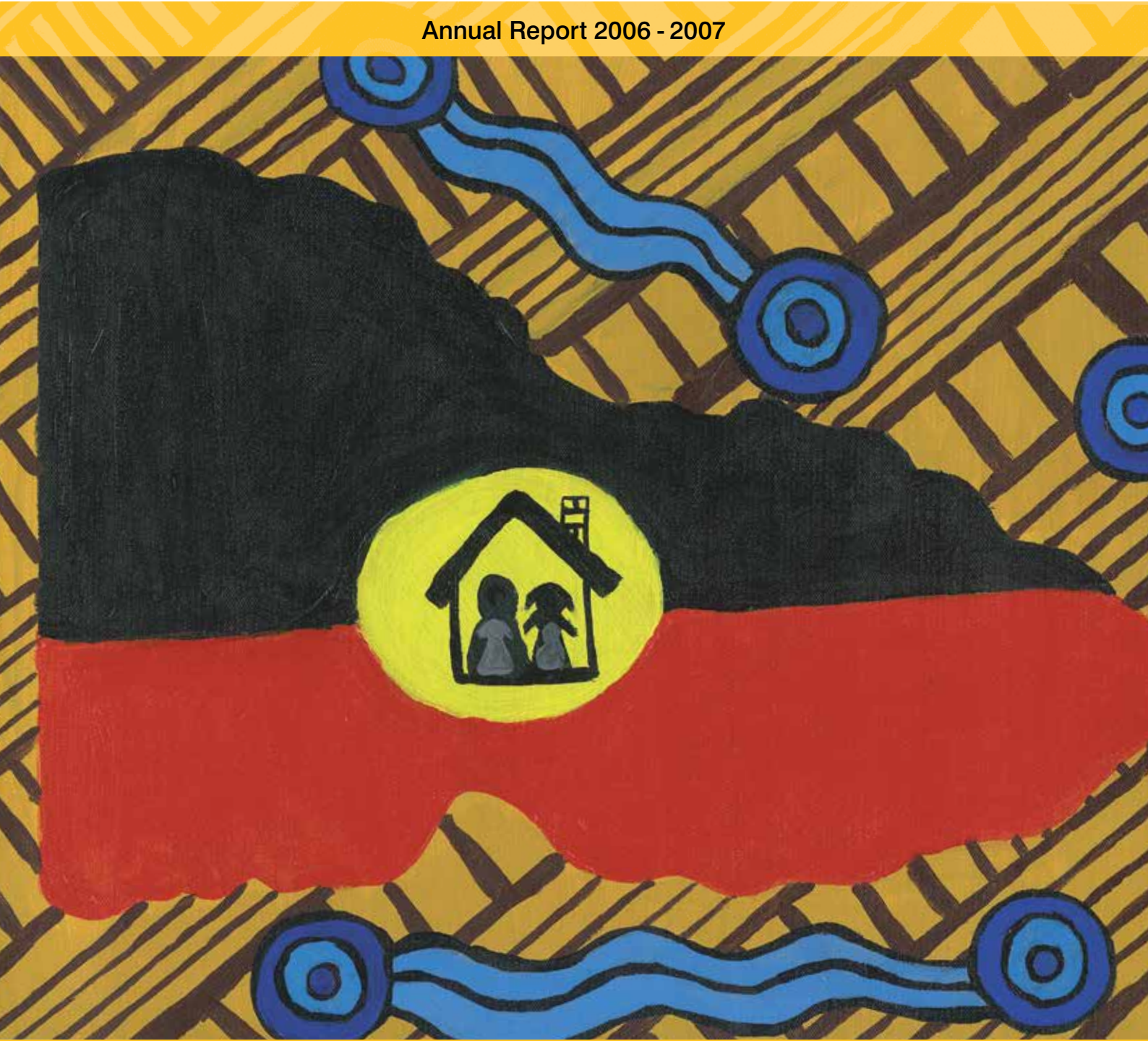


ABORIGINAL HOUSING VICTORIA

Annual Report 2006 - 2007





ABOUT THE ARTIST – MISS MEGAN SOLOMON

Megan is a 15 year old school student, currently doing year 10 at Orbost Secondary College in East Gippsland.

At the moment she is tossing up whether to do Medicine or Art as a chosen career, but says she will have to make her mind up soon.

This painting came about from an after school Art class Megan had been taking. It's called the "Big Brother Mentor Program" which she is really enjoying.

Megan got the idea for this painting by breaking up the words "Aboriginal Housing Victoria".

VISION

IT IS THE VISION OF ABORIGINAL HOUSING VICTORIA THAT ALL ABORIGINAL PEOPLE IN VICTORIA WILL BE HOUSED IN SAFE, SECURE AND AFFORDABLE HOUSING.

PRINCIPLES

Aboriginal Housing Victoria is committed to the following principles:

Confidentiality

Aboriginal Housing Victoria is committed to protecting the privacy of personal information which is consistent with the principles of the Victorian Information Privacy Act 2000.

Empowerment

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

Access, Equity and Participation

Aboriginal Housing Victoria will operate in an open and responsive manner to ensure maximum possible access for applicants and tenants to information and decision making within the organisation; and by referral to other service providers for assistance, information and practical support.

Representation

Aboriginal Housing Victoria will collate and represent the views of its membership in advocating on behalf of tenants and their families and in contributing on their behalf to policy development and service provision.

Collaboration and Co-operation

Aboriginal Housing Victoria will work together with its membership, networks of community based organisation, service providers and funding sources to ensure a consistent quality of service delivery.

Information Dissemination

Aboriginal Housing Victoria will collate, interpret and distribute information concerning community housing to members and tenants. Such information may be gathered as a result of research, discussion or consultation, or through individual advocacy or support.

Information will be treated as a valuable resource to be disseminated through a variety of media and in an easy-to-understand form as a means of empowering members and tenants and their families.

Respectful of Individual Rights

Aboriginal Housing Victoria will respect and promote the individual rights of tenants as encompassed in the National Community Housing Standards, Housing (Housing Agencies) Act 2004, Homelessness Assistance Standards and Indigenous Governance Standards.

KEY STRATEGIC OBJECTIVES BY 2008

- To be acknowledged and recognised as the leading provider of Aboriginal Housing in Victoria.
- To become an accredited Registered Housing Agency by 2008 under the Victorian Housing (Housing Agencies) Act 2004.

KEY INDICATOR FOR SUCCESS IN ACHIEVING STRATEGIC OBJECTIVES

- Aboriginal Housing Victoria's primary success is that it is an Aboriginal Community managed and controlled organisation, whose sole function is housing and that it becomes accepted as such by the Victorian Aboriginal community.
- Aboriginal Housing Victoria is to achieve Housing Association status as required by 2008 and will successfully manage the changing role from tenancy advocacy and support to a landlord and tenancy management role.

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MINISTER'S INTRODUCTION

I AM PLEASED TO INTRODUCE ABORIGINAL HOUSING VICTORIA'S (AHV) ANNUAL REPORT FOR 2006/07.

As this report testifies, 2006/07 was a year of considerable achievement for Indigenous housing in Victoria. As part of its ongoing commitment to the provision of safe, secure and affordable housing for Indigenous Victorians, the Victorian Government allocated significant Commonwealth State Housing Agreement untied funds to the Aboriginal Rental Housing Program (ARHP) in 2006/07, in addition to funds designated for Aboriginal Housing. This enabled the acquisition of over 50 new units for the Aboriginal Rental Housing Program (ARHP), bringing the total number of the properties in the program to 1,337 at June 2007.

The Victorian Government also funded an extensive upgrade program that improved the standard and amenity of 53 homes for Indigenous Victorian's.

While maintaining its advocacy role for Indigenous tenants, Aboriginal Housing Victoria also took significant steps towards achieving management of the Victorian ARHP. 2006/07 saw a name change to Aboriginal Housing Victoria (formerly the Aboriginal Housing Board of Victoria), and the adoption of a new constitution.

As a direct result of the hard work of both Aboriginal Housing Victoria and the Office of Housing, early in 2007 the Director of Housing approved the preconditions for implementation of Stage 2 of the Transition to Independence – Tenancy Management. AHV and the Office of Housing also developed a communications strategy regarding the transition to tenancy management, and have initiated consultations to advise and seek input from Indigenous tenants, applicants and community members about the proposed changes.

Further, it is encouraging to note the leadership AHV has shown over the past year in taking a major role in the development and delivery of a training program specifically targeted at Indigenous housing sector staff, under the auspices of the Victorian Indigenous Housing Joint Planning Committee. This course will build capacity within the sector and improve the delivery of housing assistance to Indigenous Victorians.

I commend this report to you and thank AHV for continuing to play such an important role in the provision of Indigenous housing in this State. I look forward with anticipation, as both Minister for Aboriginal Affairs and Minister for Housing, to an exciting year for Indigenous housing in Victoria in 2007/08 as AHV and OoH work together towards Indigenous self-determination in public housing.



RICHARD WYNNE MP
Minister for Housing
19/8/2007



RICHARD WYNNE MP
MINISTER FOR HOUSING



CHAIRPERSON AND CHIEF EXECUTIVE OFFICER OVERVIEW

ABORIGINAL COMMUNITY OWNERSHIP HAS BEEN THE CONSISTENT AND ULTIMATE GOAL FOR ABORIGINAL HOUSING VICTORIA (AHV).

Aboriginal Community ownership has been the consistent and ultimate goal for Aboriginal Housing Victoria (AHV).

AHV has played a significant role in the delivery of culturally appropriate housing to Indigenous people in Victoria for the last 26 years. AHV understands the complex housing needs of Indigenous people, being well connected with, and having the confidence of, the Aboriginal Community including Aboriginal Co-operatives and organisations across Victoria.

Greater self-determination over Indigenous housing is a goal shared by AHV and Office of Housing (OoH), Department of Human Services.

It is recognised that greater self-determination will benefit Aboriginal Communities by promoting socio-economic independence and ensuring that culturally appropriate housing is provided in culturally appropriate ways and provides pathways to self sustainability and community ownership.

In partnership with OoH, we are progressing **Transition to Independence**.

In the 2006-07 year AHV have strengthened our financial position, recording a net surplus from ordinary business activities of \$702,838. Net assets have increased from \$8.2m to \$8.9m, and in a continued financial improvement a reduction in total liabilities of over \$500,000 has occurred. With the aforementioned in mind, it should be noted that AHV is in a strong financial position to take on the challenge of Transition to Independence.

By December 2008, Aboriginal Housing Victoria will manage the Aboriginal Rental Housing Program as an accredited Registered Housing Agency – under the Victorian Housing (Housing Agencies) Act 2004.

Overview:

There are many critical steps on the ladder to Transition. The most significant of these are:

- Ensuring tenants are informed and provided with opportunities to discuss what is happening, and gaining their support
- Ensuring we have a suitable funding structure now and into the future
- Engaging with tenants that choose to transfer, and managing the transfer process
- Seamlessly ensuring we have an organisational structure that fits our business during and after Transition
- Developing and implementing an IT system that suits the organisations needs and has comprehensive reporting and monitoring functions

Tenant Communication:

In June/July 2007 we went out to Eastern and Northern Metropolitan Melbourne and the Grampians regions to speak to tenants through community forums. At these forums we asked tenants to choose whether they agreed in principle with the idea of coming across to AHV, or would rather stay with OoH. Of the 32% of tenants in these regions that responded, 99% of them said they would want to come across to us. As a result, OoH gave us the go ahead for transition.

The next round of community forums will occur in the Western Metropolitan region and Southern region, followed by Barwon South West region - Warrnambool, Portland and Geelong, and finally Hume, Gippsland and Loddon Mallee regions.

Funding Arrangements:

While AHV undertakes the transition process, we will be funded under two different funding arrangements – a Service Agreement and the Housing Provider Framework (HPF) Lease. The Service Agreement covers our current business. It governs the relationship we currently have with OoH sharing the tasks of management of the ARHP.

The HPF lease will cover our new business for tenancies managed by AHV, and is a “rent retention” model. As we have properties transfer to us on the HPF lease, we will rely on the rents from those properties to run our business. The service agreement funding will decrease relative to the number of properties that are transferred.

Engaging with tenants – Transferring Tenancies

Once we have signed the HPF lease, we will start signing tenants up to AHV.

This will occur in a planned transition approach as follows:

1. OoH contacts tenants in the relevant regions to see if they want to transfer.
2. Tenants that agree to come across will have a property inspection for maintenance that needs to be completed for transition.
3. OoH and AHV then jointly visit the property to do condition reports and sign all the documents.
4. OoH will “vary” the HPF lease to make sure that new AHV managed properties are added onto it in fortnightly cycles.

Under this process, no one will be disadvantaged with changes to the Aboriginal Rental Housing Program but there are benefits which include:

- greater self determination over Indigenous housing
- development of more culturally appropriate housing
- the opportunity for Indigenous training and employment development opportunities through housing construction and maintenance projects
- A new rental model will be introduced taking into account Commonwealth Rent Assistance eligibility.

Tenants will continue to reside in their current home, providing they meet their tenancy obligations with AHV as their landlord.

Tenant Choice

If tenants do not consent or advise that they do not wish to transfer to AHV, their tenancy will revert to Rental General Stock (RGS) and no further assistance or input will be provided from the Aboriginal Housing Officers, Representative Committee members or staff of AHV.

The property will be transferred back to RGS and all policies and procedures for tenancy management and standards for asset management would align with those of the Director of Housing.

Most tenants of the ARHP currently believe that they are already tenants of AHV. Tenants usually contact the Aboriginal Housing Officer prior to seeking advice from



TIM CHATFIELD
CHAIRPERSON



SHARON PATEN
CHIEF EXECUTIVE OFFICER

CHAIRPERSON AND CHIEF EXECUTIVE OFFICER OVERVIEW (CONTINUED)

Office of Housing staff. State-wide tenants and applicants' calls are taken at Aboriginal Housing Victoria's office.

Most tenants will also understand the difference in tenancy management of RABG to RGS with many RGS tenants on the waiting list for transfers to RABG properties.

Tenant Rights and Participation

Aboriginal Housing Victoria has agreed to adopt the National Community Housing Standards as a benchmark for improving service delivery to clients of the ARHP.

AHV is committed to:

- ensuring that tenants and applicants of the ARHP have every opportunity to participate and provide feedback on the activities of the organisation that may impact on them.
- actively seeking the participation of tenants in decisions about their tenancy and the management of the organisation.
- seeking regular feedback on how well the services of the organisation meet the needs of the clients.

Representative Committee

As AHV moves from an advisory role to tenancy management, the organisation is committed to ensuring that tenants are informed of such changes.

This process will take place by a variety of means including tenant newsletters, tenant letters, forums and telephone contacts.

AHV has also established a Representative Committee to consult with tenants and applicants of the organisation and provide opportunities to participate in the decision-making processes. This will be facilitated by convening Community Relations Forums.

Current members of the Representative Committee are:

Rex Atkinson

Pat Ockwell

Ray Clarke

Gary (Gilla) McGuinness

There are current vacancies on the Representative Committee for the Barwon South West region, Gippsland region, Western Metropolitan region and Grampians region.

The benefit of this proposal is to add further community support to the organisation and its activities for transition to ownership and implement formal processes for real community engagement and feedback.

Desired – community relations

1. Community participation in and involvement with AHV decision-making
2. Greater community awareness and support for AHV activities – as well as greater member involvement in community-based activities
3. Marketing/community education plan with increased community awareness, involvement and support

Effective channels of communication:

- 'vertical', ensuring a 2-way free-flow of information and communication from Board right through to points of service delivery
- 'horizontal', ensuring collaborative processes and effort at each level in the organisational structure.

IT System

Sourcing a new software system has been done in the hope of establishing a fully integrated tenancy, property, financial management, HR and payroll solution.

Summary

In closing, we would like to thank the Directors and staff for their dedication and commitment to Transition to Independence. There is much work to be completed and we have a long road ahead. Our staff are undertaking ongoing training to ensure that we remain the leading provider of Indigenous housing in Victoria.

We invite the Victorian Aboriginal community and our key stakeholders to embrace Transition to Independence and join us in becoming a part of "History In The Making".



DIRECTORS



TIM CHATFIELD
CHAIRPERSON



GRAEME AUSTIN
DEPUTY CHAIRPERSON



TREVOR EDWARDS



JACQUALYN TURFREY



SHAUN BRAYBROOK



RAY HARVEY



MARK LIPSON



TENANCY MANAGEMENT REPORT

PREPARATIONS ARE WELL UNDER WAY FOR AHV'S TRANSITION TO FULL TENANCY MANAGEMENT OF THE ABORIGINAL RENTAL HOUSING PROGRAM.

This has meant ongoing training and on the job practical experience for all Aboriginal Housing Officers (AHOs) in every facet of tenancy management including sign ups, arrears collection and utilising VCAT to name a few.

One of the requirements for becoming a Registered Housing Agency is that all staff have accredited competencies relative to their key roles and duties and therefore AHOs are undertaking an intensive 12-month course to obtain the Certificate IV in Indigenous Social Housing. The FaCSIA funded Certificate IV which has been developed and implemented by AHV and Office of Housing (OoH) and delivered by OoH, pays particular attention to knowledge and skills required to manage tenancies. AHV is taking every step to ensure that its AHOs have the ability to effectively manage their properties and in turn reward the community's confidence and trust in AHV taking over the program.

Internally the Tenancy Manager and Deputy Tenancy Manager (assisted by the Tenancy Administration Officer) are also working towards meeting other requirements for becoming a Registered Housing Association and preparing for full tenancy management. This includes many tasks from establishing filing systems, to regular meetings and updates regarding transition and developing and reviewing policies. These tasks are completed in addition to regular daily duties.

This year saw the farewell of longstanding staff within the organisation.

We extend a heartfelt thanks to Rob Wright, Gippsland AHO for over 9 years of contributions. Whilst finding the position challenging at times, the dynamics of the role and his acceptance by the Koori community in the Gippsland region made Rob one of our most talented and dedicated AHOs since AHV's inception, and he will be sorely missed.

Peter MacRae resigned after over 10 years of service with AHV due to family commitments. Macca was a well respected AHO who worked equally well with his Board member and the local Aboriginal community in the Loddon Mallee region. Macca was as effective as he was laid back and was a staff favourite for his footy tales and good nature.

AHV would like to thank Ms Tammie Abernethy, who was employed for 6 months as the Acting Loddon Mallee AHO. Tammie worked well within the community and eagerly took on the role travelling from Mildura through to Bendigo on a fortnightly basis.

Despite the loss of these respected workers, we are pleased to welcome a number of new staff members. Cheryl Jonkers has joined AHV as the AHO for Gippsland, and is based in the Bairnsdale OoH. Carol Hughes is the new AHO for Loddon Mallee and is based in Swan Hill. Janet Moore has been employed as the AHO for Metropolitan East for approximately 6 months as Violet Charles is currently on maternity leave. Violet returns in January 2008, and we would like to congratulate her and Rob Briggs on having a healthy baby boy. Amy Silver has also joined the team as the Administration Officer and is a timely addition, working tirelessly assisting AHV with preparations for transition.

Waiting times for people applying for housing has varied around the State, generally reflecting the trends across the regions for private rental access and affordability. AHVs housing stock has increased in the Loddon Mallee and Dandenong areas and waiting times for housing have decreased in these areas accordingly. In contrast, waiting times continue to increase in Preston, Broadmeadows and Sunshine. One key contributing factor for this is the escalation in the cost of private rental across all of metropolitan Melbourne leading to higher social housing need. People in housing distress are also finding it more difficult to access any Transitional Housing Programs (THM) due to increased demand. AHV will continue to engage actively with THMs in an effort to improve access to transitional housing across Victoria.

In 2006-2007 the Indigenous Tenants at Risk Program was extended across the State and is a program aimed at working with Indigenous tenants to address long term needs that impact on their ability to sustain their tenancies. AHV congratulates the program on its continued success.

In closing we are all looking forward to the challenges of the transition to tenancy management. AHV's commitment to meeting its goal of community ownership will be one step closer and could not have been done without the commitment and close working relationships of the organisation as a whole.





ASSET MANAGEMENT REPORT

ABORIGINAL HOUSING VICTORIA PLAYS AN INTEGRAL ROLE SUPPORTING THE OFFICE OF HOUSING IN THE PLANNING AND DELIVERY OF ASSET MANAGEMENT AND ASSET SERVICES OF OVER 1330 PROPERTIES UNDER THE ABORIGINAL RENTAL HOUSING PROGRAM (ARHP).

Asset management involves short and long term planning, constant monitoring of waiting lists and supply of current stock to ensure it meets the needs and demands of the ARHP.

AHV currently contracts with the Office of Housing via a Service Agreement for the provision of these services. The services include property acquisition (spot purchase and construction), property disposal, property improvement (redevelopment, upgrades and program maintenance) and general repairs and maintenance.

The Asset Manager negotiates with the Property Services and Asset Management Branch at Office of Housing for the provision of these services on behalf of AHV in accordance with annual budgets, and reports on progress to the Directors at monthly Board meetings.

In 2006/07 approximately \$10M of funding was allocated to the asset management portfolio for acquisitions, including spot purchase of properties and land, redevelopment of existing and new sites via constructions and the disposal of properties which had reached the end of economic life and were no longer required by the ARHP.

It is the intention of AHV to ensure that all properties constructed and purchased are of the highest standard achievable within the Social Housing sector and that those properties earmarked for retention are maintained to AHV standards through the upgrade program. In 2006/07 a budget of \$3.2M was allocated to physical improvement.

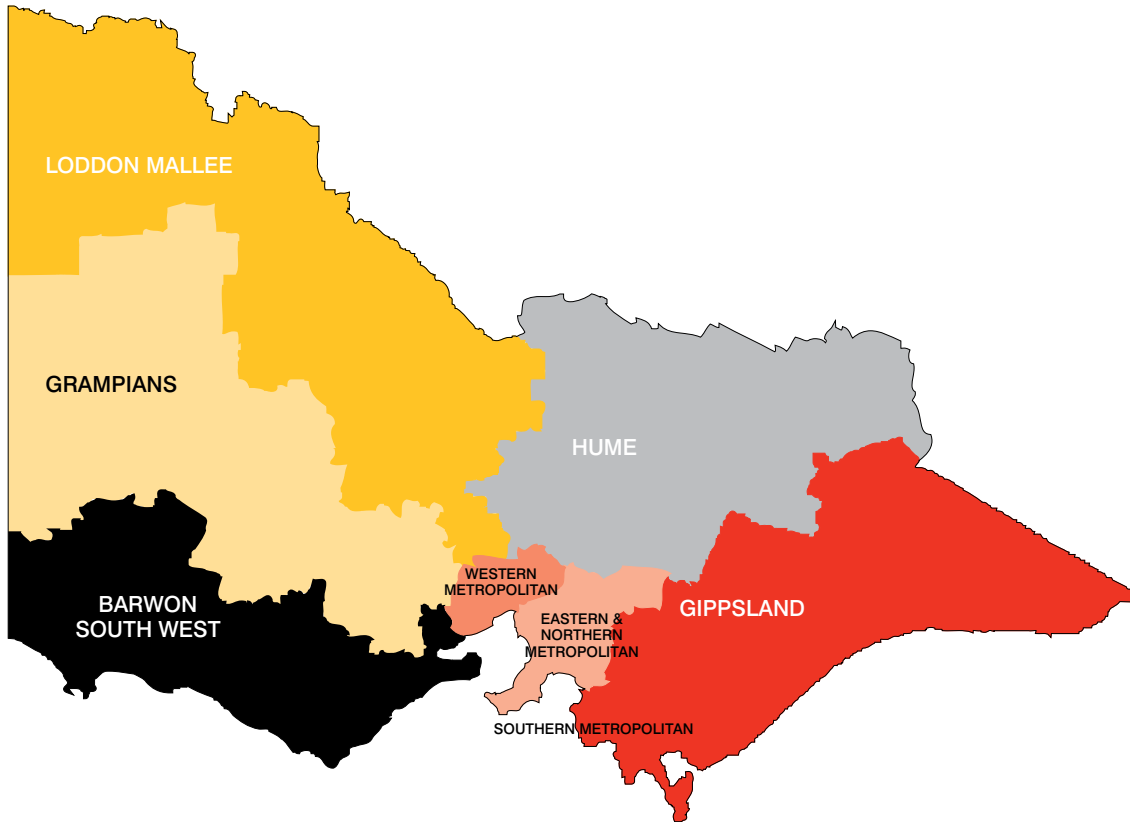
AHV is committed to ensuring that tenants and applicants of the ARHP are housed in areas of demand and that their housing meets their needs in terms of design, accessibility to local support services and infrastructure, cultural connectivity and the provision of links to wider resources.

In the 2007/08 financial year, AHV will be required to sign a Housing Provider Framework (HPF) Lease which will formalise the current asset management arrangements. Under the rent retention model of the HPF Lease, AHV will pay asset and maintenance management fees to the Office of Housing for the provision of such services.

In 2006/07 the program was enhanced by the following acquisitions:

REGION	NEW CONSTRUCTIONS	PURCHASES	TOTAL ACQUISITIONS
Barwon South West	2	2	4
Eastern Metro	0	0	0
Gippsland	11	2	13
Grampians	0	2	2
Hume	3	5	8
Loddon Mallee	7	6	13
Northern Metro	0	6	6
Southern Metro	0	3	3
Western Metro	2	0	2
Total	25	26	51

MAP OF REGIONS



AHV Region	Number of Bedrooms					Total
	1	2	3	4	5	
Barwon South West		37	82	16	1	136
Eastern Metro		13	34	2		49
Gippsland		29	119	38	2	188
Grampians	1	22	71	17		111
Hume		46	103	22	3	174
Loddon Mallee		45	197	38		280
Northern Metro		42	122	48	2	214
Southern Metro		35	83	17		135
Western Metro		11	29	10		50
Total	1	280	840	208	8	1337

STAFF



AHV FUNCTIONS



REPRESENTATIVE COMMITTEE

AS AHV MOVES FROM AN ADVISORY ROLE TO TENANCY MANAGEMENT, THE ORGANISATION IS COMMITTED TO ENSURING THAT TENANTS ARE INFORMED OF SUCH CHANGES.

This process will take place by a variety of means including tenant newsletters, tenant letters, forums and telephone contacts.

AHV has also established a Representative Committee to consult with tenants and applicants of the organisation and provide opportunities to participate in the decision-making processes. This will be facilitated by convening Community Relations Forums.

Each Representative Committee Member is elected by the community and will be the link between the Aboriginal Community, the staff and Board of Directors of AHV.

The Representative Committee Membership consists of eight Representative Members. The current members of the Representative Committee are:

Southern Metropolitan Region	Pat Ockwell
Northern / Eastern Metropolitan Region	Gary (Gilla) McGuinness
Hume Region	Rex Atkinson
Loddon Mallee Region	Ray Clarke

There are current vacancies on the Representative Committee for the Barwon South West region, Gippsland region, Western Metropolitan region and Grampians region.

The benefit of this proposal is to add further community support to the organisation and its activities for transition to ownership and implement formal processes for real community engagement and feedback.



PAT OCKWELL



GARY (GILLA)
MCGUINNESS



REX ATKINSON



RAY CLARKE

NAIDOC EVENT

AS PART OF NAIDOC WEEK 2007, ABORIGINAL HOUSING VICTORIA, TOGETHER WITH IT'S PARTNERS CITY OF YARRA AND COLLINGWOOD CHILDREN'S FARM, CELEBRATED THE UNIQUE AND RICH CULTURE AND HERITAGE OF ABORIGINAL PEOPLE AT ITS ANNUAL NAIDOC FAMILY FUN DAY HELD AT THE COLLINGWOOD CHILDREN'S FARM ON THURSDAY 12 JULY 2007.

The Family Day featured educational presentations such as song, dance, story telling, native reptile display, emu feather craft, boomerang painting and face painting.

The Family Day allows us to publicly recognise and share the activities that make our culture unique, as well as helping build stronger and more supportive communities in the spirit of reconciliation. The whole community was invited to join us in celebrating the NAIDOC Family Fun Day at the Collingwood Children's farm.



SPONSORS AND SUPPORTERS

ABORIGINAL HOUSING VICTORIA GRATEFULLY ACKNOWLEDGES THE GENEROSITY OF THE INDIVIDUALS AND BUSINESSES THAT CONTRIBUTE FUNDS AND SERVICES WHICH ENABLES THE ORGANISATION TO DIRECT IT'S OWN FUNDING TOWARDS THE PROVISION OF PROVIDING SAFE, SECURE AND AFFORDABLE HOUSING TO ABORIGINAL FAMILIES IN VICTORIA.



PILCH

The Public Interest Law Clearing House ('PILCH') is an independent not for profit legal referral service. It seeks to meet the legal needs of community groups, not for profit organisations and individuals from disadvantaged or marginalised backgrounds. PILCH acts as a facilitator for the community to access pro bono legal assistance from the private legal profession.

PILCH has been of great assistance to AHV this past financial year in terms of directing legal advice. We acknowledge the efforts of this service and their competence as a service-provider.



BLAKE DAWSON WALDRON LAWYERS

AHV was referred to Blake Dawson Waldron by PILCH and has received first-class legal advice in relation to a number of matters, most notably the negotiation and agreements associated with the IT initiatives implemented this past financial year.

Blake Dawson Waldron consistently attracts and retains highly skilled lawyers who are committed to serving clients' legal and business needs.

Blake Dawson Waldron understands client's commercial needs, the industries in which they operate and the issues they face – they meet those needs by providing clear, commercially astute solutions.



CITY OF YARRA

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

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



COLLINGWOOD CHILDRENS FARM

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

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

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



OFFICE NATIONAL

Tailoring office supply and technology solutions for business needs, Office National is Australia's independent supplier of Stationery, Office Equipment and Computers. Office National is 100% Australian owned and operated and a proud member of Ausbuy.

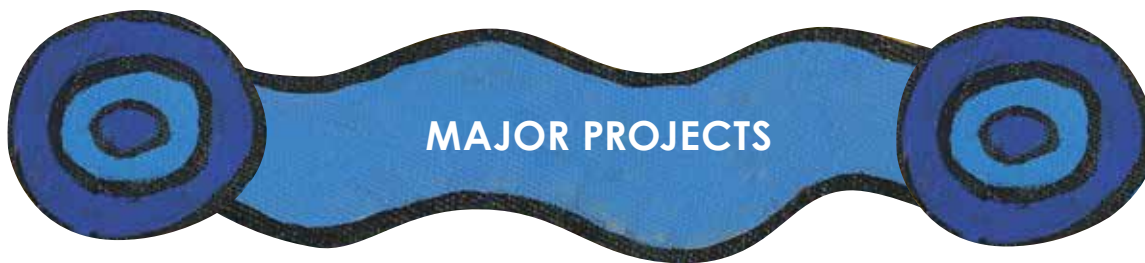
Paul John Office National is a proud and committed supporter of AHV's NAIDOC Week activity at the Collingwood Children's Farm.



DEPARTMENT OF JUSTICE

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

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



Major Projects

Integrated IT Solution

With Transition to Independence progressing, AHV conducted a thorough review of its internal systems and concluded they were not suitable to accommodate the organisations' impending growth. As such, AHV engaged the IT consulting firm XPoint to assist in the preparation of a public Expression of Interest document that was released to the market.

The principle aims of implementing the new software system were:

- A fully integrated tenancy, property, financial management, HR and payroll solution
- The use of messaging and workflow technology to trigger business processes within operational areas
- The provision of performance indicators and strategic planning information through an integrated management information system
- The ability to exchange information with external agencies using standard message protocols, allowing independence from the technology environment and information infrastructure of those external agencies
- Improved access / sharing of data throughout the organisation
- Reduced manual processing and elimination of duplication / replication
- Flexible, comprehensive and user friendly analytical capabilities.

The process produced several high-calibre responses and a short list was made. After rounds of presentations a successful vendor has been selected and AHV is currently in

negotiations with the organisation. It is envisaged that work will begin shortly on the implementation, with a completion date anticipated within the new financial year.

The organisation has outlaid considerable funding and resources on developing its IT systems and capabilities in this financial year. This has been in an attempt to take the organisation to the next level and maintain its growth, with the overriding objective of independence in the future. As such, maintaining a healthy state of financial position through competent and well-managed resources has been balanced with essential disbursements directed toward development and innovation.

In forward planning for the implementation of the software, AHV have expanded their information technology network capacity through the purchase and implementation of an additional three servers with strategic redundancy planning.

The hardware was necessary to make the software easily accessible to staff both centrally and regionally and more importantly in a manner which delivered a fast response time, critical when dealing with pertinent information for in excess of 4000 clients.

AHV believe they are leading the way for the Community Housing sector regarding this major project and hope that the benefits of their hard work will be shared across the sector in due course.

It is gratifying to note that AHV is negotiating to retain the right to sub-licence the software to other Indigenous organisations. If successful, this may prove critical in assisting other organisations enhance their management capacity of their housing programs in a political environment where there is neither the will nor a way that those organisations could access such powerful software.

Certificate IV – Indigenous Social Housing

The Commonwealth Department of Family and Community Services and Indigenous Affairs (FaCSIA) allocated funding for training of Indigenous housing providers in 2005/06 and 2006/07.

The proposal offered AHV, in partnership with OoH, the opportunity to assist in optimising the value of FaCSIA funds in terms of skills development and enhancement within Indigenous Housing Service Providers by increasing the nature and level of competency and performance among Indigenous Housing Officers throughout Victoria.

Working together in this Project, AHV and OoH committed to the design, delivery and evaluation of a Certificate IV in Social Housing for Indigenous Housing Officers which could then be replicated or adapted in other contexts with other target groups. This pilot project featured a combination of existing, adapted and newly created products and processes that were compatible with the National Affordable Housing Strategy that would:

- a) broaden the skill base and provide appropriate opportunities and support for skill development in an accredited training course that enables course participants and their employers to develop individual training plans from a range of training strategies and products,
- b) ensure an effective link between organisations providing affordable housing and their potential and current tenants,
- c) ensure culturally, socially and economically appropriate and relevant structure and process, and
- d) be replicated or adapted in different contexts with and for different target groups.

Training

Training is performed via self-paced learning booklets. Self-paced learning and assessment booklets have been developed for each of the units. Students are required to read the self-paced learning booklets and complete the assessment tasks contained in each assessment booklet.

Support

Support from the Certificate IV Trainer will be provided for all students. This support would include one on one face-to-face visits, telephone support and email correspondence. The trainer visits each student to provide hands on assistance and encouragement to assist with the completion of each unit.

Participants

All AHV Housing Officers (7) and the Aboriginal Cooperatives that directly manage their complete housing portfolio are offered all 12 units within the Certificate IV. The housing workers within these cooperatives would find all units relevant to their current workplace.

To compliment this, training through Bendigo Regional Institute of TAFE (BRIT) through the Homelessness Assistance and Community Housing calendar is also available to all Indigenous housing workers and would be funded through this project.



ABORIGINAL HOUSING VICTORIA SEEKS TO ENSURE THAT IT ADDS VALUE BY GUIDING, ASSISTING AND SUPPORTING MANAGEMENT TO ACHIEVE THE COMPANY'S GOALS.

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

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

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

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

What is corporate governance?

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

Laying solid foundations for management and oversight

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

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

Composition

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

Responsibilities

The responsibilities of the Board include:

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

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

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

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

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

Minutes of committee meetings are tabled at the following Board meeting.

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

Structuring the Board in order to add value

The Board seeks to ensure that:

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

Board Elections

The Board is currently reviewing the elections process to incorporate elections under a new governance structure, however the process for the past elections has been as follows:

- *Terms of Office*
The company's constitution specifies that all Directors must stand for re-election every four years. Any Director appointed by the Board must stand for election at the next Annual General Meeting.
- *Commitment*
The number of meetings of the company's Board of Directors and of each Board Committee held during the year ended 30 June 2007, and the number of meetings attended by each Director is disclosed under "Board of Directors".

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

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

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

Promote ethical and responsible decision making

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

Safeguard integrity in financial reporting

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

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

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

- That the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and are in accordance with relevant accounting standards.

CORPORATE GOVERNANCE (CONTINUED)

- That the above statement is founded on a sound system of risk management and internal compliance and control and which implements the policies adopted by the Board and that the company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

The company adopted this reporting structure for the year ended 30 June 2007.

Make timely and balanced disclosure

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

Recognise and manage risk

The Board, through the Finance, Audit and Risk Committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. These policies are available on the company website. Overall, the company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the company's business objectives and its responsibilities to the community at large.

It is important to note that whilst Financial risk is monitored, there are other risks that are handled and administered from a policy perspective. In this respect, the Policy and Planning Committee mitigates risks such as Residential Tenancy Act issues, ensuring compliance as well as striving for best practice under the National Community Housing Standards (NCHS).

Specifically, the Finance, Audit and Risk Committee consists of the following Directors:

- Mr Mark Lipson (Chairperson)
- Mr Graeme Austin
- Mr Tim Chatfield

The Finance, Audit and Risk Committee have appropriate financial expertise and all members are financially literate and have an appropriate understanding of the housing sector.

The Finance, Audit and Risk Committee operates in accordance with a charter which is available on the company website. The main responsibilities of the Committee are to:

- Monitor any matters outstanding with Auditors, Australian Taxation Office, Australian Securities and Investment Commission and financial institutions and monitor complaints with the Corporations Act 2001;
- Monitor corporate risk assessment and internal controls;
- Review and monitor compliance with the company's Auditor Independence Policy;
- Liaise with external auditors;
- Review the annual audit plan with the auditors;
- Review information derived from the audit;
- Review interim financial information;
- Review accounting policies;
- Monitor risks relating to business continuity, disaster recovery and reputation;
- Review compliance with relevant Government regulations;
- Assess the performance of financial management;
- Review adequacy of insurance coverage;
- Recommend to the Board, the appointment, re-appointment or replacement of the external auditors;
- Review performance and compensation of the external auditors; and
- Supervise special investigations as directed by the Board.

In fulfilling its responsibilities, the Finance, Audit and Risk Committee:

- Received regular reports from management and the external auditors;
- Meets with the external auditors at least once per year or more frequently if necessary;
- Reviews the processes the CEO and Finance Manager have in place to support their certifications to the Board;
- Reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved; and

- Provides the external auditors with a clear line of direct communication at any time to either the Chairperson of the Finance, Audit and Risk Committee or the Chairperson of the Board.

The Finance, Audit and Risk Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

Encourage enhanced performance

The Board will undertake a regular self assessment of its collective performance, the performance of the CEO, Chairperson and of its Committees. Management is invited to contribute to the appraisal process which will be facilitated by an independent third party. The Board seeks to approve the criteria for assessing performance of senior management and for monitoring and evaluating the performance of senior management generally.

Remunerate fairly and responsibly

The responsibilities of the previous Remuneration Committee are now undertaken by the Finance, Audit and Risk Committee. Such responsibilities include monitoring matters outstanding with auditors, the ATO, ASIC and financial institutions as well as monitoring complaints with the Corporations Act 2001.

Recognise the legitimate interests of stakeholders

The Board acknowledges its responsibilities to external stakeholders and the wider community at large. This includes other affiliated companies as well as the environment, Aboriginal and non-Aboriginal community members.

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS DURING THE YEAR ENDING 30 JUNE 2007

	Board		Planning & Policy		Constitution		Finance, Audit & Risk (Remuneration)	
	A	B	A	B	A	B	A	B
Tim Chatfield	11	11					7	7
Pat Ockwell	11	7						
Trevor Edwards	11	11	1	1	1	1		
Rex Atkinson	11	7						
Graeme Austin	11	9					7	7
Raymond Clarke	11	7						
Lionel Dukakis	11	7						
Mark Lipson	11	9					7	7
Ray Harvey	11	9						
Jacquelyn Turfrey	11	10			1	1		
Shaun Braybrook	11	7						

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

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



THE COMPANY DIRECTORS

Tim Chatfield

Chairperson

Mr Chatfield has served on the Board since October 2003 and was elected to the position of Chairperson in October 2004.

An active Aboriginal community member, Mr Chatfield is Chairperson of Martang Pty Ltd, Chairperson for the Victorian Indigenous Housing Joint Planning Committee and is Deputy Chairperson for the Aboriginal Cultural Heritage Council Victoria.

Mr Chatfield has worked in many fields for and on behalf of the Victorian Aboriginal community including former Tumbukka Chairperson, ATSIC and former Ministerially appointed Taskforce Member, Victorian Indigenous Family Violence Strategy.

Mr Chatfield is highly regarded for his leadership qualities and his commitment to community driven outcomes.

Graeme Austin

Deputy Chairperson

Mr Graeme Austin is one of Aboriginal Housing Victoria's inaugural Board Members. Having served the company for two years from 1981 to 1983, he was then re-elected in 2002 and was appointed to the position of Deputy Chairperson in 2007.

Mr Austin has been active within the Victorian Aboriginal community for over 39 years, and is a respected person for the Koori Court Division of the Broadmeadows Magistrates Court.

Mr Austin has a strong passion and commitment for Aboriginal Health, youth, sport and recreation in Victoria. He previously held the position as CEO of the Victorian Aboriginal Health Service, and is currently working as the Bringing Them Home (BTH) Worker.

Mr Austin also serves as Deputy Chairperson of MAYSAR (Melbourne Aboriginal Youth, Sport And Recreation), MAYSAR Representative on the RAJAC committee and Member of Kirrae Whurrong Native Title Working Group.

Ray Harvey

BE Civil, M. Eng. Sci, MBA (Distinction), M. Eng. Sc, MUBSA

Mr Harvey was appointed to the Board in July 2006, bringing with him an extensive knowledge of the property industry.

Mr Harvey has a focus on property development and investment projects and corporate real estate, following over 20 years experience in engineering, investment and property advisory.

Particular skills include the evaluation and structuring of commercial arrangements and investments in a wide range of property developments, development analysis and documentation, corporate property portfolio reviews and appraisals, development and implementation of rationalisation strategies risk assessment, tender processes, project management and due diligence.

Mr Harvey is a director of Russell Harvey Pty Ltd, a Council member of Old Colonists Association of Victoria, a member of the Property Committee of the Salvation Army Melbourne Advisory Board, a director of Mornington Boat Haven Limited and a Director of R & J Harvey Pty Ltd.

Shaun Braybrook

Shaun Braybrook was elected to the Board in September 2005 and is well regarded in the Aboriginal community for his work across the Justice System.

Mr Braybrook is Co-Manager of the Wulgungo Ngalu, Learning Place for the Department of Justice, Corrections Victoria. Mr Braybrook is committed to achieving culturally appropriate programs for Aboriginal people who are part of the criminal justice system, with a particular focus on housing outcomes for incarcerated persons upon their release.

Mr Braybrook is committed to achieving personal best through a healthy lifestyle through his involvement in many sporting activities across Victoria, in particular as a football coach and his involvement with the Statewide annual Indigenous Football / Netball Carnival.

Jacquelyn Turfrey

LLB (Hons), GRAD DIP EOA, CSA

Jacquelyn Turfrey was appointed to the Board in July 2006 bringing extensive Corporate Law experience and knowledge gained through working for organisations such as National Australia Bank Limited, Dunhill Madden Butler / Deacons, Australia University, Australian Taxation Office and Bureau of Meteorology.

Ms Turfrey has recently relocated to Western Australia to take on the role of Senior Legal Officer for the Yarwuru (Rubibi) community, with the Kimberly Land Council whilst still maintaining an active presence on the Board.

Ms Turfrey's other interests include Indigenous Law Students and Lawyers Association of Victoria, Law Institute of Victoria, Australian Corporate Lawyers Association, Chartered Secretaries Australia and Taxation Institute of Australia.

Trevor Edwards

Trevor Edwards is Aboriginal Housing Victoria's longest serving Board Member, having served the Company for 6 years between 1981 and 1987 before being elected again in 1990.

Mr Edwards has been active in the Aboriginal community for over 35 years and is well known across Victoria, having served on numerous company boards over a number of years, showing a passion for good governance. Mr Edwards has a strong vision for self determination through economical development sustainability and is a strong advocate for social economic outcomes on behalf of the community, particularly low income earners.

Mr Edwards is the CEO for Wautharong Co-Operative and serves as a Director for Native Title Services. Mr Edwards is the current Community Justice Panel Worker for the Geelong area.

Mark Lipson

B.Bus., B.Ed., Al.Arb.A, CA

Mark Lipson was appointed to the Board in July 2006, bringing with him Commercial Accounting, Auditing and Risk Management expertise.

Mr Lipson is a Forensic Accountant with over 20 years of expertise in professional accounting practice and family law matters. He has been heavily involved in providing evidence in family law matters in the Family Court of Australia, has given evidence in a number of commercial matters in the Supreme Court of Victoria, the Country Court of Victoria and the Federal Court of Australia.

Mr Lipson is a member of the Institute of Chartered Accountants in Australia, Institute of Chartered Accountants in Australia Professional Conduct Tribunal, CPA Australia, Forensic Accountants Special Interest Group, an associate member of the Institute of Arbitrators and Mediators in Australia and is also a part time ordinary member of VCAT in the legal practice list.

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2007.

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

Tim Chatfield	Jacquelyn Turfrey
Graeme Austin	Pat Ockwell (Representative Committee, 16/02/07)
Trevor Edwards	Lionel Dukakis (resigned, 30/06/07)
Shaun Braybrook	Ralph (Rex) Atkinson (Representative Committee, 16/02/07)
Mark Lipson	Ray Clarke (Representative Committee, 16/02/07)
Ray Harvey	

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

The surplus of the company for the financial year after providing for income tax amounted to \$702,838.

A review of the operations of the company during the financial year and the results of those operations found that as the Company moves towards Transition to Independence, the resources and funding required have both increased. These changes have seen an increase in the grant for operations from the Office of Housing of 9% from \$1,590,864 to \$1,741,644. A decrease in other Grant Funding has seen the surplus decrease for the year ended 30 June 2007. It should be noted that the large increase in both rental revenue and cost of sales has been a result of additional properties being added AHV's portfolio and properties being managed for a full year.

No significant changes in the company's state of affairs occurred during the financial year.

The principal activities of the company during the financial year were to advise the Office of Housing (OoH), Department of Human Services (DHS) on all aspects of the Victorian Aboriginal Rental Housing Program and provide advocacy and support to tenants of the VARHP.

No significant change in the nature of these activities occurred during the year.

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (IFRS), the company's financial report has been prepared in accordance with those standards. The company prepared General Purpose Financial Reports for the first time in 2006.

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

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

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

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

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

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

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 26.

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



Director: Tim Chatfield



Director: Mark Lipson

Dated this 21 day of September 2007



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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there have been:

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

LBW CHARTERED ACCOUNTANTS

PETER LANDERS

Date: 21 September 2007

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INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2007 \$	2006 \$
Rental revenue	2	152,680	79,118
Cost of sales		(219,460)	(38,318)
Gross profit		(66,780)	40,800
Other revenues	2	3,027,830	5,322,168
Deduct:			
Board Member expenses		163,737	152,707
Building & Equipment expenses		33,334	58,970
Communication expenses		72,815	43,585
Employee & Related expenses		1,009,185	805,740
IT Expenses		109,562	53,046
Administration Expenses	3, 4	238,039	141,897
Project Expenses		558,185	408,558
Other expenses		73,355	121,048
Surplus before income tax		702,838	3,577,417
Income tax expense	1a	-	-
Surplus attributable to Organisation		702,838	3,577,417

BALANCE SHEET AS AT 30 JUNE 2007

	NOTE	2007	2006
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,192,576	2,518,240
Term Deposit		74,420	70,874
Trade and other receivables	6	12,853	39,895
Prepayment	7	32,874	5,402
TOTAL CURRENT ASSETS		2,312,722	2,634,411
NON-CURRENT ASSETS			
Quarantined Funds		38,457	-
Office Land and Buildings	8	1,045,443	1,050,000
Rental Land and Buildings	8	6,776,786	6,316,041
Plant , equipment and Motor vehicles	8	104,667	92,724
TOTAL NON-CURRENT ASSETS		7,965,353	7,458,765
TOTAL ASSETS		10,278,075	10,093,176
CURRENT LIABILITIES			
Trade and other payables	9	64,074	123,759
Employee Provisions	10	51,077	53,782
Grants Carried Forward	11	1,223,159	1,678,707
TOTAL CURRENT LIABILITIES		1,338,310	1,856,248
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		1,338,310	1,856,248
NET ASSETS		8,939,765	8,236,928
EQUITY			
Issued capital		-	-
Reserves	12	539,211	539,211
Retained earnings		8,400,555	7,697,717
TOTAL EQUITY		8,939,765	8,236,928

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2007

	NOTE	SHARE CAPITAL		
		Ordinary Shares	Retained Earnings	Asset Revaluation Reserve
		\$	\$	\$
Balance at 30 June 2005		-	4,120,300	-
Revaluation increment (decrement)		-	-	539,211
Surplus for 2005/06		-	3,577,417	-
Balance at 30 June 2006		-	7,697,717	539,211
Surplus for 2006/07		-	702,838	-
Balance at 30 June 2007		-	8,400,555	539,211

CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2007

	Note	Company	
		2007	2006
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Rent Received		158,926	60,531
Grants Received		2,488,007	1,868,129
Payments to suppliers and employees		(2,012,037)	(1,421,661)
Surplus from Auspiced Funds		(452,081)	285,178
Interest received		52,777	38,123
GST Received/(Paid)		(17,018)	(273,934)
Finance costs		-	-
Other Income		939	337
Net cash provided by (used in) operating activities	16	219,513	556,703
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,818	7,323
Proceeds from sale of investments		-	-
Purchase of Rental Properties		(508,195)	(3,192,049)
Purchase of plant and equipment		(38,802)	(56,885)
Net cash provided by (used in) investing activities		(545,178)	(3,241,611)
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash provided by (used in) financing activities		-	-
Net increase in cash held		(325,665)	(2,684,908)
Cash at beginning of year		2,518,240	5,203,148
Cash at end of year	5	2,192,576	2,518,240

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Basis of Preparation

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

Reporting Basis and Conventions

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

Accounting Policies

a. Income Tax

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

b. Property, Plant and Equipment

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

Property

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

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

Plant and equipment

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

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

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

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

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

Depreciation

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

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

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

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

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

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

c. Leases

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

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

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

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

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

d. Impairment of Assets

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

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

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

e. Employee Benefits

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

f. Provisions

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

g. Cash and Cash Equivalents

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

h. Revenue

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

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

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

i. Borrowing Costs

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

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

j. Goods and Services Tax (GST)

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

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

k. Comparative Figures

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

NOTE 2: REVENUE

Note	2007	2006
	\$	\$
Operating activities		
- Rental revenue	152,680	79,118
Total Revenue	152,680	79,118
Grant revenue activities		
- Office of Housing, Dept of Human Service Stream 2	1,741,644	1,590,864
- Office of Housing, Dept of Human Service Stream 1	(13,191)	49,085
- FACS Grant revenue	748,444	3,308,211
Total Grant revenue	2,476,897	4,948,160
Other Income		
a. Interest revenue from:		
- other entities	56,323	38,123
Total interest revenue	56,323	38,123
b. Other revenue from:		
- OoH Transfer of Assets	-	17,278
- Donations	889	337
- Project Income	34,060	19,578
- Auspiced fund revenue	452,081	285,179
- Other Income	7,580	13,513
Total Other income	494,610	335,885
TOTAL OTHER REVENUES	3,027,830	5,322,168

NOTE 3: LEASE EXPENSE

Note	2007	2006
	\$	\$
Expenses		
Rental expense on operating leases		
- minimum lease payments	133,372	82,229
- contingent rentals	-	-
- rental expense for sub-lease	-	-

NOTE 4: AUDITORS' REMUNERATION

Note	2007	2006
	\$	\$
Remuneration of the auditor of the entity for:		
- auditing or reviewing the financial report		
LBW Chartered Accountants 2006/07 (Accrued)	11,000	6,900
Eric Townsend & Co	-	4,850

NOTE 5: CASH AND CASH EQUIVALENTS

Note	2007	2006
	\$	\$
CURRENT		
Cash at bank and in hand	1,236,815	1,110,398
PB Trust Auspiced Account	955,761	1,407,842
	2,192,576	2,518,240

NOTE 6: TRADE AND OTHER RECEIVABLES

Note	Company	
	2007	2006
	\$	\$
CURRENT		
Rental receivables	12,340	18,587
Provision for impairment of receivables	-	-
	12,340	18,587
Other receivables	513	21,308
	12,853	39,895

NOTE 7: OTHER ASSETS

Note	Company	
	2007	2006
	\$	\$
CURRENT		
Prepayments	32,874	5,402
	32,874	5,402

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Note	2007 \$	2006 \$
OFFICE LAND AND BUILDINGS			
Freehold land at:			
- independent valuation 2007	a	739,211	739,211
- directors' valuation 2001			
Total land		739,211	739,211
Buildings at:			
- independent valuation 2007	a	310,789	310,789
- directors' valuation 2001 at cost			
Less accumulated depreciation		(4,557)	-
Total buildings		306,232	310,789
Total land and buildings		1,045,443	1,050,000
RENTAL LAND AND BUILDINGS			
Freehold land at:			
- independent valuation 2007		3,799,035	3,624,035
- directors' valuation 2001			
Total land		3,799,035	3,624,035
Buildings at:			
- independent valuation 2007		3,163,293	2,830,098
- directors' valuation 2001 at cost			
Less accumulated depreciation		(185,542)	(138,092)
Total buildings		2,977,751	2,692,006
Total Rental Land and Buildings		6,776,786	6,316,041
PLANT AND EQUIPMENT			
Plant and equipment:			
At cost		145,284	136,653
Accumulated depreciation		(40,616)	(48,289)
Accumulated Impairment losses		-	-
		104,667	88,364

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Note	2007	2006
	\$	\$
MOTOR VEHICLES		
Motor Vehicles at Cost	-	24,919
Less accumulated depreciation	-	(20,558)
Total Motor Vehicles	-	4,361
Total Plant , Equipment & Motor Vehicles	104,667	92,724
Total property, plant and equipment	7,926,897	7,458,765

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

NOTE 8(a)

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

	Freehold Land	Buildings	P & E & MV's	Rental Land	Rental Buildings	Total
	\$	\$	\$	\$	\$	\$
a. Movements in Carrying Amounts						
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year						
Company:						
Balance at the beginning of year	739,211	310,789	92,724	3,624,035	2,692,006	7,458,765
Additions	-	-	38,801	175,000	333,195	546,996
Disposals	-	-	(2,803)	-	-	(2,803)
Revaluation increments/ (decrements)	-	-	-	-	-	-
Depreciation expense	-	(4,557)	(24,055)	-	(47,449)	(76,061)
Capitalised borrowing cost and depreciation	-	-	-	-	-	-
Carrying amount at the end of year	739,211	306,232	104,667	3,799,035	2,977,752	7,926,897

Note	2007	2006
	\$	\$
b. Had land and buildings been stated at historical cost amounts they would be as follows:		
Cost	510,789	510,789
Accumulated depreciation	(88,156)	(83,599)
Net book value	422,633	427,190
c. Impairment Losses		
There have been no impairment losses recognised by Aboriginal Housing Victoria in the 2006-2007 financial year.		

NOTE 9: TRADE AND OTHER PAYABLES

Note	2007	2006
	\$	\$
CURRENT		
Unsecured liabilities	-	7,000
Trade payables	15,289	66,137
Sundry payables and accrued expenses	48,785	50,622
	64,074	123,759

NOTE 10: PROVISIONS

Note	2007	2006
	\$	\$
Analysis of Total Provisions		
Current	51,077	53,782
Non-current	-	-
	51,077	53,782

Provision for Long-term Employee Benefits

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

NOTE 11: GRANTS

Note	2007	2006
	\$	\$
Name of Grant		
ATSIC Tfr Aboriginal Hsg Co-Op Properties	19,114	19,114
Housing Week Grant	-	2,367
Dja Dja Liquidation funds	41,221	-
Aboriginal Affairs Victoria (AAV) Grant (Book Project)	3,408	11,902
City Of Yarra – Grant (Naidoc Family Day)	2,099	6,537
Auspiced Grant Nahs Funding PB Trust	955,761	1,407,842
FACSIA Cert Iv Grant	124,768	220,000
Coda Grant	-	10,945
FACSIA Housing grant	76,788	-
TOTAL GRANTS NOT YET SPENT	1,223,159	1,678,707

NOTE 12: RESERVES
Asset Revaluation Reserve

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

NOTE 13: CAPITAL AND LEASING COMMITMENTS

Note	2007	2006
	\$	\$
a. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments		
- not later than 12 months	63,494	125,983
- between 12 months and five years	38,046	90,008
- greater than five years	-	-
	101,540	215,991

b. Capital Expenditure Commitments

There are no current capital commitments.

NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

There are no contingent liabilities nor contingent assets as at 30th June 2007.

NOTE 15: SEGMENT REPORTING

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

NOTE 16: CASH FLOW INFORMATION

Note	2007	2006
	\$	\$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Operating surplus/(deficit) after income tax	702,838	3,577,417
Depreciation of Non-Current Assets	76,061	66,847
Reversal of Depreciation	-	(83,599)
Decrease/(Increase) in Fixed asset w/off	6,363	146
Less: Profit on sale of MV	(5,378)	-
Decrease/(Increase) in debtor w/off	20,796	-
Interest Adjustment	(3,545)	-
Decrease/(Increase) in current receivables	6,246	(169)
Increase/(Decrease) in payables	(59,686)	(288,400)
Increase/(Decrease) in prepayments	(27,472)	(4,632)
Increase in current provisions	(2,705)	32,650
Reclassification of Term Deposit	-	70,874
Increase/(Decrease) in Grants c/fwd	(494,005)	(2,814,431)
Net cash provided by operating activities incl Auspiced Grants	219,513	556,703

NOTE 17: EVENTS AFTER THE BALANCE SHEET DATE

There were no such events after balance date.

NOTE 18: KEY MANAGEMENT PERSONNEL COMPENSATION

	Note	Short-term benefits \$	Post employment benefit \$
2007			
Total compensation		140,983	-
2006			
Total compensation		85,788	-

NOTE 19: RELATED PARTY TRANSACTIONS

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

NOTE 20: COMPANY DETAILS

The registered office of the company is:

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

The principal place of business is:

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

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on the preceding pages are in accordance with the *Corporations Act 2001*:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the company and company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director: Tim Chatfield



Director: Mark Lipson

Dated this 21 day of September 2007



Chartered Accountants

Peter Landers FCA

Richard Bull FCA

Andrew Wierzbowski CA

Nicholas Klein CA

Simon Flowers CPA

Affiliate KAA

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

Report on the financial report

We have audited the accompanying financial report of Aboriginal Housing Victoria, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's responsibility

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

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

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

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Chartered Accountants

Peter Landers FCA
Richard Bull FCA
Andrew Wierzbowski CA
Nicholas Klein CA
Simon Flowers CPA
Affiliate ICAA

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Aboriginal Housing Victoria, on 21 September 2007, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's opinion

In our opinion:

- a. the financial report of Aboriginal Housing Victoria, is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

LBW Chartered Accountants

Peter Landers

Dated this 21st day of September 2007

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