Islander Peoples continue to live in spiritual and sacred relationships with this country. Throughout this document, the term 'Aboriginal' is used to refer to both Aboriginal and/or Torres Strait Islander people.

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Chairperson Report



It is with great pride that I again present the Aboriginal Housing Victoria (AHV) Annual Report, for 2021-22.

Our collective hopes for a “return to normality” this year, were dashed with the emergence of the Omicron variant.

Despite these challenges, AHV continued to invest heavily in preparing our development pipeline and project proposals. We worked hard to ensure our housing portfolio continued to grow, to provide more housing opportunities for our community. We know that the private rental market is experiencing historically low vacancy rates. Rapidly escalating rent rises, particularly in rural areas that had been relatively affordable in the past are effectively locking low income Aboriginal people out of housing. Now more than ever Victorian Aboriginal communities require social and affordable housing.

I am proud of our leadership in delivering the *Aboriginal Rapid Housing Response Program*. The program is delivering works to our houses and the houses of 16 other Aboriginal Community Controlled Organisations across Victoria that will improve safety, security, amenity, and energy efficiency of houses for Aboriginal renters. I wish to acknowledge funding provided by the Andrews Government that will improve the Aboriginal community housing portfolio.

I would also like to thank the Andrews Government for their shared commitment to *Mana-na woom tyeen maar-takoort*, the Victorian Aboriginal Housing and Homelessness Framework. Ensuring every Aboriginal person has a home is a simple idea that requires significant reform, funding and commitment to achieve. Over the last year progress has been made, as we continued to work together with the Victorian Aboriginal community and the Victorian Government. We have seen important investments in reforming homelessness services for Aboriginal people, and investments turn into action to grow Aboriginal community housing, and make private rental more accessible for Aboriginal Victorians.

I would like to thank my fellow Board Directors: Daphne Yarram, Ian Hamm, Mark Lipson, Rob Leslie, Bevan Mailman and Alan Herrman, and our Governance advisor, Duean White for their continued support and commitment to the achievement of AHV’s objectives. I also welcome our new Associate Director, Jessie Motlik who commenced with AHV in February 2022.

In particular, I want to acknowledge Ian Hamm and Mark Lipson. Both Ian and Mark are longstanding Board Directors who have provided strong strategic guidance and leadership to AHV over many years. They can be justifiably proud of their significant contributions on our journey to becoming a housing association, achieving transfer of title and leading Aboriginal housing and homelessness policy, on behalf of the Aboriginal community.

I would like to acknowledge AHV’s senior management team and staff for their dedication to growing and improving our housing services. They are always willing to take the opportunities as they arise to improve housing outcomes for Aboriginal Victorians, despite often seemingly impossible deadlines and the challenges of the COVID pandemic and recovery.

Finally, I would like to thank our renters and their families. Our organisation exists for you. Our efforts, work priorities and decisions are guided by our ongoing commitment to improve housing experiences for Aboriginal people in this State.

Tim Chatfield,
Chairperson

CEO's Report

It has been a challenging year with the continuing COVID pandemic impacting on so many aspects of our lives. We continued to prioritise the health and safety of our renters, and adjusted the delivery of our housing and maintenance services accordingly.

We know that the extraordinary socioeconomic challenges presented by the pandemic continued to take a genuine toll on the daily lives of our Aboriginal renters. Working with renters to support them to maintain their tenancies remained a priority for us during this period. We have been cautious in reintroducing regular home visits. Our renters have been generally happy to meet with Housing Officers in their homes, and we are hopeful that renters will feel more supported and secure in their tenancies.

Over the last two years, I have been really proud of our ability to support vulnerable Aboriginal renters in our properties, and also in public housing. We were able to develop a program concept, advocate for funding, receive funding and then stand up and deliver the *Aboriginal Home Connect Program* (AHC). The AHC had a significant impact on reducing and managing crises experienced by Aboriginal social housing renters. It provided an opportunity to have a regular yarn with a friendly staff member, and to receive some support to link into other funded services, if needed. Despite our significant advocacy and effort, AHV was unable to secure ongoing funding for the AHC and the program officially ceased on 30 June 2022. I want to acknowledge the compassionate and professional way that the AHC staff delivered the service, right up until it ceased to operate.

Throughout 2021-22, we continued to build our policy team to support delivery of the Victorian Aboriginal Housing and Homelessness Framework, *Mana-na woorn tyeen maar-takoort*. Our policy team ensures our ambitious reform agenda is led by the Aboriginal community and trust and commitment are the foundation of governance arrangements with the Victorian Government. Our shared approach has made a difference but know we still have a long way to go.

As we emerge from COVID restrictions, we know that the virus has not disappeared. The impact will continue to be felt, particularly by vulnerable people, including Elders. The health, wellbeing and safety of our renters, their families and the broader Aboriginal community remain a priority. Housing is the foundation for increased socioeconomic participation, strength and resilience, and improved health and wellbeing. We will maintain and improve our services to renters and advocate for better housing outcomes for all Aboriginal Victorians.

Darren Smith,
Chief Executive Officer





About Us

Our Vision

That Aboriginal Victorians secure appropriate, affordable housing as a pathway to better lives and stronger communities.

Our Values

Respect and support for Aboriginal identity and culture, and for our renters and stakeholders.

Striving for excellence through our leadership in Aboriginal housing and best practice service delivery.

Integrity, trust and honesty in all our business activities.

Collaborative relationships with our community, renters, government and stakeholders.

Kindness, compassion, courtesy and dignity in our relationships with our clients, stakeholders and each other.

Who we are

AHV is a not-for-profit registered Housing Association and the largest non-government Aboriginal housing organisation in Australia.

We are an independent Aboriginal community organisation that provides culturally safe, affordable and secure housing to over 4,000 low income Aboriginal Victorians in 1,576 housing units (as at 30 June 2022), across the State.

AHV is a proud agency: proud of the history and culture of the Aboriginal peoples of Victoria, proud of the Aboriginal people of Victoria who we serve and proud of our unique identity and heritage.

What we do

Through the provision of secure housing by an Aboriginal rental provider, AHV helps strengthen Aboriginal communities and cultural ties and aims to maintain and sustain tenancies to break the cycle of poverty and disadvantage.

Renters and residents are at the heart of our business. We are a responsible and innovative property owner and rental provider, delivering culturally safe services to the Victorian Aboriginal community. We work in partnership with other agencies to assist vulnerable AHV renters; ensuring they are linked into the services they need. This is reflected in the continued high percentage of tenancies maintained; an exceptional outcome given the complex disadvantage experienced by many AHV renters.

AHV is also the lead agency for Victoria's Aboriginal housing and homelessness policy, *Mana-na worn-tyeen maar-takoort* (Every Aboriginal Person has a Home). We work in partnership with the Government to secure the resources and reforms to implement the policy, while we support sector development to empower Victoria's Aboriginal community to determine its chosen housing future.



Our Board

The challenges of managing and growing a large housing portfolio requires strong governance and a capable Board. Our Board is comprised of directors with a diverse mix of skills, knowledge and expertise. It is important that a majority of the Board are Aboriginal Victorians who know, understand and are connected to the Aboriginal community. It is also important that the Board has directors with the financial, legal, development and community housing knowledge, skills and expertise to provide strategic leadership and effective oversight.



Tim Chatfield Director and Chairperson

Tim Chatfield has extensive experience as an executive and non-executive Director and Chairperson within the Aboriginal community housing sector. He holds the positions of CEO of Budja Budja Aboriginal Cooperative and Chairperson of Martang Pty Ltd. Tim is also an independent Director of First Super and a shareholder of the Framlingham Aboriginal Trust. Tim has held a range of membership positions and roles including membership of the Aboriginal Cultural Heritage Council Victoria, Chairperson of Tumbukka, ATSIC membership, Victorian Indigenous Family Violence Strategy, and membership of the Premier's Aboriginal Advisory Council.

Tim is a continuing AHV Board Director who was re-appointed in 2020.



Daphne Yarram Director, Deputy Chairperson and Chair of Governance Committee

Daphne has championed the cause of the Victorian Aboriginal community in voluntary, government and private sector roles for over 30 years. Daphne was instrumental in establishing Ramahyuck District Aboriginal Corporation and, more recently, the Yoowinna Wurnalung Aboriginal Healing Service. Daphne was a member of the National Congress of Australia's First Peoples Board, Binjirru Chairperson, Chair of the Aboriginal Family Violence Taskforce and Fellow for the Fellowship for Indigenous Leaders. She is a Respected Person on the Koorie Magistrates Court and Gippsland Regional Aboriginal Justice Advisory Committee, and the Dhelk Dja Family Violence Partnership Forum.

Daphne is a continuing Board Director who was re-appointed in 2021.



Mark Lipson Director and Chair Finance, Audit and Risk Committee

Mark is a Forensic Accountant with over 25 years of expertise in professional account practice and family law matters and is a member of the Institute of Chartered Accountants in Australia, the Institute of Chartered Accountants in Australia Professional Conduct Tribunal, CPA Australia and Forensic Accountants Special Interest Group. He is also an Associate Member of the Institute of Arbitrators and Mediators in Australia and former part-time ordinary member of VCAT in the legal practice list. Mark is currently Forensics Director at Hall Chadwick.

Mark is a continuing Board Director who was re-appointed at in 2019.



Alan Herrman Director and Chair Asset Committee

Alan has extensive experience in property asset and investment management. He is currently a Partner in the Real Estate Advisory team at PwC. Alan has long been a passionate advocate of finding sustainable ways to secure appropriate and affordable housing for all members of the community. Previously a member of both the Property Council of Australia and UDIA's Victorian infrastructure advisory committees, Alan joined Aboriginal Housing Victoria's Finance and Risk Committee as a specialist Asset Management Advisor in November 2015.

Alan is a continuing Board Director who was re-appointed to the AHV Board in October 2021.



Ian Hamm Director

A Yorta Yorta man, Ian has extensive government and community sector experience, particularly at executive and governance levels. Ian has overseen major policy and strategic reforms for government and community organisations. He is now devoting himself to improving the representation of Aboriginal people on boards and other high level governance. He is Chair of a number of organisations including the Indigenous Land & Sea Corporation, the First Nations Foundation and the Koorie Heritage Trust. He is also a board member The Healing Foundation, Connecting Home Ltd, Yarra Valley Water and the Australian Red Cross. Ian is a continuing Board Director who was re-appointed in 2019.



Robert Leslie Director

Rob was Chief Executive Officer of Yarra Community Housing (now Unison Housing) from 2000-2015 and has extensive experience within the Victorian community housing sector. He has a particular interest in the design and development of new social housing projects. Rob is a Director of several other not-for-profit organisations and currently works as a consultant in the area of social housing.

Rob is a continuing Board Director who was reappointed in October 2021.

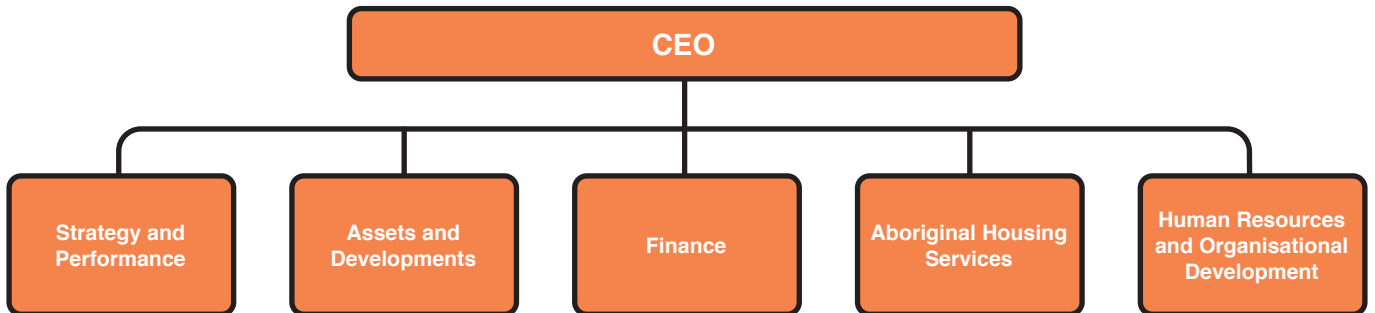


Bevan Mailman Director

Bevan Mailman is a corporate lawyer with expertise in commercial transactions, corporate advisory, corporate structuring and business development having held positions with leading law firms and companies. He is the Director of Mailman Law. Bevan has considerable experience in the not-for-profit/charities sector, having held several directorships. Previous peak professional bodies include the Law Council of Australia and the Law Institute of Victoria advising on numerous issues including native title, sentencing, constitutional recognition, the Northern Territory's "National Emergency Response" and the United Nations Declaration on the Rights of Indigenous Peoples.

Bevan is a continuing Board Director who was reappointed in 2020.

Our staff



AHV’s organisational structure is designed to deliver on our strategic priorities and objectives.

Strategy and Performance focuses on ensuring high quality internal governance, policy development and sector leadership. The primary role is to drive AHV’s corporate governance by driving strategy and strategic alignment, supporting external and internal leadership, ensuring that AHV is meeting compliance and performance standards, and providing the highest standard of executive support to the Board.

Assets and Development’s core role is to lead the development and implementation of asset management strategies that align with AHV’s strategic directions. The division is responsible for planning and delivering maintenance of our houses and management of development projects to build new housing.

Aboriginal Housing Services provides front line tenancy management services and client support through our Wellbeing programs. A number of our Aboriginal Housing Services staff are based in regional Victoria in Ballarat, Bairnsdale, Bendigo, Mildura, Morwell and Shepparton in addition to our team of staff in North Fitzroy.

Finance takes a rigorous, systematic and strategic approach to financial management, which is integrated into all aspects of the organisation’s operations and supports business plan activity. Finance is responsible for managing the budget and financial reporting as well as Treasury, payroll and internal audit. Corporate Services leads the delivery of technology and corporate support services across AHV.

Our **Human Resources and Organisational Development Team** ensures we have the people capability to meet our objectives, by leading and coordinating our recruitment and professional development.

AHV actively seeks to recruit talented and committed Aboriginal staff, with a particular focus on Aboriginal recruitment to management and direct service delivery positions. The employment of Aboriginal people supports the provision of culturally safe services for our clients and is a reflection of AHV’s commitment to self-determination. Aboriginal staff currently represent 37% of all staff in AHV.



AHV Strategic Plan 2014-2025

The AHV Strategic Plan 2014-2025 sets the course for us to provide diverse, high quality and financially sustainable housing services to Aboriginal Victorians over the decade. Our Strategic Plan articulates the following priorities:

Priority 1

Growing our housing supply through acquisitions, disposals and development of our asset base to ensure AHV has a viable, growing social housing portfolio that increases in value and quantity.

Priority 2

Strengthening governance, probity and viability to manage the more complex business of a Housing Association and property owner.

Priority 3

Improving organisational capability to manage and maintain a viable growing social housing portfolio.

Priority 4

Improving the quality of services delivered by Aboriginal Housing Victoria and operational responsiveness to strategic issues.

Priority 5

Building better relationships with our Aboriginal clients and Victorian Aboriginal Communities.

Priority 6

Strengthening partnerships with government, the housing and community sector and corporate bodies.

Priority 1



Growing our housing supply through acquisitions, disposals and development of our asset base to ensure AHV has a viable, growing social housing portfolio that increases in value and quantity.

2021-2022 Highlights:

- Providing homes to more than 4,000 Aboriginal Victorians in 1,576 properties.
- Growing our housing portfolio to deliver much needed social housing for the Aboriginal Community.
- Delivery of the \$35m Aboriginal Rapid Housing Response Program to upgrade housing for Aboriginal renters in Aboriginal community housing.
- Finalising our four year plan for future growth.

Growing our housing portfolio continued to be a key focus for AHV in 2021-22. Development projects were delivered with the support of government funding from the Victorian Property Fund and Social Housing Growth Fund. The redevelopment of an AHV site in regional Victoria was completed in June 2022, providing 9 additional units. A further 2 development projects progressed and will be completed in 2022-23, providing an additional 24 units in metropolitan Melbourne. Each new house is an opportunity for an Aboriginal person or family to enjoy the improved life experiences that are only possible with safe, secure and affordable housing.

We are focused on maximising the opportunities to grow our housing portfolio through the Victorian Government's \$5.3b Big Housing Build initiatives.

Demand for more social and affordable housing for Aboriginal people in Victoria is overwhelming. Our responsibility and aspiration is to grow our portfolio and make an important contribution to meeting demand. We recognise that to meet our growth ambitions we need to build our development capability to manage more complex and greater scale development projects. Our **Development Pipeline Strategic Framework**, which was completed during the year, sets out how we partner with developers and builders to produce a project pipeline that delivers new housing that suits the needs of Aboriginal Victorians. The Development Pipeline Strategic Framework has been put into practice with project proposals developed and submitted into funding rounds under the Big Housing Build.

We also increased the number of houses in our portfolio through a management transfer of new properties built by Homes Victoria. The Victorian Government committed that ten percent of all new houses built under the Big Housing Build will be provided to Aboriginal renters. This commitment applies to houses built by Homes Victoria, who will allocate a proportion of management transfers to registered Aboriginal housing providers.

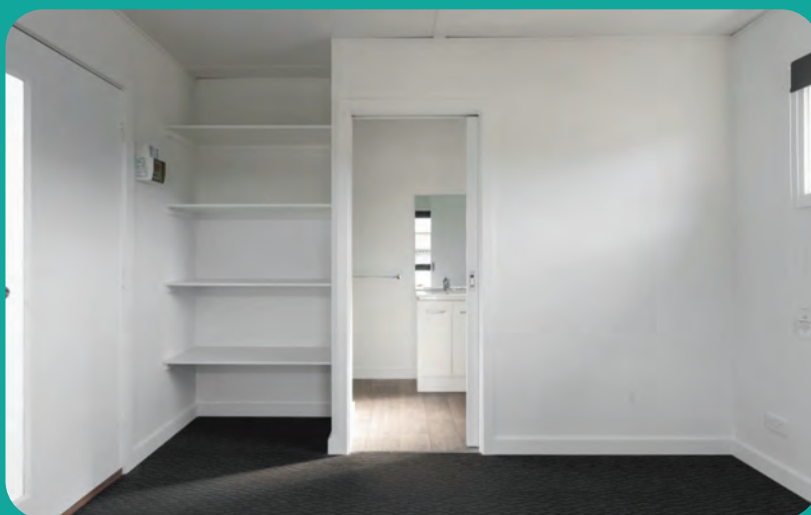
AHV is leading the delivery of the Aboriginal Rapid Housing Response Program (ARHRP)

to deliver over \$30M of works to our houses and the houses of 16 other Aboriginal Community Controlled Organisations (ACCOs). The program is funded by the Victorian Government's Housing Stimulus package as part of the broader *Building Works package*. This is the most ambitious maintenance and upgrade project that AHV has undertaken, and the first time that AHV has led a large capital project on behalf of the ACCO sector.

Under the program, a three-stage implementation plan is delivering 12 works programs incorporating over 7,000 work orders across more than 2,000 properties. The works programs include property condition assessments, deadlock/master key installations, fencing and cyclical maintenance programs focused on gas and electricity safety checks. The upgrade works include kitchen and bathroom upgrades, painting, and flooring replacements. Separate energy efficiency programs replace inefficient hot water and heating/cooling appliances, and install solar panels that will directly support reduced energy costs for Aboriginal renters. Overall, the program will improve the quality, amenity, safety and security of housing for Aboriginal renters.

Despite the challenges of managing such a complex project in the current volatile environment, there have been significant achievements in 2021-22, with over half of the programs reaching completion and remaining works to be completed in 2022-23.

New housing opportunities for young Aboriginal people have been achieved through the *ARPHP Kids Under Cover studio program*. Under the program, 16 studios are being installed on existing AHV and ACCO properties. The studios provide a safe, independent space for young people, while enabling them to maintain their connection to family and local community. Due to the success and efficiency of the program, a further 12 studios were added to the original program and are near completion.



Kids Under Cover 2 bedroom studio

Priority 2

Strengthening governance, probity and viability to manage the more complex business of a housing association and property owner.

2021-2022 Highlights:

- Successful Expression of Interest process to recruit candidates for future AHV Board Directorships.
- Providing opportunities for talented young Aboriginal people to gain Board room experience through our Associate Director position.

Our Board is committed to strong governance into the future. Over the last year, the Board has been developing a succession plan to renew Board membership, as a number of long standing directors reach the end of their terms over the next three years. A successful succession plan ensures the Board retains the right mix of skills and experience, reinvigorates the Board, and brings fresh ideas and renewed focus to the Board's responsibilities to provide strategic leadership and organisational oversight.

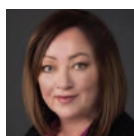
To support effective succession planning for the AHV Board, AHV commenced an Expression of Interest (EOI) process for the recruitment of candidates for future Board directorships, in February 2022. Several well-qualified and experienced candidates have been identified through the EOI process.

The process has confirmed that AHV has the profile to attract high calibre candidates. We are confident that the high standards of governance, accountability and financial oversight demonstrated by the existing AHV Board will be maintained as vacancies arise, and new Directors are appointed.

The appointment of Associate Directors is an important way we meet our obligations, and give back to the Aboriginal community. Not only does it support Board succession planning, it also contributes to a pool of Board ready directors. Our Associate

Directors are exposed to the Board room and supported with professional development over a two year program. The aim is to develop young Aboriginal people so they are ready to become future Board Directors.

Two talented Aboriginal women have been appointed as Associate Directors since 2020, through AHV's participation in the Observership Program. The Observership Program provides opportunities for young, energetic individuals to participate in a structured experience on not-for-profit Boards.



Duean White was an Associate Director with AHV from 2020-2022. She is the Director of Career Steer, a workplace consultancy, and is a Mediator with the Victorian Small Business Commission, the Gender Equality Commission and the Federal Court's Native Title list. Following the completion of her term as an Associate Director, Duean joined the AHV Governance Committee as a Specialist Advisor in February 2022. Duean expresses the value of her experience as an Associate Director with AHV, as follows:

"I was extremely fortunate and grateful to have been an Associate Director with AHV, via the Observership Program. Through that experience, I saw first-hand how a well-functioning and rigorous board performs and how my personal values align with those of AHV. I truly believe that improving the lives of vulnerable Aboriginal people starts with a stable roof over your head and appreciate the crucial role AHV plays in providing this and advocating to improve Aboriginal homelessness and housing."



In February 2022, Jessie Motlik commenced as an Associate Director at AHV. Jessie is a Kurna/Ngarrindjeri woman from the Adelaide Plains region and is currently the General Manager of Operations at Kinaway, Victoria's Aboriginal Chamber of Commerce. Jessie also serves as a committee member for the Derrimut Weelam Gathering Place; facilitating the establishment of various programs to support Aboriginal community engagement within the City of Kingston. Like Duean, Jessie is highly motivated to maximise the value of her experience as an Associate Director.



Priority 3

Improving organisational capability to manage and maintain a viable growing social housing portfolio.

2021-2022 Highlights:

- Advancing self determination through organisational capacity building and cultural strengthening.
- Supporting the health safety and wellbeing of our staff.
- Automating systems to accommodate growth and improve services.

AHV is advancing self determination through organisational capacity building and cultural strengthening.

In 2021-22, we continued to improve our organisational capability, and supported the career aspirations of our staff through ongoing training and development. 67 staff members attended approximately 60 training courses. The courses focussed on enhancing a range of relevant skills including: effective engagement with renters, colleagues and stakeholders; risk management; leadership and strategy; and equal opportunity and human rights.

Through the Victorian Government's *Aboriginal Workforce Development Fund*, AHV has been able to invest in improved cultural safety policies and practices, enhancement of systems and technology, traineeships and professional development, and wellbeing programs. As we continue to grow our housing services, it is important that we modernise and improve processes and systems to ensure they remain fit for purpose.

Supporting the health, safety and wellbeing of our staff

is a priority for AHV. There has been a very positive response from staff who have accessed the Employee Assistance Program offered through the Victorian Aboriginal Health Service, which commenced in July 2021. The service provides culturally appropriate support to staff: to help them to work through their issues and challenges; to facilitate healing; and to build on their resilience, consistent with the principles of self determination.

AHV remains committed to an Organisational Quality and Safety (OQS) Framework that will support us to achieve an integrated, systematic approach to governance, risk management, compliance and reporting requirements across the organisation. The establishment of the Governance, Performance, Quality and Safety team, with an experienced manager supported by a Quality, Risk and Compliance (QRC) Coordinator has ensured AHV is well placed to achieve these aims.

We are automating our systems to accommodate growth and improve services,

including the acquisition of a Quality Management System (QMS). The software package will provide an automated system, which will generate trend reports, and trigger reminders for necessary and timely action to support service delivery, compliance requirements, funding agreement commitments, and effective risk management practices. The implementation of the system progressed during 2021-22. The rollout to staff, including relevant training on effective use of the system, will commence in early 2022-23.

Priority 4

Improving the quality of services delivered by Aboriginal Housing Victoria and operational responsiveness to strategic issues.

2021-2022 Highlights:

- More than 100 'Welcome Packs' delivered to new AHV renters and 560 'Elders Care Packs', delivered during lockdown.
- Over 480 Aboriginal social housing clients supported through the Aboriginal Community Home Connect Program.
- Positive independent evaluations of AHV's wellbeing programs.

AHV's Wellbeing Team supports renters to sustain their tenancies, build resilience and break the cycle of disadvantage. In 2021-22, these support services were delivered through the More Than a Landlord (MTAL) and Aboriginal Community Home Connect (AHC) programs.

As part of the Victorian Government's Aboriginal specific COVID-19 response and recovery funding package, AHV, in partnership with the Victorian Aboriginal Child Care Agency (VACCA), was funded to develop and implement the AHC program.

The AHC program provided a valuable support service to over 480 isolated Aboriginal social housing renters during the peak of the pandemic and COVID lockdowns, with a culturally appropriate service model providing practical and social support for clients with varying intensity of need, including maintaining contact with clients waiting for intake to other services.

Despite our best efforts, AHV was unable to secure funding, and the AHC program officially ceased operating on 30 June 2022. The AHC staff worked tirelessly in the 15 months of the program's operation and are to be commended for the compassionate and professional way they delivered this valuable service.

During 2021-22, the MTAL team continued to work with vulnerable AHV renters to provide holistic wellbeing support. Life Skills staff made early contact with vulnerable renters to address any immediate needs such as sourcing of household goods to help them establish their new homes, emergency relief, and referrals to support services.

The MTAL program also offers aspirational coaching. MTAL Life Coaches work with renters to identify their personal goals and provide encouragement and support to work towards achieving them.

The MTAL program was independently evaluated by the Department of Families, Fairness and Housing in February 2022. The report found that the program had a significant and enduring impact on participants' lives, with benefits extending to their family members. Importantly, they felt seen and understood, and encouraged to believe in themselves and to pursue their personal goals.

The short and medium-term funding outlook for Aboriginal renter support and wellbeing programs is challenging. We will continue to strengthen and improve our wellbeing programs and lobby for additional funding to expand the program to all Aboriginal social housing renters.

Priority 5

AHV staff preparing gifts during the Christmas appeal

Building better relationships with our Aboriginal clients and Victorian Aboriginal communities.

2021-2022 Highlights:

- A voice for the Aboriginal housing and homelessness sector.
- Advancing Aboriginal housing objectives through partnerships with local councils.
- Delivering gifts to more than 550 children and hampers to over 300 Elders through the annual AHV Christmas Appeal.
- Celebrating Aboriginal culture through community events.

We have a responsibility to maintain strong partnerships with Aboriginal organisations to ensure the housing needs of Victoria's Aboriginal communities are met. We do this by hosting the Aboriginal Housing and Homelessness Forum (AHHF), comprising of ACCOs and Traditional Owner groups that provide housing and homelessness services. The AHHF is embedded in the governance arrangements to implement *Manana woorn-tyeen maar-takoort*, and provides the Aboriginal community leadership to drive and oversee implementation consistent with Aboriginal self-determination. AHV supports the AHHF in its role to inform Government policy and program design, raise and respond to housing issues, shape and develop the sector, build capability, and share information.



AHV continues to work to advance Aboriginal housing objectives through partnerships with local councils. Over the last year, we have completed work on a 10-year strategic Memorandum of Understanding (MoU) with the Darebin City Council. This partnership provides the opportunity to improve access by Aboriginal renters to council services and civic participation; to grow Aboriginal community housing; and continue to build a strong, diverse and tolerant community.

The MoU with the Darebin City Council establishes a benchmark on which to progress similar negotiations and agreements during 2022-23 with other local councils, with the aim of achieving improved outcomes and services for Aboriginal renters in other communities.

We are committed to strengthening our engagement with renters. The COVID pandemic has made it more difficult to run face to face events and engage directly with renters. Over the last year we have continued to deliver activities that build our connection with renters.

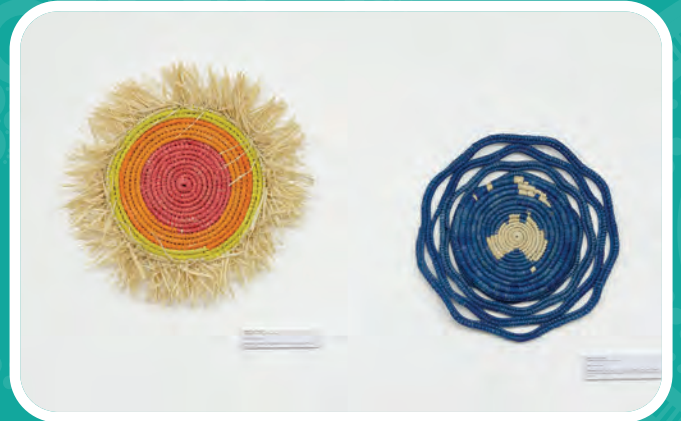
The 2021 AHV Christmas Appeal, now in its 7th year, included gifts for children and Elders' hampers. Despite the logistical challenges of running the appeal during COVID lockdowns, we were able to deliver gifts and hampers to over 550 children and more than 300 Elders across our AHV community.

Once again, the efforts of AHV staff, together with the invaluable support of our partners and donors, ensured a successful Christmas appeal that reinforced the generosity of our community, and made a difficult year a little brighter for many AHV families and Elders.

AHV celebrated NAIDOC week this year, with an art exhibition at Abbotsford Convent showcasing works from our talented renters. We launched an “artist callout” encouraging our renters to submit artwork that explored this year’s NAIDOC theme “Get up, Stand up, Show up!”. The exhibition included 21 artworks from 6 artists who received over \$5,000 from the sale of their artwork.

Other family related NAIDOC activities included: bush animal weaving with Aunty Bronwyn Razem; story telling with Uncle Ron Murray; boomerang etching; and a free book stall provided by our valued partners, Yarra Libraries





In memory of the late Aboriginal artist Josh Muir, the exhibition also included one of Josh's significant works of art, *'Home is where the heart is'*. AHV commissioned *'Home is where the heart is'* in 2016, with the generous support of PricewaterhouseCoopers, to commemorate the historic transfer of ownership of properties from the Victorian Government to AHV, and the work is on permanent display in our Scotchmer Street office.

A Yorta Yorta, Gunditjmara and Barkinji man and grandson of former AHV Board Member and artist Myrtle Muir, Josh saw housing providing people with a platform to build responsibility and healthy lives. *'Maintaining a household, making it your own, helps to create something that our people can feel a sense of pride in.'*



Priority 6

Strengthening partnerships with government, the housing and community sectors and corporate bodies.

2021-2022 Highlights:

- Securing resources to implement the recommendations of *Mana-na woorrn-tyeen maar-takoort* (Every Aboriginal person has a home).
- Advancing Aboriginal self determination through the delivery of the Big Housing Build.
- Maintaining accountability to the Aboriginal Community through publication of the Annual Report Card.
- Reimagining a homelessness system that improves services and outcomes for Aboriginal Victorians

AHV is the lead agency for Aboriginal housing and homelessness policy and advocacy and together with the Aboriginal Housing and Homelessness Forum, is responsible for leading reforms and driving progress.

We have worked hard to secure commitments from the Aboriginal community, government and the housing and homelessness sectors to jointly implement *Mana-na woorrn-tyeen maar-takoort*. *Mana-na woorrn-tyeen maar-takoort*, is a long-term roadmap with the vision that every Aboriginal person has a home. It outlines clear goals, targets, objectives and recommended actions to improve housing outcomes for Aboriginal people in Victoria over the next 20 years.

The shared commitment by the Victorian Aboriginal community and government to advance the recommendations of *Mana-na woorrn tyeen maar-takoort*, is demonstrated through the ongoing work and achievements of the Victorian Aboriginal Housing and Homelessness Framework Implementation Working Group (VAHHF-IWG), jointly chaired by Darren Smith, CEO of AHV, and Ben Rimmer, CEO Homes Victoria.

Key achievements in 2021-22:

- Published the 2nd Annual Victorian Housing and Homelessness Framework Report Card.
- Delivered the Blueprint for an Aboriginal-specific homelessness system in Victoria outlining reforms designed to improve homelessness services and outcomes for Aboriginal Victorians.
- The Residential Tenancies Commissioner completed research into discrimination and barriers faced by Aboriginal Victorians accessing the private rental market and produced a report outlining 14 practical recommendations to address barriers and improve access.
- Budget support to implement the Blueprint for an Aboriginal-specific homelessness system in Victoria and to expand the Aboriginal Private Rental Assistance Program, which provides rapid assistance and support, to an additional 4 areas across Victoria.
- Delivered the Aboriginal Home Connect program during the COVID pandemic which was available to over 4,000 Aboriginal renters and their families in AHV houses and public housing. The program supported 438 vulnerable Aboriginal renters with telephone welfare checks and referrals to connect them into services they needed.
- Developed a 20-Year Vision for the Aboriginal community housing sector.
- Produced the Victorian Closing the Gap Sector Housing Strengthening Plan and made a significant contribution to the national plan.
- Significant progress in delivery of works under the \$35M Aboriginal Rapid Housing Program to over 2,000 community houses owned by 17 Aboriginal Community Controlled Organisations.
- Significant Aboriginal input into the Social Housing Regulation Review, through a dedicated Aboriginal community consultation process. This culminated in a Findings and Options Report, which was supported by the Aboriginal Housing and Homelessness Forum in its submission to the Social Housing Regulation Review panel.
- Market sounding and development of a procurement process to engage Aboriginal housing providers, and delivery of the first rounds of the Home for Aboriginal Victorians round of the Social Housing Growth Fund.

FIRST ORDER PRINCIPLES TO ADVANCE ABORIGINAL HOUSING OBJECTIVES

- a. Self-determination is the guiding principle. This means that the Package will:
 1. Recognise and advance Aboriginal rights to land and natural resources.
 2. Build economic self sufficiency.
 3. Enable Aboriginal people to make decisions from a position of well-being and empowerment.
 4. Support and advance Aboriginal 'community ownership and responsibility for their own affairs and their own communities, including through designing and delivering policy on their own terms, setting their own funding priorities and holding their service providers accountable'. Victorian Aboriginal Affairs Framework 2018-23.
- b. Aboriginal land and resources remain in Aboriginal hands.
- c. Mainstream community housing agencies must demonstrate their commitment to Aboriginal self-determination and their ability to provide culturally safe and responsive services.

The strength of our partnerships has translated into significant commitments from the Victorian Government to build over 800 new houses for Aboriginal Victorians.

Mana-na woorn-tyeen maar-takoort argues that setting targets is essential to drive reforms to improve Aboriginal housing outcomes. Our advocacy for a commitment of ten percent of all new investment in housing and homelessness to be allocated to Aboriginal households, was heard by the Victorian Government. The \$5.3b Big Housing Build investment in social and affordable housing over the next four years, has a target that ten percent of the 8,000 new houses produced, will be provided to Aboriginal Victorians, (over 800 new houses).

Under the Big Housing Build the community housing sector, through the Social Housing Growth Fund, will deliver 4,200 of these new homes. Consistent with the **First Order Principles to advance Aboriginal housing objectives**, developed by the Aboriginal Housing and Homelessness Forum and agreed by Government, not only will 420 new houses be available for Aboriginal Victorians, but they will be owned by the Aboriginal community. The knock on impact is that unregistered Aboriginal housing providers, previously excluded from accessing the grants, can now participate and grow housing for their local communities. *Homes for Aboriginal Victorians Rounds* applicants were required to demonstrate how their proposals complied with the First Order Principles.



The **Annual Report Card 2022** reports on progress towards the implementation of recommendations of *Mana-na woorn-tyeen maar-takoort*. The Annual Report Card reports on progress against 20 measures of housing security; comparing the results for Aboriginal people in Victoria with those of Aboriginal people across Australia, and the mainstream population. In this way, the Report Card provides an important accountability mechanism to Aboriginal communities in Victoria, on genuine progress to improve housing outcomes for Aboriginal people.

While the 2022 report card confirms high levels of homelessness and housing distress in Victoria's Aboriginal community, the data has remained relatively stable since the 2021 report. This is significant, considering the alarming trajectory of poor housing outcomes for Aboriginal Victorians in the 10 years preceding the launch of *Mana-na woorn-tyeen maar-takoort*, and the economic, mental, and housing stress caused by the COVID-19 pandemic. It demonstrates that with continued commitment and investment, these unacceptable numbers can be turned around. The VAHMF Annual Report Card 2022 can be found here: <https://vahhf.org.au/>.

Blueprint for an Aboriginal-specific homelessness system in Victoria

Aboriginal Housing Victoria Limited



Rebuilding an Aboriginal homeless service system from the ground up was included in the goals of *Mana-na woorn-tyeen maar-takoort*. Thanks to a generous grant from the Victorian Government, AHV was able to engage KPMG, on behalf of the AHMF, to develop a *Blueprint for an Aboriginal-specific Homeless System in Victoria* (the Blueprint). It outlines what a future, effective Aboriginal-specific system might look like, and provides a plan to practically implement each of the key system features.

The Blueprint was presented to the Government for consideration as part of the 2022-23 State Budget. Homes Victoria has advised that, of the \$75 million to provide for a range of homelessness initiatives, approximately \$7.3 million over two years will be allocated to culturally appropriate responses to the homelessness needs of Aboriginal Victorians. The Blueprint can be found here: <https://vahhf.org.au/>.

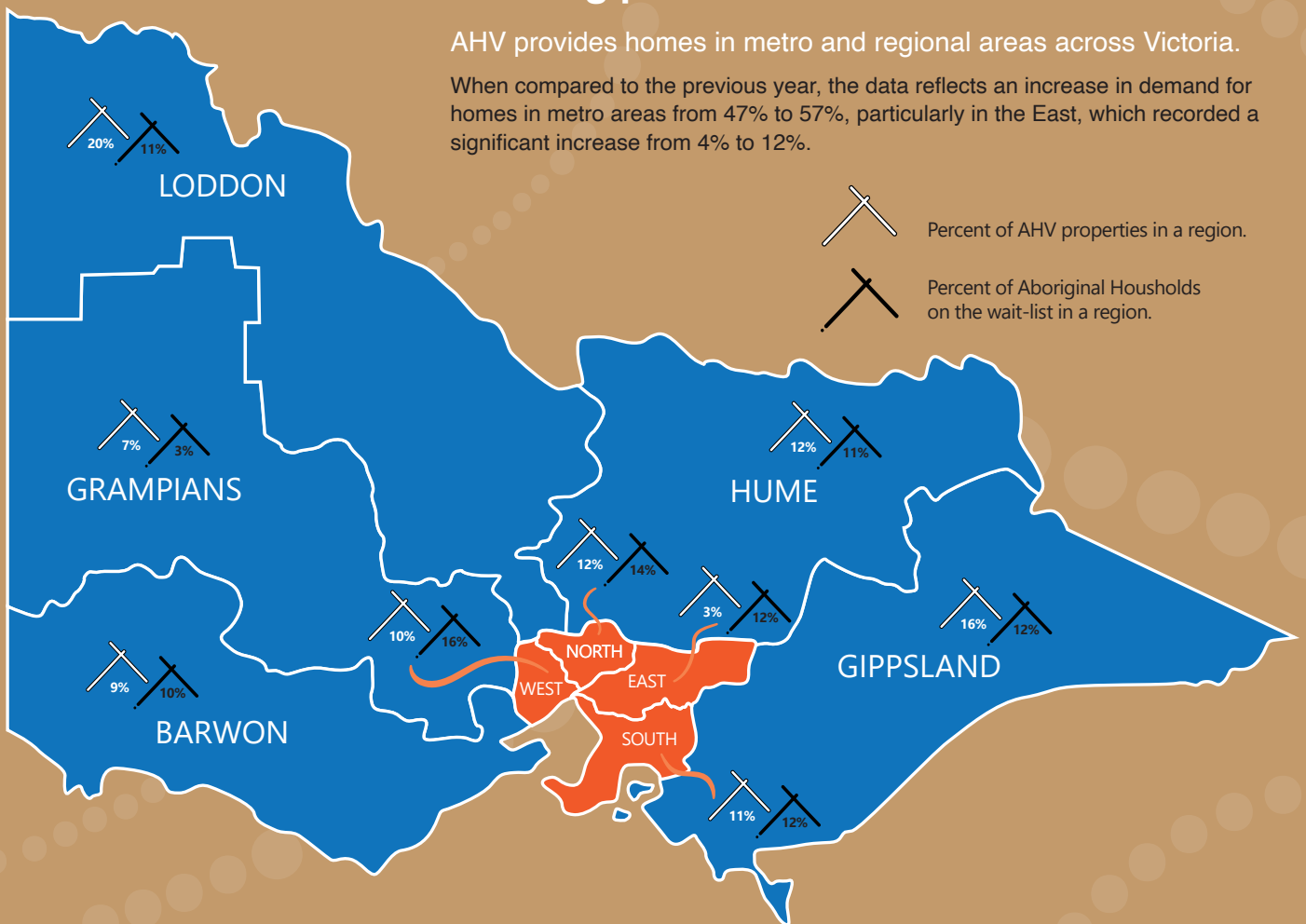
Understanding Our Renters

The analysis of our data on our properties and renters, combined with the Victorian Housing Register (VHR) data is central to planning our service delivery. It also informs our asset management decisions, as we seek to provide housing that best suits the needs of Aboriginal Victorians, in the areas where they live and want to live.

Housing portfolio and demand

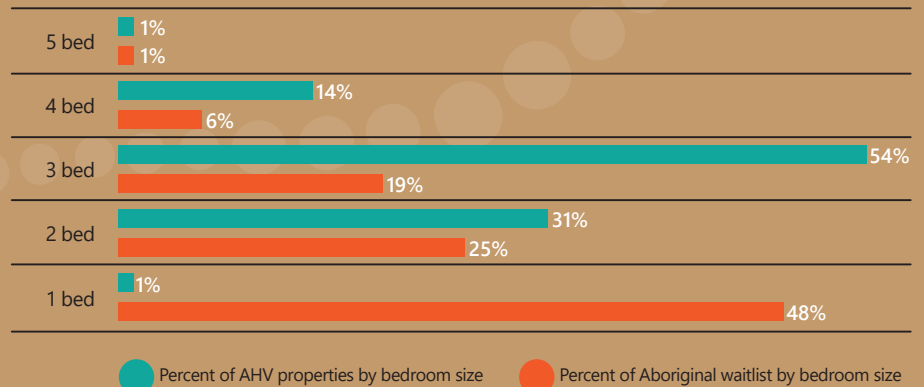
AHV provides homes in metro and regional areas across Victoria.

When compared to the previous year, the data reflects an increase in demand for homes in metro areas from 47% to 57%, particularly in the East, which recorded a significant increase from 4% to 12%.



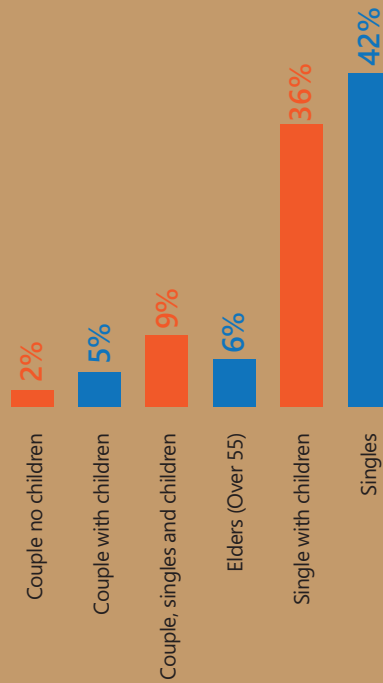
There is growing demand in the Aboriginal community for housing for smaller households.

As with the previous year, the VHR data continued to reflect the greatest demand for 1 and 2 bedroom dwellings in 2021-22.



The greatest demand for housing is from smaller Aboriginal households.

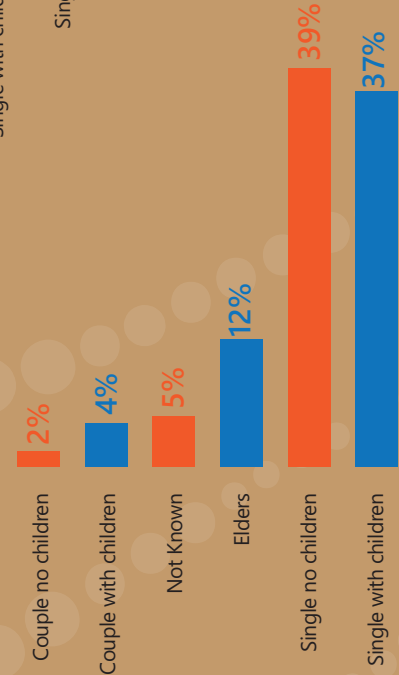
This is consistent with the demand for smaller dwellings, with the majority of households being single adults, followed by single adults caring for children.



Our renters

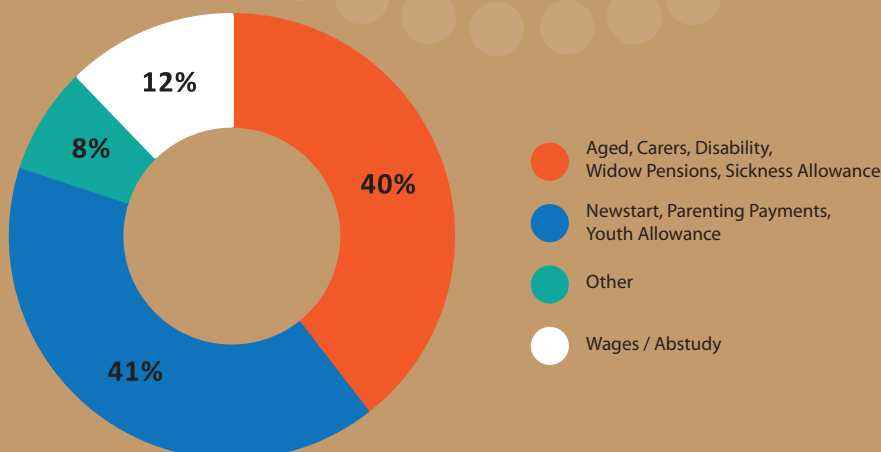
Single adults with no children and single adults caring for children make up the majority of AHV household types.

While this is comparable with 2020-21 data, there has been a shift to a greater number of households now being single adults with no children.



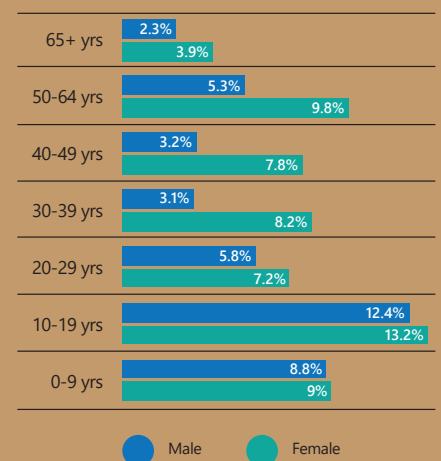
The main source of income for AHV renters is overwhelmingly income support from Centrelink.

The percentage of renters relying on a Centrelink payment increased slightly in 2021-22 from the previous year, from 76% to 81%. The temporary raising of the rates of Centrelink payments with the Corona Virus Supplement provided some welcome financial relief, which was reflected in the improved capacity of our renters to pay their rent during that period. Since the ending of the supplement, financial assistance from external support services has doubled. In 2021-22, 120 renters received over \$132K to assist with their rent. The grossly inadequate rates of Centrelink payments continue to pose a significant challenge for our renters to meet the basic costs of living.



Women overwhelmingly represent the majority of head AHV renters.

Of those listed as head renters of AHV households, females make up 74.6%, males 23.4% and only 2% are joint tenancies.





Our Performance

Operational Highlights

Work orders requested

4,793

Vacant units and renter damage repairs expenditure

\$1,014,115

Capital works and planned maintenance expenditure

\$6,577,804

Council and water rates for houses

\$3,319,546

Tenancies sustained

93.0%

Tenancies created

99

Total rent charged

\$17,181,534

Rental arrears

\$386,314

Average rental arrears

\$1044

Key Performance Measures (KPMs)

As a registered housing association under the Housing Act 1983 (Vic), we are required to demonstrate to the Housing Registrar's satisfaction on an annual basis, that we remain financially viable and continue to meet the performance standards of a registered Housing Association.

The Housing Registrar Public Register publically reports on housing agencies compliance and performance results. The most recently published performance report, for 2020-21, confirmed that AHV had met performance standards, across all criteria: governance; management; probity; financial viability; tenancy and housing services; housing assets; and community engagement.

2021-22 KPM results are summarised as follows:

KPM 1 - Annual Business plan and Annual Budget for the financial year	Submitted on time
KPM 2 - Staff turnover	20.4%
KPM 3 - Vacant property turnaround time (tenantable)	11.3 days
KPM 3 - Vacant property turnaround time (untenantable)	70.7 days
KPM 4 - Rent outstanding from current tenants	2.2%
KPM 5 - Tenancies sustained (long term housing)	93.0%
KPM 6 - Prospective renter/renter complaints resolved on time	93.8%
KPM 7 - Average occupancy rate (long term housing)	97.6%
KPM 8 - Evictions as a % of total tenancy terminations	9.4%
KPM 9 - Urgent requested repairs on time	88.8%
KPM 10 - Non-urgent requested repairs on time	82.2%

Governance

AHV Board Charter and Company Directors

The Charter provides an overview of AHV's strategic outlook and reflects the corporate governance policy of AHV. It defines the roles, responsibilities, obligations and authorities of the AHV Board of Directors (Board), both individually and collectively.

It supplements the AHV Constitution and the governing legislation and is designed to ensure the Board provides strategic direction and effective oversight of the management of AHV and facilitates accountability as a registered housing agency to the Housing Registrar and to its stakeholders.

Responsibilities of the Board of Directors

It is the Board's responsibility to provide strategic guidance and effective oversight of the management of AHV. The Board has delegated the responsibility of day-to-day management, operation and administration to the CEO, with whom it meets regularly to discuss current and future business needs.

Incorporation and Governance

AHV is a not-for-profit public company, limited by guarantee registered under the Corporations Act 2001 (Commonwealth). A company limited by guarantee is a specialised public company designed for not-for-profit organisations which are formed for purposes beneficial to the community. AHV was formed to provide affordable housing and residential accommodation options for Aboriginal people in Victoria. This form of company is required to be managed by a constitution and is subject to relatively high standards of governance including financial audit and reporting requirements.

As a reflection of the high standards of governance, directors are required to comply with the same legal duties and obligations as directors of a commercial company. Directors are prohibited from receiving dividends and under this structure any surplus is required to be reinvested into the beneficial purpose the company was established to achieve.

AHV is a registered housing agency under the Housing Act 1983 (Vic); and a public benevolent institution, entitled to tax concessions under the Income Tax Assessment Act 1997 (Commonwealth).

Board Structure and Meetings

Number of directors - The Board comprises no less than 5 and no more than 7 directors.

Board skills and diversity - The Board will comprise individuals who have the skills and experience relevant to the pursuit of the AHV objectives in all or any of the areas of business, social housing, governance, law, accounting and communications.

All directors must live in Victoria and a majority must be Aboriginal.

Appointment of Directors - The appointment of a Director must be approved by the Board and comprise a term of approximately 3 years commencing at the end of the Annual General Meeting at which they were appointed, and expiring at the end of the third Annual General Meeting after their election, at which time they will retire.

A retiring director is eligible for re-election but may only serve a maximum of 3 consecutive terms without a break in service of at least 3 years.

The Board may also appoint a replacement director to any casual vacancy arising in the office of a director. Any director so appointed will hold office until the end of the next Annual General Meeting.

Meeting frequency - The Board must hold at least 6 meetings a year and such additional meetings as the directors agree, in order to perform its duties.

Quorum - No business may be transacted at a Board or Committee meeting unless a quorum is present at the time the business is considered. Unless otherwise determined by the Board, a quorum for meetings of the Board is half of the directors plus one of the directors, or if the number of directors is not a multiple of 2, then the odd number nearest to and greater than half of the directors.

Voting at meetings - The Board generally operates by consensus but where a consensus cannot be reached decisions are made using the voting provisions of the Constitution.

Under the Constitution decisions are decided by the majority of votes, where each director present is entitled to one vote.

Agenda and board papers - The Chair in conjunction with the CEO will settle agendas for Board meetings. The CEO will arrange meetings; distribute agendas and supporting papers to directors at least 7 days before the relevant meeting; keep and distribute minutes of each meeting; and ensure that minutes and reports are provided to the Board.

The proceedings and resolutions of meetings of directors are formally recorded as minutes of a company within one month of a meeting.

Role of Individual Directors

Individual directors bring specific skills and experience that add value to the Board and they are ultimately responsible for the overall successful operations of AHV. They must act in the best interest of AHV and have a duty to question, request information, raise any issue and fully canvas all aspects of any issue confronting AHV before exercising independent and reasoned judgement.

The Governance Committee regularly reviews the diversity of skills, experience, gender, age, and personal attributes of the Board to ensure an appropriate balance is maintained to increase the Board's effectiveness.

Director's Code of Conduct - AHV's directors are bound by their fiduciary duty to act in good faith and in the best interest of AHV, the Aboriginal Community and its renters. They must fulfil all of their legal obligations and provide leadership in respect to AHV's culture and values.

The Board has adopted a Code of Conduct consistent with the principles of the Australian Institute of Company Directors published Code of Conduct and which reflects AHV's culture and values.

Performance and teamwork - In performing their role directors aspire to high governance standards which include principles derived from the ASX Corporate Governance Council Principles of Good Governance. These principles include the requirement that directors work as a team and meet on a regular basis.

The AHV Board considers the ongoing development and improvement of its own performance as a critical aspect of effective governance. To this end the Board undertakes a regular evaluation of the performance of the Board, its Committees and Chair with results discussed at the Annual General Meeting.

Confidentiality - The proceedings, papers and minutes of the Board are confidential and may not be disclosed without approval of the Board, except where required to be disclosed by law. Any regular and ad hoc release of information is subject to the policies and procedures as outlined within the AHV Communication Strategy.

Networking - Developing networks and working to promote the reputation of AHV are recognised as important components of a director's role. Directors are encouraged to act as ambassadors and to develop and maintain connections for the benefit of AHV.

The Role of the Chair

The Chair is responsible for leading the Board, ensuring that directors are properly briefed in all matters relevant to their roles and responsibilities, facilitating Board discussions and managing the Board's relationship with management.

Election of the Chair - At the first meeting of the Board after the Annual General Meeting, the directors appoint from among their number a Chair who holds office until the end of the next of the next Annual General Meeting, but who is eligible for re-election.

The role of the Company Secretary

The Company Secretary is responsible to the Board through the Chairperson and is appointed and dismissed by the Board. The Company Secretary's duties and authorities are determined by the directors and include all company secretariat requirements under the Act and the constitution. The Company Secretary also provides secretariat and support services to the Board and its sub-committees, manages the preparation of the AHV Annual Report, and organises the Annual General Meeting of the Company.

Board Committees

The Board has established two standing committees and one time-limited committee to support its deliberations and decision making; the Governance Committee and the Finance Audit and Risk Committee (FAR) and the Asset Committee. These committees are independent of, but accountable to the Board and comprise appropriately qualified Directors, Executive Directors and expert advisors/attendees as required.

Governance Committee - The role of the Committee is to assist and advise the Board on matters that seek to maintain high standards of governance. The scope of the Committee's role includes, but is not limited to, Board recruitment and training, performance and remuneration.

Finance Audit and Risk Committee

The role of the FAR Committee is to assist the Board to meet its responsibilities in relation to AHV financial reporting, compliance with legal and regulatory requirements, internal control structures, risk management systems and external audit functions.

Asset Committee - A time-limited Asset Committee was established during 2017-18, to advise, guide and direct the review of AHV's Asset Management Strategy, in order to ensure AHV's asset portfolio best meets service delivery needs in the future.

The committee structure and membership is reviewed on an annual basis. The Terms of Reference for the Finance Audit and Risk Committee, Governance Committee and Asset Committee outline the role, responsibilities and functions of the Committees.

All matters determined by the committees are submitted to the full Board as recommendations for Board ratification. Minutes of committee meetings are tabled at the ensuing Board meeting.

The Committees currently comprise the following members:

Finance, Audit and Risk

Mark Lipson (Chair)
Tim Chatfield
Robert Leslie
Bevan Mailman

Governance

Daphne Yarram (Chair)
Tim Chatfield
Ian Hamm

Asset

Alan Herrman (Chair)
Tim Chatfield
Rob Leslie

Risk Management

External audit - In accordance with the *Corporations Act 2001 (Act)*, AHV's Board is responsible for selecting, appointing and removing a qualified external auditor, subject to the Board's approval at its Annual General Meeting. AHV's FAR Committee makes recommendations to the Board on the effectiveness and appointment of an external auditor.

The Auditor is entitled to:

- attend any General Meeting
- receive all notices of and other communications relating to any General Meeting which a Member is entitled to receive, and be heard at any General Meeting which the Auditor attends on any part of the business of the meeting which concerns the Auditor in that capacity and is entitled to be heard, despite the fact that the Auditor retires at that meeting or a resolution to remove the Auditor or the agent from office is passed at that meeting.

Delegations of Authority

AHV's Board has reserved all powers for itself and delegated authority to management as outlined in its Delegation of Authority. Where a delegation is not specified, the Board retains the authority, and approval to act must be sought from the Board.

Director Protection

AHV's directors are expected to exercise considered and independent judgement on the matters before them. To discharge this responsibility, a director may from time to time need to seek independent professional advice. In such circumstances, AHV will consider the payment of reasonable professional fees subject to the approval of the Board.

Directors and Officers insurance -

As a registered Victorian community housing agency, AHV's directors are insured for Director and Officers liability under the Victorian Managed Insurance Authority (VMIA).

Code of Conduct

The directors and staff of AHV are bound by the AHV Code of Conduct. In this respect all directors must adhere to their overriding fiduciary duty to act in good faith and in the best interest of AHV, as well as their legal obligations.

Conflict of Interest

AHV's directors have duties under the Act, the general law and a range of performance standards in relation to conflict of interest. They are bound by AHV's Conflict of Interest policies as outlined in its Governance Policy and are required to disclose any actual or potential conflicts of interest which may exist or might reasonably be thought to exist.

Director Remuneration

The Board receives and considers advice on relevant market trends regarding remuneration and in conjunction with the CEO and Human Resources Manager reviews and makes recommendations regarding the remuneration framework of the directors, CEO and executive. Directors receive payment on a daily and half daily basis for attendance at meetings.

Stakeholder Interests and Communication

AHV respects the rights of all stakeholders, including renters, applicants, employees, directors and partners and strives to facilitate the effective exercise of those rights. The Board seeks to ensure that all renters, clients (including those on the waiting list) and stakeholders have ready access to understandable and balanced information necessary to assess the performance of AHV.

The Board is committed to ensuring that AHV actively engages with renters, clients and stakeholders and is responsive to community needs.

In addition to the Annual Report, AHV utilises print and electronic communication options to provide effective and regular communication.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

Aboriginal Housing Victoria Limited DIRECTORS' REPORT 30 JUNE 2022

Directors' Report

Aboriginal Housing Victoria Limited ('Aboriginal Housing Victoria') presents its Report together with the financial statements of the entity for the year ended 30 June 2022 and the Independent Audit Report thereon.

Company details

The following persons were Directors of Aboriginal Housing Victoria during the 2021-2022 financial year:

- **Tim Chatfield** Director and Chairperson
- **Daphne Yarram** Director, Deputy Chairperson and Chair of Governance Committee
- **Mark Lipson** Director and Chair Finance, Audit and Risk Committee
- **Alan Herrman** Director and Chair Asset Committee
- **Ian Hamm** Director
- **Robert Leslie** Director
- **Bevan Mailman** Director
- **Duean White** Associate Director (1/7/21 – 22/12/2021), Expert Advisor Governance Committee (8/3/2022 – present)
- **Jessie Motlik** Associate Director (3/3/2022 – present)

Principal activities

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

- provision of affordable social housing in the Aboriginal community in Victoria;
- developing competitive submissions and managing funded projects under the government's Big Housing Build initiatives; and
- moving to the implementation phase of the comprehensive Aboriginal housing and homelessness policy framework, *Mana-na woorn-tyeen maar-takoort: Every Aboriginal Person Has A Home*.

The company's short-term objectives are to:

- further strengthen our asset management and development programs, including positioning the organisation to be well placed to respond to funding opportunities as they arise;
- continuously improve the quality and range of housing service delivery to AHV renters and Aboriginal social housing renters more broadly; and
- continue the implementation of *Mana-na woorn-tyeen maar-takoort*, in collaboration with the Aboriginal community sector and government.

The company's long-term objectives are to grow the supply of affordable housing to meet the significant unmet demand for social and affordable housing in the Aboriginal community, and to achieve improved housing opportunities for Aboriginal Victorians across all housing tenures, including home ownership

Directors' meetings

During the 2021-22 financial year, 16 Board meetings were held, including the AGM (11 scheduled; and 5 out of session). Most of the out of session meetings were convened to approve major milestone payments; significant funding submissions; or the execution of funding deeds for current and future housing construction projects.

Board Directors also sit on one of more of the following Board sub-Committees:

- Finance Audit and Risk Committee (FAR),
- the Governance Committee (Governance), and
- the Asset Committee (Asset).

Aboriginal Housing Victoria Limited
DIRECTORS' REPORT
30 JUNE 2022

The meetings that each Director was eligible to attend during the year were:

	Board	FAR	Governance	Asset	Total
Total meetings for 2020-21	16	11	4	9	40
Tim Chatfield	16	11	4	9	40
Daphne Yarram	16	-	4	-	20
Mark Lipson	16	11	-	-	27
Alan Herrman	16	-	-	9	25
Ian Hamm	16	-	4	-	20
Rob Leslie	16	11	-	9	36
Bevan Mailman	16	11	-	-	27
Duean White (Associate Director/Expert Adviser)	10	-	4	-	14
*Jessie Motlik (Associate Director)	6	-	-	-	6

* Participated in Board meetings from 3 March 2022

The number of meetings that each Director attended during the year were:

	Board	FAR	Governance	Asset	Total
Total meetings for 2020-21	16	11	4	9	40
Tim Chatfield	16	11	4	9	40
Daphne Yarram	7	-	3	-	10
Mark Lipson	11	10	-	-	21
Alan Herrman	14	-	-	8	22
Ian Hamm	12	-	3	-	15
Rob Leslie	15	11	-	8	34
Bevan Mailman	9	8	-	-	17
Duean White (Associate Director/Expert Adviser)	10	-	4	-	14
Jessie Motlik	5				5

Contribution in winding up

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the company. At 30 June 2022, the total amount that members of the company are liable to contribute if the company is wound up is \$350 (2021: \$350).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found in the financial report.

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



Tim Chatfield
 Director

3 October 2022



**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ABORIGINAL HOUSING VICTORIA LIMITED**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012* for the audit of Aboriginal Housing Victoria Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit

LBW Business & Wealth Advisors



Sripathy Sarma
Principal

Dated this 3rd day of October 2022



CHARTERED ACCOUNTANTS
AUSTRALIA - NEW ZEALAND

Aboriginal Housing Victoria Limited
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30 JUNE 2022

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General information

The financial statements cover Aboriginal Housing Victoria Limited as an individual entity. The financial statements are presented in Australian dollars, which is Aboriginal Housing Victoria Limited's functional and presentation currency.

Aboriginal Housing Victoria Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Aboriginal Housing Victoria Limited
125-127 Scotchmer Street
North Fitzroy VIC 3068

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 3 October 2022. The directors have the power to amend and reissue the financial statements.

Aboriginal Housing Victoria Limited
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue			
Rental revenue	3	17,181,534	16,080,940
Other revenue	4	8,379,257	4,206,320
Total revenue		25,560,791	20,287,260
Expenses			
Administration expenses		(654,095)	(856,906)
Employee benefits expense		(5,750,515)	(5,460,677)
Depreciation and amortisation expense		(3,820,724)	(3,760,248)
Housing program expenses		(7,391,671)	(7,034,635)
Total expenses		(17,617,005)	(17,112,466)
Surplus before income tax		7,943,786	3,174,794
Income tax expense	1	-	-
Surplus after income tax expense for the year		7,943,786	3,174,794
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net gain/(loss) on revaluation of non-current assets	9	(471,847)	(849,072)
<i>Items that will be reclassified subsequently to profit or loss</i>			
Fair value gains on available-for-sale financial assets, net of tax		-	-
Total other comprehensive income/(loss) for the year, net of tax		(471,847)	(849,072)
Total comprehensive income for the year		7,471,939	2,325,722

*The above statement of profit or loss and other comprehensive income should
be read in conjunction with the accompanying notes*

Aboriginal Housing Victoria Limited
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	10,264,188	18,838,539
Term deposits		30,116,654	10,054,983
Trade and other receivables	7	3,185,514	529,751
Other current assets	8	7,022,692	1,527,220
Total current assets		<u>50,589,048</u>	<u>30,950,493</u>
Non-current assets			
Property, plant and equipment	9	557,833,361	557,385,491
Total non-current assets		<u>557,833,361</u>	<u>557,385,491</u>
Total assets		<u>608,422,409</u>	<u>588,335,984</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	4,293,149	3,884,116
Provisions	11	1,217,435	964,678
Deferred grant income	12	24,652,751	12,775,818
Lease liabilities	13	156,839	195,289
Total current liabilities		<u>30,320,174</u>	<u>17,819,901</u>
Non-current liabilities			
Lease liabilities	13	176,572	84,051
Provisions	11	77,187	55,495
Total non-current liabilities		<u>253,759</u>	<u>139,546</u>
Total liabilities		<u>30,573,933</u>	<u>17,959,447</u>
Net assets		<u><u>577,848,476</u></u>	<u><u>570,376,537</u></u>
EQUITY			
Reserves	14	117,717,075	118,188,922
Retained earnings		460,131,401	452,187,615
Total equity		<u><u>577,848,476</u></u>	<u><u>570,376,537</u></u>

*The above statement of financial position should
be read in conjunction with the accompanying notes*

Aboriginal Housing Victoria Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Revaluation surplus \$	Retained profits \$	Total equity \$
Balance at 1 July 2020	119,037,994	449,012,821	568,050,815
Surplus after income tax expense for the year	-	3,174,794	3,174,794
Other comprehensive income for the year, net of tax	(849,072)	-	(849,072)
Total comprehensive income for the year	(849,072)	3,174,794	2,325,722
Balance at 30 June 2021	118,188,922	452,187,615	570,376,537

	Revaluation surplus \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	118,188,922	452,187,615	570,376,537
Surplus after income tax expense for the year	-	7,943,786	7,943,786
Other comprehensive income for the year, net of tax	(471,847)	-	(471,847)
Total comprehensive income for the year	(471,847)	7,943,786	7,471,939
Balance at 30 June 2022	117,717,075	460,131,401	577,848,476

Aboriginal Housing Victoria Limited
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Cash flow from operating activities			
Rentals received		17,036,394	16,112,768
Grants received		25,714,804	17,399,606
Other receipts		104,842	155,250
Payments to suppliers and employees		(21,844,575)	(13,716,686)
Interest received		26,479	58,625
Net cash generated from operating activities	18b	<u>21,037,944</u>	<u>20,009,563</u>
Cash flow from investing activities			
Payments for investments		(20,061,672)	(52,274)
Payments for property, plant and equipment		(10,663,755)	(6,601,373)
Proceeds from disposal of property, plant and equipment		1,113,132	703,879
Net cash used in investing activities		<u>(29,612,295)</u>	<u>(5,949,768)</u>
Cash flow from financing activities			
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		<u>18,838,539</u>	<u>4,778,744</u>
Cash and cash equivalents at the end of the financial year	18a	<u>10,264,188</u>	<u>18,838,539</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Aboriginal Housing Victoria Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Rental Revenue

The rental revenue is recognised on accrual basis when performance obligations included in the rental agreements are satisfied.

Operating Grants

When the entity received operating grant revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Aboriginal Housing Victoria Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 1. Significant accounting policies (continued)

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently re-solved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax. AHV is also endorsed by the Australian Taxation Office as a Deductible Gift Recipient under subdivision 30-BA of the aforementioned Act.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, deposits held by trust, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Aboriginal Housing Victoria Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 1. Significant accounting policies (continued)

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

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

Office property

Freehold office properties are shown at fair value based on periodic valuations by external independent valuers at least every five years, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of office properties are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets are recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of comprehensive income.

Freehold office properties that have been contributed at no cost or for nominal cost (if any) are valued and recognised at the fair value of the asset at the date it is acquired.

Aboriginal Housing Victoria Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 1. Significant accounting policies (continued)

Rental property

Freehold rental property is measured at fair value based on external independent valuation at least every 5 years. Freehold rental properties that have been contributed by non-government entities at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired. Freehold rental properties that have been contributed by government agencies at no cost, or for nominal cost are taken at the Valuer-General certified book value at the time of transfer.

Office furniture and equipment

Office furniture and equipment is measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life 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
Office buildings	1.5%
Rental buildings	1.5%
Office furniture and equipment	7.5 – 33.3%
Rental building fixtures	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset classes 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 statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Aboriginal Housing Victoria Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 1. Significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Aboriginal Housing Victoria Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for bad and doubtful debts

The allowance for bad and doubtful debts assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Aboriginal Housing Victoria Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 3. Rental revenue	2022	2021
	\$	\$
Operating activities	<u>17,181,534</u>	<u>16,080,940</u>

Note 4. Other revenue

Interest Income	64,583	53,347
Profit/(loss) on sale of property, plant and equipment	270,619	99,244
Grant Revenue	7,939,213	3,898,478
Other revenue	<u>104,842</u>	<u>155,251</u>
Total other revenue	<u>8,379,257</u>	<u>4,206,320</u>

Note 5. Expenses

Surplus for the year includes the following specific expenses:

Depreciation and amortisation		
Office buildings	16,376	16,376
Rental buildings	3,458,920	3,340,084
Office furniture and equipment	107,675	140,091
Right of use asset	<u>237,753</u>	<u>263,697</u>
Total depreciation and amortisation	<u>3,820,724</u>	<u>3,760,248</u>
Bad and doubtful debts expense	<u>42,100</u>	<u>92,223</u>
LBW Business & Wealth Advisors		
Audit services	31,000	31,000
Other services - FBT compliance and other advisory services	5,497	1,954
Total auditor remuneration	<u>36,497</u>	<u>32,954</u>

Note 6. Cash and cash equivalents

Cash at bank and in hand	<u>10,264,188</u>	<u>18,838,539</u>
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Note 7. Trade and other receivables

Rental receivables	494,953	368,969
Other receivables	2,979,435	351,978
Provision for impairment	<u>(288,874)</u>	<u>(191,196)</u>
Total current trade and other receivables	<u>3,185,514</u>	<u>529,751</u>

Aboriginal Housing Victoria Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
Note 8. Other current assets		
Prepayments	539,720	165,832
Accrued income	39,785	1,681
Assets under construction	6,443,187	1,359,707
	<u>7,022,692</u>	<u>1,527,220</u>
Total other current assets	<u>7,022,692</u>	<u>1,527,220</u>
 Note 9. Property, plant and equipment		
Office property		
Freehold land at fair value		
Independent valuation at 30 June 2020	3,550,000	3,550,000
	<u>3,550,000</u>	<u>3,550,000</u>
Buildings at fair value		
Independent valuation at 30 June 2020	650,000	650,000
Less accumulated depreciation	(32,751)	(16,376)
Total buildings	<u>617,249</u>	<u>633,624</u>
Total office property	<u>4,167,249</u>	<u>4,183,624</u>
 Rental property		
Freehold land		
At fair value	347,950,009	349,255,009
	<u>347,950,009</u>	<u>349,255,009</u>
Buildings		
At fair value	212,047,688	206,891,965
Less accumulated depreciation	(6,863,171)	(3,435,974)
Total buildings	<u>205,184,517</u>	<u>203,455,991</u>
Total rental property	<u>553,134,526</u>	<u>552,711,000</u>
 Office furniture and equipment		
Office furniture and equipment		
At cost	1,212,573	1,118,244
Less accumulated depreciation	(1,008,279)	(900,604)
Total office furniture and equipment	<u>204,294</u>	<u>217,640</u>
 Right of use asset		
Right of use asset		
At cost	574,613	702,233
Less accumulated depreciation	(247,321)	(429,006)
Total right of use asset	<u>327,292</u>	<u>273,227</u>
Total property, plant and equipment	<u>557,833,361</u>	<u>557,385,491</u>

Aboriginal Housing Victoria Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 9. Property, plant and equipment (continued)

Movement in the carrying amounts for year class of property, plant and equipment between the beginning and the end of the current financial year:

	Office property \$	Rental property \$	Office furniture and equipment \$	Right of use of assets \$	Total \$
Carrying amount at 1 July 2020	4,200,000	551,559,132	265,573	468,502	556,493,207
Additions at cost	-	5,240,467	97,349	68,422	5,406,238
Disposals	-	(1,333,515)	(5,191)	-	(1,338,706)
Revaluation	-	585,000	-	-	585,000
Depreciation expense	(16,376)	(3,340,084)	(140,091)	(263,697)	(3,760,248)
Carrying amount at 30 June 2021	4,183,624	552,711,000	217,640	273,227	557,385,491
Additions at cost	-	6,551,807	94,329	291,819	6,937,955
Disposals	-	(2,669,360)	-	-	(2,669,360)
Depreciation expense	(16,375)	(3,458,921)	(107,675)	(237,754)	(3,820,725)
Carrying amount at 30 June 2022	4,167,249	553,134,526	204,294	327,292	557,833,361

Asset revaluations

The office property was independently valued at 30 June 2020 by WBP Property Group. The valuation was based on the fair value. The valuation resulted in a revaluation increment of \$676,354 being recognised in the revaluation surplus for the year ended 30 June 2020.

The rental properties were independently valued at 30 June 2020 by WBP Property Group. The valuation was based on the fair value. The valuation resulted in a revaluation increment of \$110,978,770 being recognised in the revaluation surplus for the year ended 30 June 2020. The current year adjustments to the revaluation surplus in relation to rental buildings amounts to \$471,847.

Interests on properties

The Director of Housing (DOH) has a registered interest in the title of the rental properties that are contributed by the DOH or acquired by utilising DOH grant funds. Aboriginal Housing Victoria Limited cannot dispose of, use as security for borrowings, or otherwise transact using these rental properties without the prior consent of the DOH.

	2022 \$	2021 \$
Note 10. Trade and other payables		
Trade payables	1,607,491	356,979
Rental payments in advance	1,290,724	1,275,640
Other current payables	1,326,847	2,177,430
Employee benefits	68,087	74,067
Total trade and other payables	4,293,149	3,884,116

Note 11. Provisions

Current	1,217,435	964,678
Non-current	77,187	55,495
	1,294,622	1,020,173

Aboriginal Housing Victoria Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Provision for long-term employee benefits

A provision has been recognised for employee entitlements relating to long service leave. 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 on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

	2022	2021
	\$	\$
Note 12. Deferred grant income		
Capital grant funding	23,298,627	10,282,288
Operational grant funding	1,354,124	2,493,530
	<hr/>	<hr/>
Total deferred grant income	24,652,751	12,775,818
	<hr/> <hr/>	<hr/> <hr/>

Note 13. Lease liabilities

Current	156,839	195,289
Non-Current	176,572	84,051
	<hr/>	<hr/>
Total lease liabilities	333,411	279,340
	<hr/> <hr/>	<hr/> <hr/>

Note 14. Reserves

Revaluation surplus reserve	117,717,075	118,188,922
	<hr/> <hr/>	<hr/> <hr/>

The revaluation surplus records the revaluation of the office property. At 30 June 2020 the office property was revalued to its fair value of \$4,200,000 giving rise to a revaluation increment of \$676,354.

The revaluation surplus records the revaluation of the rental property. At 30 June 2020 the rental properties were revalued to its fair value of \$551,676,507 giving rise to a revaluation increment of \$110,978,770. This along with prior year revaluations and the current year adjustments has resulted in the current revaluation surplus of \$117,717,075 (Refer note 9).

Note 15. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 16. Contingent liabilities and assets

At the reporting date, there were no contingent liabilities.

Aboriginal Housing Victoria Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 17. Related party transactions

The Entity's related parties include its key management personnel as described on note 17 below. Unless otherwise stated, none of the transactions incorporates special terms and conditions and no guarantees were given or received.

Note 17.1 Transactions with key management personnel

Key management of the Entity are the non-executive members of the Aboriginal Housing Victoria Board. Key Personnel remuneration includes the following expenses:

	2022 \$	2021 \$
Short term employee benefits	167,710	167,611
Long term employee benefits	-	-
	<u>167,710</u>	<u>167,611</u>

Note 17.2 Transactions with related parties

During the year the company purchased professional services amounting to \$350,730 from PricewaterhouseCoopers in which a common director exist. These services were purchased on an arm's length basis and no amount is outstanding at the period end.

Note 18. Cash flow information

a. Reconciliation of cash

	2022 \$	2021 \$
Cash at bank and in hand	10,264,188	18,838,539

b. Reconciliation of surplus after income tax to cash flow from operating activities

Surplus from income tax	7,943,786	3,174,794
Non cash flows		
Depreciation and amortisation	3,820,724	3,760,248
Contributed assets	-	-
(Profit)/Loss on sale of property, plant and equipment	(270,619)	(99,244)
Changes in assets and liabilities		
(Increase) / Decrease in receivables	(2,655,762)	(66,847)
(Increase) / Decrease in prepayments and accrued income	(414,672)	403,042
Increase / (Decrease) in payables	409,032	1,490,091
Increase / (Decrease) in lease liabilities	54,071	(194,802)
Increase / (Decrease) in deferred provisions	274,450	283,909
Increase / (Decrease) in grants carried forward	11,876,934	11,258,372

Cash flow from operating activities

	<u>21,037,944</u>	<u>20,009,563</u>
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Aboriginal Housing Victoria Limited
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to *subsection 60.15(2) of the Australian Charities and Not-for-Profits Commission Regulation 2013*.

On behalf of the directors



Tim Chatfield
Director

3 October 2022



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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report Aboriginal Housing Victoria Limited, which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Aboriginal Housing Victoria Limited is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and with Division 60 of the *Charities and Not-for-profits Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act, which has been given to the directors of the entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the registered entity's financial reporting process.



CHARTERED ACCOUNTANTS
AUSTRALIA - NEW ZEALAND

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

LBW Business & Wealth Advisors

Sripathy Sarma

Principal

Dated this 3rd day of October 2022



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More information including our tenancy policies and procedures can be found on our website www.ahvic.org.au