



Aboriginal Housing Victoria

Annual Report 2007 - 2008



About the Artist

Ms Colleen Howell

Colleen is a passionate Victorian artist from the Barwon South-West region. Colleen, who has been painting for most of her life, was inspired to paint this piece after completing her certificate in Arts at the Gordon Institute of TAFE.

The artwork represents the freedom of our people coming home. The background resembles the land, 'our land', the footprints resembles the people, 'our people' and the house resembles home, 'our home'.

Our Vision

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



Our Values

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

Empowerment

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

Access, equity and participation

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

Representation

AHV represents its membership to work towards achieving a fair distribution of resources to services which are relevant and accessible to tenants and their families.

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

Collaboration and co-operation

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

Information dissemination for empowerment

AHV collects, collates, interprets and distributes information about community housing and related matters to members and tenants. Such information may be gathered as a result of research, discussion or consultation, or through individual advocacy or support.

This information is treated as a valuable resource to be disseminated through a variety of media and in an easy-to-understand format as a means of empowering members and tenants and their families.

Respect for people and their individual rights

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

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



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Minister's Introduction

2007-08 was another successful year in the partnership between the Victorian Government and Aboriginal Housing Victoria (AHV), with a number of significant achievements made.



Richard Wynne MP
Minister for Housing
Minister for Aboriginal Affairs

In December 2007, the Government and AHV announced that Aboriginal public housing tenants living in properties managed through the Aboriginal Rental Housing Program would be given the opportunity to transfer their tenancies to AHV. I am pleased to report that the transition process has been occurring at a steady pace, with over 300 tenancies transferred to AHV management by 30 June 2008.

Importantly, by transferring tenancy management to AHV, tenants have access to an Aboriginal landlord and a more personalised and culturally sensitive service by Aboriginal people for Aboriginal people – with a particular emphasis on meeting individual needs.

The Office of Housing will continue to work closely with and support AHV to progress its transition to independence.

The quality of, and access to, Aboriginal-specific social housing was further improved in 2007-08. The Victorian Government doubled the acquisition budget for AHV, following the allocation of an additional \$7.5 million for the program. 52 properties were acquired for Aboriginal housing in 2007-08, bringing the total number of Aboriginal-specific properties to 1,361 at 30 June 2008. Further acquisitions are planned for the ARHP in 2008-09.

Significant funding has also been allocated for repairs and maintenance of ARHP properties, to ensure that these properties are of a high standard and meet the needs of tenants.

A key highlight for the year was the successful completion of the Certificate IV in indigenous Social Housing by seven AHV staff. These students were among the first to undertake this accredited training package, and are expected to graduate in late 2008. The Certificate IV, a joint initiative between AHV and the OoH, offers students the opportunity to build their skills in delivering social housing and help strengthen their organisations' capacity. The training package was also offered to staff from Aboriginal Cooperatives which directly manage Aboriginal community housing.

I look forward to continuing to work with AHV to achieve positive outcomes in Aboriginal housing. I am pleased to present to you AHV's Annual Report for the year ending June 30 2008.

Chairperson's Overview

The past twelve months have seen the culmination of 27 years of hard work, dedication and commitment to achieving the ultimate and consistent aim of Aboriginal ownership of the Victorian Aboriginal Rental Housing Program (VARHP).



Tim Chatfield
Chairperson

In the 2007/08 financial year, tenants in the VARHP overwhelmingly supported Aboriginal Housing Victoria (AHV) as their preferred landlord and supported the path to true independent ownership of the VARHP by agreeing to transfer their tenancy to AHV.

In doing so, they effectively agreed to the transfer of the properties to the organisation, thereby ensuring Indigenous management and occupation for their family and the families of generations to come.

The commencement of tenancy management by AHV of the VARHP requires a head lease, which allows AHV to lease the VARHP properties from the Director of Housing and then sub-lease those properties to eligible tenants.

AHV has taken over the responsibility for tenancy management, however, property management (eg. maintenance) will continue to be carried out by the Office of Housing in the interim.

AHV operates within a Housing Provider Framework (HPF) that informs the lease of these properties in future arrangements. The Housing Provider Framework is a single funding and service agreement framework for community housing organisations to manage Director of Housing owned long-term properties and was introduced in January 2006.

Tenant Choice Surveys were conducted in random areas to establish the level of support for the Transition and to satisfy State Government of the support for the process and ultimately for Indigenous ownership of the program.

Of the 32% of tenants within the sample region who responded to the Tenant Choice Survey, 99% were supportive of the Transition to Independence.

This resulted in the State Government agreeing to the process of Transition to Independence.

With the Federal Government decision to hand over responsibility of its Housing programs to the States, AHV is in a unique position of being one of very few Indigenous owned and managed Companies to attain and/or retain ownership of its housing portfolio.

The hard work is not yet over, despite 80% of tenants agreeing to transfer, there are still 20% not transferring which will result in a loss of 272 properties from a total of 1361.

272 families will miss out on housing in the future!

I urge those tenants who have not yet committed to transferring to AHV, call the Directors, call the Members or ask the staff to come out to home visit to discuss the changes, but most of all call to support Aboriginal ownership of the Victorian Aboriginal Rental Housing Program.

As Chairperson of the organisation, I am proud of the way the Aboriginal community embraced the change and equally proud of my fellow Directors, Members of the Company and staff for their unwavering commitment to achieving this success and honouring the past commitments of Directors and Members before us.

Chief Executive Officer's Report

Aboriginal Housing Victorias overarching management priorities are to effectively transfer all tenancies and stock under the Aboriginal Rental Housing Program across to the Company and to manage that portfolio effectively in a manner that retains the core principles of the organisation to provide safe, secure, affordable housing to the Victorian Aboriginal Community.



Sharon Paten
Chief Executive Officer

The challenges faced by the organisation are the ability to sustain tenancies, maintain a high level of customer service and ensure the organisation is financially viable and retains a surplus in which to provide the growth required to meet the needs of the Aboriginal community beyond its current capacity.

In the 2007-2008 year, AHV strengthened our financial position recording a net surplus from ordinary business activities of \$236,986. Net assets have increased from \$8.9m to \$9.2m, and in a continued effort of financial improvement current liabilities were reduced from \$1.3m to \$0.4m an improvement of \$900,000. AHV is in a strong financial position to continue the challenge of Transition to Independence.

By 30 June 2009, Aboriginal Housing Victoria hopes to directly manage at least 80% of the Aboriginal Rental Housing Program portfolio of approximately 1360 properties.

At 80% of the portfolio, AHV are in the financial position to be able to sustain the administration of the Company, and maintain the portfolio to it's current standard.

As AHV strives to reassure those uncertain tenants about the change of landlord and assure them of our commitment to a greater level of customer service, the greater the number of properties above 80%, the greater our capacity to achieve growth in the number of properties in the program.

With the announcement of the end of the Commonwealth State Housing Agreement in December 2008, AHV no longer has access to capital growth funds to grow the program by the agreed 21 properties per year.

Tackling the housing affordability and private rental crisis is arguably one of the most critical issues facing disadvantaged Australians. The ability of the Aboriginal community to compete in such a competitive market has resulted in a higher demand for our services from low wage earners who are being squeezed out of the private rental market.

These emerging families are now competing with families on benefits and creating a demand for housing which cannot be met without the entire program transferring across to AHV.

Each and every tenant in the Aboriginal Rental Housing Program has a role to play in ensuring that affordable Aboriginal housing is available for future generations.

Progress on Transition to Independence

As at 30th June, AHV have transferred 344 properties across Northern, Western, Eastern and Southern Metropolitan areas & Grampians region.



The First Transfer
Aunty Georgina Williams and
Minister Richard Wynne

AHV will commence the process of signing over tenants in Loddon Mallee, Barwon-South West, Gippsland and Hume regions shortly but to date we have over 300 properties signed over. AHV would like to congratulate those tenants who have come across. Your support is truly appreciated particularly as the long-term success of the program would not be possible without you.

AHV has implemented several processes to assist tenants with a smooth transition to AHV such as seeking approval on behalf of tenants to set up Centrepay deductions (direct debit rent payments) and claim rent assistance. This could not have been possible without the ongoing assistance of Centrelink and their staff who have been incredibly supportive since the start of Transition and are eager to see the realisation of AHVs dream to achieve community ownership of the program.

AHV extends its deepest thanks to the Centrelink team.

What happens to Tenants not coming over to AHV

AHV only has until 30 June 2009 for all remaining tenants to transfer their lease across to AHV. Office of Housing will be forwarding letters to tenants to advise of the process.

Tenants who choose not to transfer across to AHV will become mainstream public housing tenants with the Office of Housing and will receive no future support from AHV.

Choosing not to sign over to AHV also means that the property will be lost from the program and put back into the mainstream housing program, which in turn means less people from the community able to be housed by AHV in the future. The organisations ability to sustain itself into the future relies on tenants signing across.

AHV strongly encourages tenants to sign across to AHV not only for the future of the organisation but for the future of Indigenous housing in Victoria.

BROAD OVERVIEW OF RECENT ACHIEVEMENTS:

- Organisational and Operational review and restructure that supports the current and future business functions;
- Overwhelming support by community for transfer of responsibility of tenancy management to Aboriginal Housing Victoria;
- Signing the Housing Provider Framework Lease and the successful transfer of over 300 tenancies from Office of Housing to Aboriginal Housing Victoria;
- The development and delivery of a Certificate IV in Indigenous Social Housing to enhance the capacity of the Indigenous Housing Sector in the management of their housing portfolio; and
- The impending deployment of an integrated IT software solution which will enhance the organisations current structure, providing a high level of operational, tenancy, asset and finance management with high level of reporting and data collection in real time.

Organisational and Operational Review

In September 2007, Aboriginal Housing Victoria (AHV) engaged RECKON to facilitate a workshop with staff that identified the organisational roles and determined the future staffing structure.

The objective of the workshop was to explore the organisational roles and staffing structure required to take over the responsibility of Tenancy Management for the properties in the Victorian Aboriginal Rental Housing Program (VARHP).

As an outcome of the workshop, AHV reviewed and redesigned all job roles which has allowed for the creation of 3 Customer Service Officer Positions and has given AHV the ability to centralise tasks and alleviate pressure from the regional Aboriginal Housing Officers whilst putting quality controls into the program with the monitoring and review of all communication between the organisation and clients and stakeholders.

The current staffing structure is expected to maintain an effective tenancy management operation, however, it is anticipated that there will be a review of AHV's requirements in relation to asset management to support the integration of asset management activities under the Housing Provider Framework later in 2009.

Tenant Choice – Transition To Independence

Prior to the Minister for Housing approving Transition to Independence – Stage Two Tenancy Management, AHV had to assure State Government that the Victorian Aboriginal community supported the transfer of responsibility of the ARHP to the organisation.

Kevin Murray was employed as the Community Relations Officer to oversee the communication strategy which ensured that AHV consulted as many tenants as possible to advise them of their options and the benefits of signing over to AHV, and what this meant for tenants and the Aboriginal community.

Community consultations which included forums held throughout each region across the state, information sent by post, home visits and telephone calls resulted in an overwhelming response that provided State Government with the confidence that the community supported Transition to Ownership of the Aboriginal Rental Housing Program.

Tenants were then asked to stand by their initial support for Transition when, region by region, tenants were asked individually to meet with staff from both the Office of Housing and Aboriginal Housing Victoria to discuss the changes and make an informed decision to transfer across to AHV and relinquish their tenancy agreement with the Director of Housing.

That process effectively transferred the tenancy and property across to AHV and ensured the property would remain targeted to Aboriginal families into the future.

Housing Provider Framework Lease

On the 3rd October 2007, Tim Chatfield, Chairperson, Aboriginal Housing Victoria and Mark Dall, Director, Housing Sector Development, Office of Housing, Department of Human Services signed the Housing Provider Framework Lease and Property Management Agreement which was witnessed by Minister for Housing, Richard Wynne MLA.

The Housing Provider Framework consolidates the range of funding, administrative and contractual arrangements that exist in community housing programs including Aboriginal Housing Victoria.

The Framework introduces a single Lease and Property Management Agreement. The properties owned by the Director of Housing, will be leased to community housing agencies for social housing for targeted priority sectors within the community. These agencies will have expertise in the provision of social housing, tenancy management and, in some cases, property management.

Certificate IV Indigenous Social Housing

Working in partnership, Aboriginal Housing Victoria and the Victorian Office of Housing (OoH) worked together to design, deliver and evaluate a Certificate IV in Social Housing for Indigenous Housing Officers. This project features a combination of existing, adapted and newly created products and processes that are compatible with the National Affordable Housing Strategy to:

- 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;
- ensure an effective link between organisations providing affordable housing and their potential and current tenants;
- ensure culturally, socially and economically appropriate and relevant structure and process; and
- be replicated or adapted in different contexts with and for different target groups.

IT Software Implementation

With Transition to Independence, AHV is shifting its funding from Government grants to a rent retention model. The efficient and effective generation, collection and management of rental income and expenditure is critical to AHV's financial viability.

A risk assessment has been conducted on all aspects of AHV's operations and one major area of concern identified was the internal systems and their inability to manage the increased areas of responsibility under transition.

AHV's objective in sourcing a software package(s) is to streamline its operations, automate processes and reduce double handling of information. The ideal solution is one that incorporates the latest browser based technologies with strong reporting, alerts, functionality and integrated workplaces, is cost effective and modernises operations.

AHV's principal objectives in implementing a new financial solution are:

- A fully integrated tenancy, property, financial management, HR, payroll and project management solution that supports all areas of AHV;
- 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.



FUTURE DIRECTIONS

STAGE 3 – TRANSFER OF PROPERTY MANAGEMENT ACTIVITIES TO AHV

Stage 3 consists of transfer of property management activities to AHV as per Maintenance Option 2 under the HPF Lease – Maintenance and Repairs by Agency.

The target date for implementation of Stage 3 is June 2010.

Preconditions for moving to Stage 3 are:

- Demonstrated viability operating under the HPF Lease and Property Management Agreement;
- A target number of properties transferring to AHV;
- Agreement with DOH on an asset management plan;
- Compliance with any applicable regulatory framework in place at the time.

STAGE 4 – TRANSFER OF OWNERSHIP OF PROPERTIES IMPLEMENTED

Stage 4 consists of transfer of ownership of properties from Director of Housing to Aboriginal Housing Victoria.

The target date for implementation of Stage 4 is 2011.

Preconditions for moving to Stage 4 are:

- Demonstrated viability operating under the HPF Lease and Property Management Agreement;
- Targets in asset management plan are met;
- Compliance with any applicable regulatory framework in place at the time;
- Agreement on conditions for transfer of ownership of properties;
- Preferred option receives approval of required authorities (e.g. Minister for Housing, Commonwealth Government, Department of Treasury and Finance, Victorian Government Land Monitor).

ECONOMIC DEVELOPMENT OPPORTUNITIES

AHV is committed to ensuring that all housing stock under its responsibility is maintained to the highest standards. This requires ongoing maintenance and upgrading of properties throughout a tenancy and preparing vacant properties prior to being tenanted.

AHV is also committed to providing opportunities for Indigenous training and employment through the construction, maintenance and cleaning of its housing portfolio.

Our success will be measured by how well we achieve these tasks.

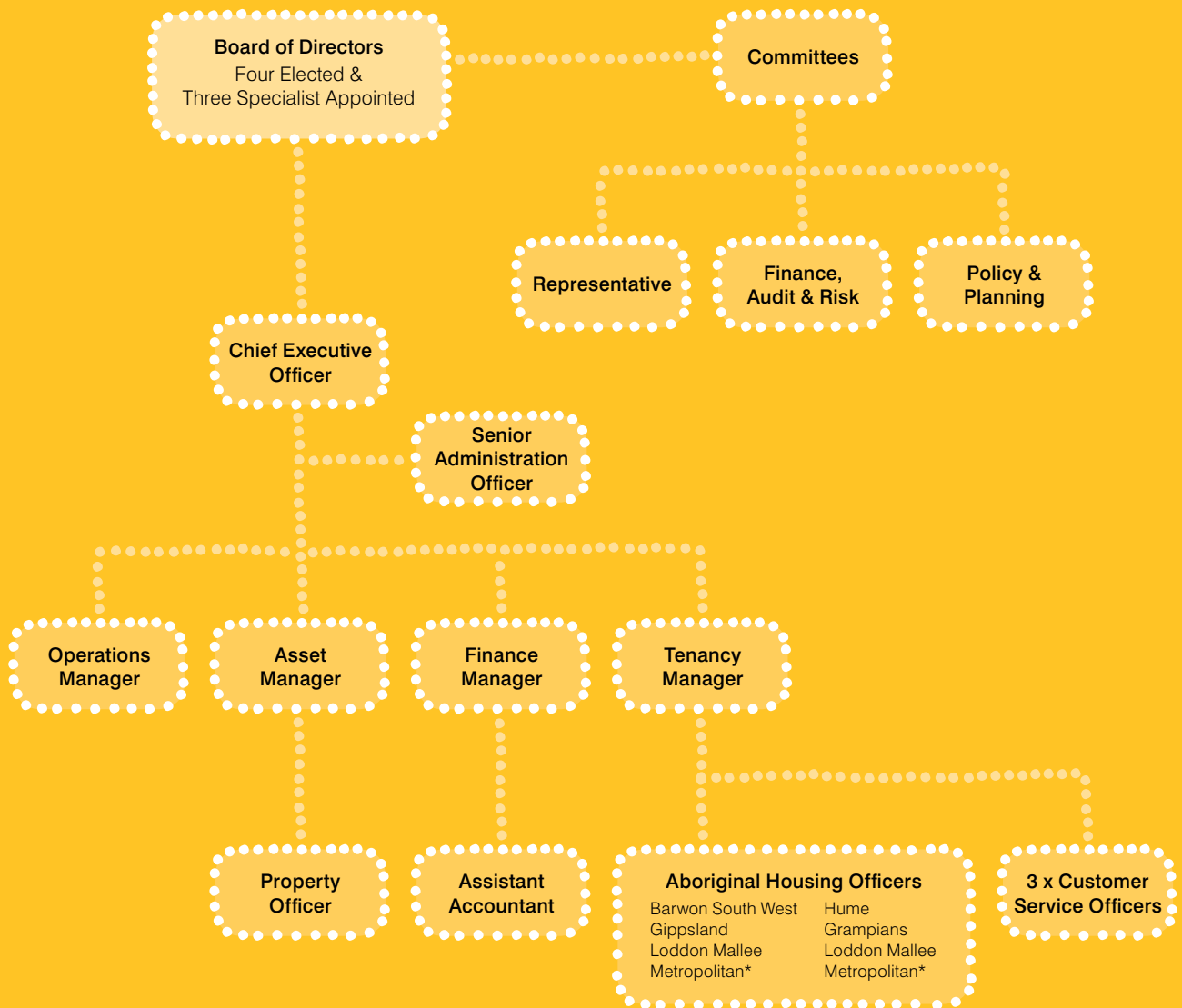
The views of Victoria's Aboriginal community will be a valid measure of how well we integrate the sector reform requirements whilst ensuring we maintain the community connection that the Victorian Aboriginal community has come to expect from Aboriginal Housing Victoria.

Our financial success will be measured by our continuing viability and growth achieved in housing stock, revenues and equity.

We thank you for your continued support and confidence which enables Aboriginal Housing Victoria to strive for success as the leading provider of Indigenous housing in Australia.



Organisational Chart



* Denotes Senior AHOs

Tenancy Management

QUALITY TENANT SERVICE

AHV is a competent tenancy and property management business acting on behalf of the Indigenous community of Victoria to manage and eventually own the ARHP in partnership with the DOH.

AHV performs tenancy management activities within the framework of the Residential Tenancies Act, subject to the policies of AHV, and as specified in the Service Agreement.

The responsibility of AHV is to:

- provide direct liaison with clients;
- approval of clients to Aboriginal housing waiting list;
- making formal offers for properties;
- signing tenancy agreements;
- managing proceedings through Victorian Civil Administrative Tribunal (VCAT);
- provide personal and regular client assistance in the form of information, home visits and early intervention;
- advocate the needs of Indigenous clients and negotiate additional supports across other service providers;
- competently manage capital and maintenance expenditure priorities; and
- Comply with all legal and regulatory frameworks, commit to all obligations under the Service Agreement and participate in regular monitoring of ARHP performance indicators.

WHAT WE DO TO UNDERSTAND OUR TENANTS NEEDS

To actively seek the participation of tenants in decisions about their tenancy and the management of the organisation, Aboriginal Housing Victoria is committed to ensuring that tenants and applicants of the VARHP have every opportunity to participate and provide feedback on the activities of the organisation that may impact on them.

AHV also commits to seeking regular feedback on how well the services of the organisation meet the needs of the clients.

As AHV moves from an advisory role to tenancy management, the organisation is committed to ensuring that tenants are informed of such changes and assured that they will not be disadvantaged in the transition. This process has taken place by a variety of means including, but not limited to, tenant newsletters, tenant letters, forums, telephone contact and Board Director and Member advice.

The organisation commits to ongoing communication with tenants and provide opportunities to participate in the decision-making by:

- Representative Committee Members provide a direct conduit that acts on behalf of the community that elected them to represent their needs;
- Community Forums are held in the regions at least bi-annually and provide an opportunity for tenants and applicants to raise concerns about their tenancies/ applications and to provide advice and direction or seek information on transitional activities;
- Tenants surveys are being introduced at post sign up, upon complaint received, after maintenance, post disability modifications, post vacating a property and generally at reception; and
- At the Annual General Meetings of AHV, all tenants are invited to attend to put issues to the Board in writing.

These processes provide opportunities for further community support to the Board and it's activities and develop a forum for real community engagement and feedback.

HOW WE WILL MEET OUR TENANTS NEEDS IN FUTURE

AHV's tenancy management is client focused. The primary goals are to sustain tenancies and manage the needs of the community whilst working within a financially viable model.

To achieve this it is acknowledged that tenants and clients of AHV have changing requirements. For that reason, the organisation needs to continue to address these needs in a fair and flexible manner that is within the capacity of the organisation.

The implementation of the new IT software solution will assist in the comprehensive collection of data that will be used to inform the Board of the requirements of the clients of the program.

Asset planning will be the critical component and the correct mix of housing supply that matches the demand will ensure that the program continues to meet its clients needs.

ENHANCED CUSTOMER SERVICES

AHV has created three Customer Service Officer (CSO) positions. The CSOs are based at North Fitzroy and employed to respond to **all queries** related to tenancy matters, rent and subsidy payments, waiting list management, maintenance or general enquiries. Aboriginal Housing Officers are then freed up to conduct the business of meeting tenants face to face where requested, and home visits or sign ups.

AHV encourages everyone to contact the CSOs with all queries.

Country callers can also call AHV for the cost of a local call on 1300 724 882.

SENIOR ABORIGINAL HOUSING OFFICERS

Two Senior AHO roles have been created and are filled by Tracey Winmar & Steven James. Their primary responsibility is to provide support to all other AHOs in developing their skill level to that of a fully competent AHO. Support is a key factor leading to successful tenancy management and particularly arrears recovery. The Senior AHOs will also concentrate on developing their skill levels to reflect the expertise expected within management positions. Overall this is an ideal mechanism for developing AHOs skill level incorporating succession planning.

KEY PERFORMANCE INDICATORS

Following are the Key Performance Indicators for Tenancy Management extracted from the Service Agreement between Office of Housing and AHV.

The outcomes of KPIs are now required to be reported on in each financial years Annual Report.



MEASURE	TARGET	PERFORMANCE
Percentage of new tenancies visited within 6 weeks of tenancy commencement	100%	85%
Percentage of tenancies visited at least once every two years	100%	98%
Allocated vacancies Average calendar days vacant	34 days	9.28 days vacant
Current rent arrears Average number of calendar days in arrears	14.4 days	15.29 days
Vacated tenants in arrears Average number of calendar days owed	30.3 days	14.4 days
Percentage of arrears cases actioned	90%	88%
Percentage of tenants in arrears	40.3%	46.82%
Percentage of tenants paying rent by direct debit	78%	93%
Percentage of assessment of tenant eligibility for rebated rent completed within 2 days	100%	100%
No. Of unsubstantiated maintenance claims against tenants over 60 days	Nil	1
Tenant Rent Arrears Total rent collected from tenants as proportion of total amount of rent charged in year ended 30 June	94.2%	94.07%
Evictions The number of evictions over a 12 month period as a proportion of the total number of tenancies exiting	Zero	Zero
Current tenants owing more than 8 weeks rent at year end The number of tenants whose arrears total more than eight weeks as a proportion of the total number of tenants paying rent as at 30 June	2%	2.4%
Tenant satisfaction exiting 100% minus the number of tenants over a 12 month period expressing dissatisfaction with their tenancy in an exit survey as a proportion of number of tenants exiting over that period	99%	Not yet implemented in 07/08
Voids Loss Rent foregone due to tenancy units being vacant as proportion of total rental income for year ended 30 June	2%	1.2%
Arrears written off as bad debt The total annual rent loss due to arrears written off as bad debt as a proportion of total amount of rent due in year ended 30 June	Less than 1% of total rent due within the year	Not applicable in 07/08
Tenancies maintained The number of tenancies maintained over a 12 month period as a proportion of the total number of tenancies	95%	95.74%
Client/tenant complaints The number of tenant/prospective tenant complaints resolved as a proportion of all tenant/prospective tenants complaints for year ended 30 June	98%	100%
Tenant satisfaction – housing services The number of tenants expressing overall satisfaction with housing services in a tenancy survey (at a point of time) as a proportion of number of tenants responding	95%	Not yet implemented in 07/08



Asset Management

Aboriginal Housing Victoria, in partnership with the Office of Housing, is dedicated to ensuring that 1361 properties are maintained to the highest standard possible.



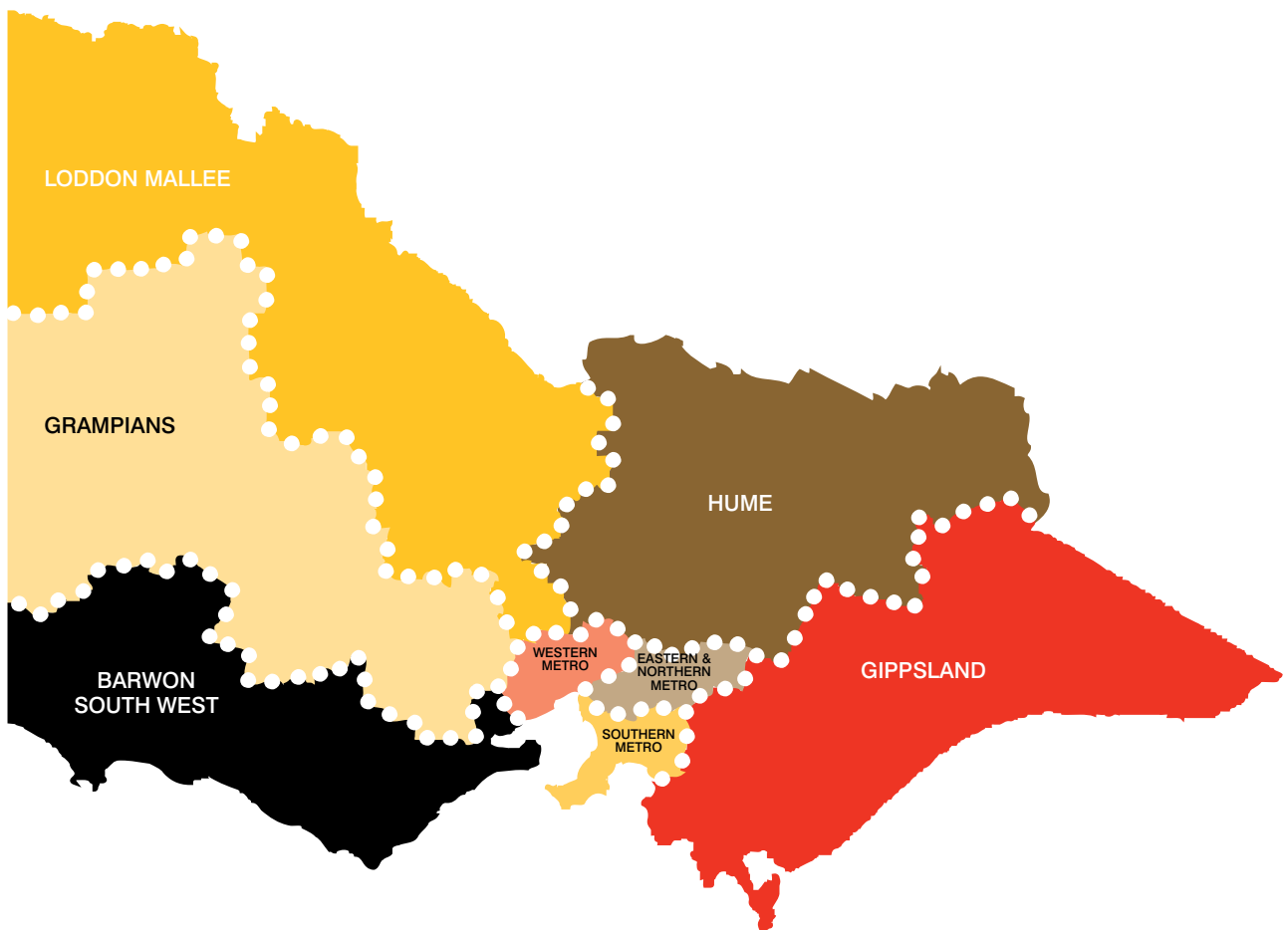
Highlights of 2007/2008

- 24 new properties were constructed across Victoria at an estimated cost of \$4.7m. The properties were constructed in locations of demand and were of varying sizes to meet the needs of the Aboriginal Community. Tenants who moved into these properties signed a Residential Tenancy Agreement with AHV. From the rent collected, AHV pays the OoH a maintenance fund fee to carry out maintenance and repairs as required.
- In the 2009/08 year a spot purchase budget of \$2.2m was allocated for the purchase of 7 properties across Victoria. In February 2008, the Minister for Housing announced an additional \$7.5m. It was anticipated that an additional 30 properties could be purchased across Victoria. At the end of June 30, 2008, 28 newly purchased properties had been handed over to AHV for tenancy with a further 9 to be handed over in 2008/09. The tenants of these properties also signed a Residential Tenancy Agreement with AHV.
- The transfer of tenancies from the OoH to AHV meant that at the time of transfer, properties were inspected for repairs and maintenance. As a result, most of the 300 properties which transferred across received minor maintenance and repairs. It was also an opportunity for properties to be flagged for future program works such as painting and carpeting.
- As in previous years, \$3m was allocated to the upgrade program. Over 50 properties benefited from a range of physical improvements.
- Overall, over \$15m of funding was allocated to the acquisition and physical improvement of properties across Victoria.

Aboriginal Housing Victoria owned properties

AHV owns 41 sites including the office premises at Scotchmer Street, North Fitzroy, 2 vacant lots and manages 38 rental properties across Victoria. Funding for the maintenance of these properties comes from rent collected and also from grants from FaHCSIA. In late 2007 and early 2008, FaHCSIA conducted an audit on these properties to identify repairs and maintenance.

In June 2008, FaHCSIA announced that \$471,900 would be granted for repairs and maintenance in 2008/09. AHV are committed to expending these funds and it is anticipated that repairs and maintenance will be completed by the end of next financial year.



AHV Region	Number of Bedrooms					Grand Total
	1	2	3	4	5	
Barwon South West		38	82	18	1	139
Eastern Metro		14	29	2		45
Gippsland		34	118	38	4	194
Grampians	1	24	72	18		115
Hume		48	104	23	4	179
Loddon Mallee		54	194	39		287
North & West Metro		57	141	58	2	258
Southern Metro	1	37	89	17		144
Total	2	306	829	213	11	1361

Aboriginal Housing Victoria's Committees

In preparation for both the Transition to Independence and the requirement to register as a Housing Provider by December 2008, AHV's Board moved to a clear defining governance role, which currently has three committees – the Representative Committee, Finance, Audit and Risk Committee and the Policy and Planning Committee.

REPRESENTATIVE COMMITTEE



Trevor Edwards



Rex Atkinson



Brendan Edwards



Pat Ockwell



Ray Clarke



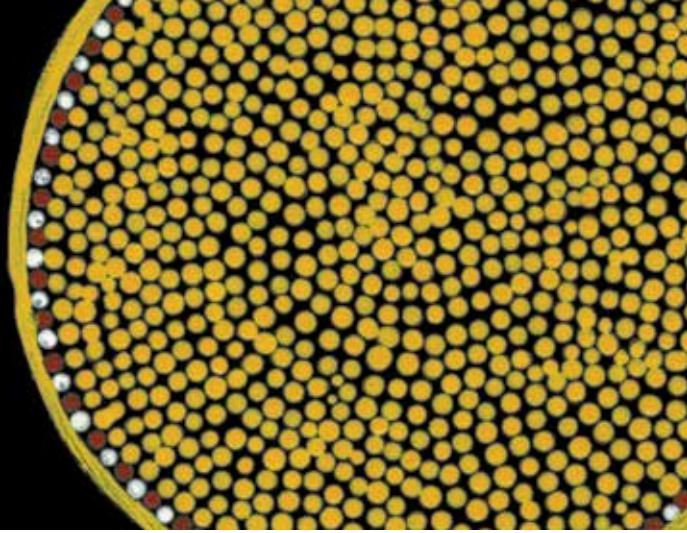
Joey Chatfield



Gary (Gilla) McGuinness

The Membership of the Representative Committee consists of the following;

- Mr Trevor Edwards
(Board appointed Chairperson)
- Mr Raymond Clarke
(Loddon Mallee Member)
- Mr Rex Atkinson
(Hume Member)
- Mrs Patricia Ockwell
(Southern Metropolitan Member)
- Mr Gary McGuinness
(Eastern/Northern Metropolitan Member)
- Mr Brendan Edwards
(Grampians Member)
- Mr Joey Chatfield
(Barwon/South West Member)
- Vacant
(Western Metropolitan Member)



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

The objectives of the Representative Committee are:

1. To represent Aboriginal Housing Victoria at community forums;
2. To ensure regular communication with community and Aboriginal service providers;
3. To ensure that tenants and applicants of the VARHP have a process of participation and feedback to the Board of Directors; and
4. To ensure regular liaison and consultation with the Aboriginal Housing Officers in the regions.

Each Representative Committee Member is elected by the community members of the region in which they reside for the purpose of providing a link between the community, AHV staff and the Board of Directors.

The role of each Representative Committee Member is to:

1. Establish and maintain effective and regular communication with Aboriginal communities and Aboriginal Community Controlled Organisations in their region;
2. Identify, liaise, communicate and provide relevant information to local authorities, organisations and services to support and strengthen AHV's achievement

- of sustainable tenancies and increase the housing availability to current and potential tenants;
3. Liaise and consult regularly with their local Aboriginal Housing Officer;
4. Provide appropriate, relevant information and feedback from their region to the Board;
5. Represent their region at Annual General Meetings and events;
6. Effectively and respectfully contribute to the discussion and debate at Representative Committee meetings and at Board meetings when invited to do so;
7. Ensure that responsibilities relating to confidentiality, conflict of interest, code of conduct, grievance procedures and other relevant policies are adhered to when fulfilling their representative responsibilities;
8. Ensure that their conduct as an elected Representative Committee Member reflects positively on AHV and on their Region;
9. Inform current and potential AHV members in the region about membership rights, responsibilities and opportunities;
10. Promote AHV as an Aboriginal housing service, and build interest in and support for AHV's Board, activities and opportunities; and
11. Contribute to the capacity building of AHV whilst effectively representing their Region.



Mark Lipson



Tim Chatfield



Dr Owen Donald



Graeme Austin

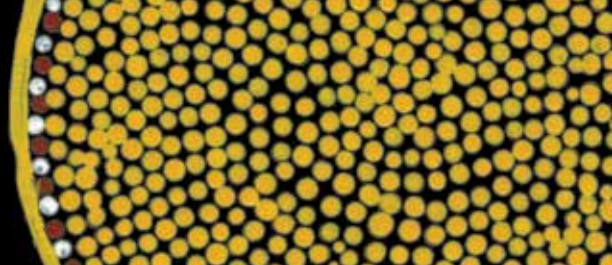
FINANCE, AUDIT AND RISK COMMITTEE

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

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

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

1. Assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to AHV's:
 - a) external reporting of financial information;
 - b) application of accounting policies;
 - c) financial management;
 - d) business planning;
 - e) internal control system;
 - f) risk management system;
 - g) financial, audit and risk management policies and practices;
 - h) security of assets and resources; and
 - i) compliance with relevant legislation, regulations, standards and best practice guidelines.
2. Improve the credibility and objectivity of the accountability process, including financial reporting, through disclosing the role and functions of the FAR Committee to Government and the public.
3. Provide a formal forum for communication between the Board and senior management.
4. Improve the effectiveness of the external audit functions and to be a forum for improving communication between the Board and the external auditors.
5. Facilitate the maintenance of the independence of the external auditor.
6. Improve the quality of internal and external reporting of financial and non-financial information.
7. Improve the correlation between related financial and non-financial information.
8. Strengthen the role and influence of the Board of Directors.
9. Foster an ethical culture throughout AHV.



Shaun Braybrook



Trevor Edwards

POLICY AND PLANNING COMMITTEE

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

- Mr Shaun Braybrook (Chairperson)
- Mr Trevor Edwards (Director)

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

The role of the Policy and Planning Committee is a dual role and as such required the identification of specific roles for each.

Specifically to **Policy** the committees role is to:

1. assist in the development of policy that is:
 - a) culturally appropriate;
 - b) consistent;
 - c) fair;
 - d) transparent;
 - e) implementable;
 - f) accountable;
 - g) financially viable; and
 - h) manageable.
2. ensure an ongoing policy review process.
3. ensure the Board of Directors statutory obligations are reflected in AHV policy.
4. ensure the Board of Directors funding obligations and financial constraints are reflected in AHV policy.
5. ensure the Board of Directors contractual obligations are reflected in AHV policy.
6. ensure community consultations are undertaken regarding policy development when relevant/appropriate.
7. develop strategies for new policies and monitor and review their implementation.

Specifically to **Planning** the committee's role is to:

1. identify and prioritise organisational planning requirements;
2. advise the Board of Directors on planning activities for the organisation as a whole; and
3. Monitor process and progress in Board-endorsed plans.

Naidoc Event

This year the Family Fun Day at the Collingwood Children's Farm was yet again another successful event with an estimated 800 - 1,000 people visiting throughout the day, even a heavy shower of rain before the event did not stop them participating.



Sharon Paten, CEO, AHV officially opened the day and welcomed City of Yarra Cr Gurm Sekhon followed by Alex Walker, Farm Manager, Collingwood Children's Farm.

A full program presenting artists throughout the day by Victorian Indigenous and non-Indigenous performers was held inside the barn and each artist performed to a large crowd. Each artist whilst entertaining the children, also educated them on the history of Indigenous culture such as, how the land was used, how kinship works, the use of animals and also stories from the Dreamtime and how this shaped the past. Some of the artists included the Children in their performances asking them to participate in the dancing and singing which enhanced the shows energy and enjoyment.

Each year, AHV's NAIDOC event is provided at no cost, including entry, all activities, morning and afternoon tea and barbeque lunch. All activities, such as the Emu Feather Craft and bead making, Boomerang Painting and Face Painting were in demand all day.

Over the last five years the numbers of children attending the event have been increasing and the Family Fun Day is becoming known as one of the highlights of NAIDOC week.



Mr and Miss NAIDOC 2008
Mr James Fraser and Miss Clarise Slater



Sponsors and Supporters

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



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.



CORRS CHAMBERS WESTGARTH LAWYERS

Corrs Chambers Westgarth was referred to AHV by PILCH and has offered first-class legal advice in relation to the negotiation and agreements associated with the IT software contractual obligations for an IT Software solution to be implemented in the coming year. Corrs Chambers Westgarth is one of Australia's 'powerhouse law firms' and represent a wide range of leading Australian and international corporations, as well as government clients.



CITY OF YARRA

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

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



COLLINGWOOD CHILDRENS FARM

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

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

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



OFFICE NATIONAL

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

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



DEPARTMENT OF JUSTICE

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

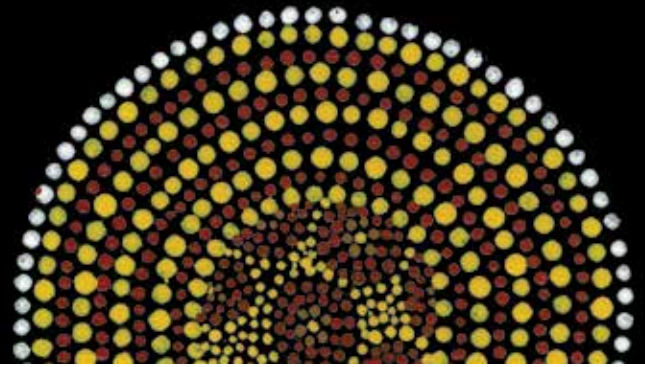
The Department of Justice provide grant funding annually to assist Aboriginal organisations to undertake NAIDOC activities. Aboriginal Housing Victoria has been the recipient of such grants for the past two years.



VICTORIAN NAIDOC COMMITTEE

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

Corporate Governance



Aboriginal Housing Victoria is committed to abiding by all relevant laws and regulations and providing employees with a safe and rewarding working environment.



In its deliberations, it will consider the broader community, external and internal stakeholders and the company's responsibilities as a corporate citizen of good standing.

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

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

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

WHAT IS CORPORATE GOVERNANCE?

Corporate Governance refers to adopting appropriate standards and encouraging ethical behaviour and compliance with the Company's own governing documents. It includes 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 is to maintain a mix of Directors on the Board from different backgrounds with complementary skills and experience.
- The Board considers the appropriate mix of skills required by the organisation to maximise its effectiveness and its contribution.



Responsibilities

The responsibilities of the Board include:

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

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

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

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

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

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

STRUCTURING THE BOARD TO ADD VALUE

The Board seeks to ensure that:

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

Appointment of Director's

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

Terms of Office

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

Commitment

The number of meetings of the company's Board of Directors and of each Board Committee held during the year ended 30 June 2008, and the number of meetings attended by each Director is disclosed under "Board of Directors".

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

Conflicts of Interests

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

In light of the above, it is important to note the Company restructure and revised constitution which 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.
- That the above statement is founded on a sound system of risk management and internal compliance and control and which implements the policies adopted by the Board and that the company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

MAKE TIMELY AND BALANCED DISCLOSURE

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

ENCOURAGE ENHANCED PERFORMANCE

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

REMUNERATE FAIRLY AND RESPONSIBLY

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

RECOGNISE THE LEGITIMATE INTEREST OF STAKEHOLDERS

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

The Company Directors



Tim Chatfield
Chairperson

TIM CHATFIELD CHAIRPERSON

Tim 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.

Mr Chatfield is also a member of the Finance, Audit and Risk Committee.



Graeme Austin
Deputy Chairperson

GRAEME AUSTIN DEPUTY CHAIRPERSON

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 Victoria 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.

Mr Austin is also a member of the Finance, Audit and Risk Committee.



Trevor Edwards

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.

Mr Edwards is also a member of the Policy and Planning Committee.



Mark Lipson

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 County 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.

Mr Lipson is also the Chairperson of the Finance Audit and Risk Committee.



Jacquelyn Turfrey

JACQUALYN 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.



Ray Harvey

RAY HARVEY

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

Ray 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

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 outcomes through a healthy lifestyle and is actively involved in many sporting activities across Victoria, in particular as a football coach and his involvement with the State-wide annual Indigenous Football/ Netball carnival.

Mr Braybrook is also the Chairperson of the Policy and Planning Committee.



Dr Owen Donald

DR OWEN DONALD

BA (Hons), PhD

Owen Donald was appointed to the Board in October 2007, bringing with him extensive experience in public and community housing.

Dr Donald was the Victorian Director of Housing until July 2007, leading the management of some 78, 000 properties that accommodate roughly 150,000 people. He was previously the Chief Executive Officer of the Australian Housing and Urban Research Institute which funds and manages a significant portion of Australia's housing research in all states and territories.

Dr Donald is also a Board Member of Homeground Services Limited and an independent member of the Finance and Audit Committee for the Australian Institute of Health and Welfare.

Dr Donald has over 25 years experience in senior management roles in the public sector at Commonwealth and State levels, as well as in the private sector, covering policy development, service delivery, and financial and personnel management. He chaired the Commonwealth-State Housing Ministers Advisory Committee for three years. He has been a consistent advocate for, and implementer of, innovative approaches to the delivery of housing assistance in Australia.

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS DURING THE YEAR ENDING 30 JUNE 2008

	Board		Policy & Planning		Finance, Audit & Risk	
	A	B	A	B	A	B
Tim Chatfield	11	11			9	9
Graeme Austin	11	11			9	9
Trevor Edwards	11	11	3	3		
Shaun Braybrook	11	7	3	1		
Jacquelyn Turfrey	11	9				
Mark Lipson	11	5			9	6
Owen Donald	11	6			9	4
Ray Harvey	11	3			9	1

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

Financial Report

Your directors present their report on the company for the financial year ended 30 June 2008.

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

- Tim Chatfield
- Graeme Austin
- Trevor Edwards
- Shaun Braybrook
- Owen Donald
- Mark Lipson
- Ray Harvey
- Jacquelyn Turfrey

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 \$236,986.

The Company has commenced its Transition to Independence, as a result the resources and funding requirement have changed. These changes have seen a decrease in the grant for operations from the Office of Housing from \$1,741,644 to \$1,583,620, a reduction of 9%.

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

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

- Organisational and Operational review and restructure to support the current and future business functions;
- Establishment of a Representative Committee to facilitate tenant and applicant input into the activities of the organisation and the services that impact on them;
- Community consultations with tenants of the ARHP resulting in overwhelming support by community for transfer of responsibility of tenancy management to Aboriginal Housing Victoria; and
- Signing the Housing Provider Framework Lease with the Office of Housing, Department of Human Services and the successful transfer of approximately 300 tenancies from Office of Housing to Aboriginal Housing Victoria.

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

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

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

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

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

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

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 30.

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



Director: Tim Chatfield



Director: Mark Lipson

Dated this 28th day of October 2008

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 2008 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: 28 October 2008



Australian Chartered Accountants



LBW
Chartered Accountants

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INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
Rental revenue	2	826,873	152,680
Cost of sales		(316,995)	(219,460)
Gross profit		509,878	(66,780)
Other revenues	2	1,898,805	3,027,830
Deduct:			
Board Member expenses		213,324	163,737
Building & Equipment expenses		38,830	33,334
Communication expenses		54,034	72,815
Employee & Related expenses		1,223,522	1,009,185
IT Expenses		143,485	109,562
Administration Expenses	3, 4	256,059	238,039
Project Expenses		141,576	558,185
Other expenses		100,867	73,355
Surplus before income tax		236,986	702,838
Income tax expense	1a	-	-
Surplus attributable to Organisation		236,986	702,837

The accompanying notes form part of these financial statements.

Aboriginal Housing Victoria

Financial Report for the Year Ended 30 June 2008

BALANCE SHEET AS AT 30 JUNE 2008

	NOTE	2008	2007
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,561,778	2,192,576
Term Deposit		78,472	74,420
Trade and other receivables	6	40,008	12,853
Prepayment	7	2,968	32,874
TOTAL CURRENT ASSETS		1,683,226	2,312,722
NON-CURRENT ASSETS			
Quarantined Funds		38,512	38,457
Office Land and Buildings	8	1,040,887	1,045,443
Rental Land and Buildings	8	6,729,337	6,776,786
Plant, equipment and Motor vehicles	8	108,585	104,667
TOTAL NON-CURRENT ASSETS		7,917,321	7,965,353
TOTAL ASSETS		9,600,547	10,278,075
CURRENT LIABILITIES			
Trade and other payables	9	102,490	64,074
Employee Provisions	10	79,226	51,077
Grants Carried Forward	11	242,079	1,223,159
TOTAL CURRENT LIABILITIES		423,795	1,338,310
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		423,795	1,338,310
NET ASSETS		9,176,752	8,939,765
EQUITY			
Issued capital		-	-
Reserves	12	539,211	539,211
Retained earnings		8,637,541	8,400,555
TOTAL EQUITY		9,176,752	8,939,765

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2008

	NOTE	SHARE CAPITAL		
		Ordinary Shares	Retained Earnings	Asset Revaluation Reserve
		\$	\$	\$
Balance at 30 June 2006			7,697,717	539,211
Revaluation increment (decrement)		-	-	539,211
Surplus for 2006/07		-	702,838	
Balance at 30 June 2007		-	8,400,555	539,211
Surplus for 2007/08		-	236,986	-
Balance at 30 June 2008		-	8,637,541	539,211

The accompanying notes form part of these financial statements.

Aboriginal Housing Victoria

Financial Report for the Year Ended 30 June 2008

CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2008

	Note	Company	
		2008	2007
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Rent Received		763,158	158,926
Grants Received		1,812,812	2,488,007
Payments to suppliers and employees		(3,279,217)	(2,012,037)
Surplus from Auspiced Funds			(452,081)
Interest received		58,346	52,777
GST Received/(Paid)		34,797	(17,018)
Finance costs		-	-
Other Income		3,936	939
Net cash provided by (used in) operating activities	16	(606,168)	219,513
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment			1,818
Proceeds from sale of investments			
Purchase of Rental Properties			(508,195)
Purchase of plant and equipment		(24,630)	(38,802)
Net cash provided by (used in) investing activities		(24,630)	(545,179)
CASH FLOW FROM FINANCING ACTIVITIES			
Net increase (decrease) in cash held		(630,796)	(325,666)
Cash at beginning of year		2,192,576	2,518,240
Cash at end of year	5	1,561,778	2,192,574

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.

Aboriginal Housing Victoria

Financial Report for the Year Ended 30 June 2008

Depreciation

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

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

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

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

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

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

c. Leases

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

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

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

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

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

d. Impairment of Assets

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

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

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

e. Employee Benefits

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



f. Provisions

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

g. Cash and Cash Equivalents

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

h. Revenue

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

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

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

i. Borrowing Costs

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

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

j. Goods and Services Tax (GST)

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

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

k. Comparative Figures

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

Aboriginal Housing Victoria

Financial Report for the Year Ended 30 June 2008

NOTE 2: REVENUE

Note	2008 \$	2007 \$
Operating activities		
- Rental revenue	826,873	152,680
Total Revenue	826,873	152,680
Grant revenue activities		
- Office of Housing, Dept of Human Service Stream 2	1,583,620	1,741,644
- Office of Housing, Dept of Human Service Stream 1	-	(13,191)
- FACS Grant revenue	239,811	748,444
Total Grant revenue	1,823,431	2,476,897
Other Income		
a. Interest revenue from:		
- other entities	58,346	56,323
Total interest revenue	58,346	56,323
b. Other revenue from:		
- OoH Transfer of Assets	-	17,278
- Donations	494	889
- Project Income	13,092	34,060
- Auspiced fund revenue	-	452,081
- Other Income	3,442	7,580
Total Other income	17,028	494,610
TOTAL OTHER REVENUES	1,898,805	3,027,830

NOTE 3: PROFIT BEFORE INCOME TAX

	Note	2008	2007
		\$	\$
a. Expenses			
Cost of sales		316,995	219,460
Rental expense on operating leases			
- minimum lease payments		-	133,372
- contingent rentals		-	-
- rental expense for sub-lease		-	-

NOTE 4: AUDITORS' REMUNERATION

	Note	2008	2007
		\$	\$
Remuneration of the auditor of the entity for:			
- auditing or reviewing the financial report			
LBW Chartered Accountants		13,500	13,500

NOTE 5: CASH AND CASH EQUIVALENTS

	Note	2008	2007
		\$	\$
CURRENT			
Cash at bank and in hand		1,561,778	1,236,815
PB Trust Auspiced Account		-	955,761
		1,561,778	2,192,576

Aboriginal Housing Victoria

Financial Report for the Year Ended 30 June 2008

NOTE 6: TRADE AND OTHER RECEIVABLES

Note	Company	
	2008	2007
	\$	\$
CURRENT		
Rental receivables	35,408	12,340
Provision for impairment of receivables	-	-
	35,408	12,340
Other receivables	4,600	513
	40,008	12,853

NOTE 7: OTHER ASSETS

Note	Company	
	2008	2007
	\$	\$
CURRENT		
Prepayments	2,968	32,874
	2,968	32,874

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Note	2008 \$	2007 \$
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		(9,113)	(4,557)
Total buildings		301,676	306,232
Total land and buildings		1,040,887	1,045,443
RENTAL LAND AND BUILDINGS			
Freehold land at:			
- independent valuation 2007		3,799,035	3,799,035
- directors' valuation 2001			
Total land		3,799,035	3,799,035
Buildings at:			
- independent valuation 2007		3,163,293	3,163,293
- directors' valuation 2001 at cost			
Less accumulated depreciation		(232,991)	(185,542)
Total buildings		2,930,302	2,977,751
Total Rental Land and Buildings		6,729,337	6,776,786
PLANT AND EQUIPMENT			
Plant and equipment:			
At cost		169,914	145,284
Accumulated depreciation		(61,329)	(40,616)
Accumulated Impairment losses		-	-
		108,585	104,667

Aboriginal Housing Victoria

Financial Report for the Year Ended 30 June 2008

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	2008	2007
		\$	\$
MOTOR VEHICLES			
Motor Vehicles at Cost		-	-
Less accumulated depreciation		-	-
Total Motor Vehicles		-	-
Total Plant, Equipment & Motor Vehicles		-	104,667
Total property, plant and equipment		7,878,809	7,926,897

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	169,914	3,799,035	3,163,293	8,105,052
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation increments/ (decrements)	-	-	-	-	-	-
Depreciation expense	-	(9,113)	(61,329)	-	(232,991)	(303,433)
Capitalised borrowing cost and depreciation	-	-	-	-	-	-
Carrying amount at the end of year	739,211	301,676	108,585	3,799,035	2,930,302	7,878,809



Note	2008	2007
	\$	\$
b. Had land and buildings been stated at historical cost amounts they would be as follows:		
Cost	510,789	510,789
Accumulated depreciation	(97,269)	(88,156)
Net book value	413,520	427,190
c. Impairment Losses		
There have been no impairment losses recognised by Aboriginal Housing Victoria in the 2007-2008 financial year.		

NOTE 9: TRADE AND OTHER PAYABLES

Note	2008	2007
	\$	\$
CURRENT		
Unsecured liabilities	-	-
Trade payables	21,002	15,289
Sundry payables and accrued expenses	81,488	48,785
	102,490	64,074

NOTE 10: PROVISIONS

Note	2008	2007
	\$	\$
Analysis of Total Provisions		
Current	79,226	51,077
Non-current	-	-
	79,226	51,077

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.

Aboriginal Housing Victoria

Financial Report for the Year Ended 30 June 2008

NOTE 11: GRANTS

Note	2008	2007
	\$	\$
Name of Grant		
ATSIC Tfr Aboriginal Hsg Co-Op Properties	19,114	19,114
Housing Week Grant	-	-
Dja Dja Liquidation funds	41,221	41,221
Aboriginal Affairs Victoria (AAV) Grant (Book Project)	-	3,408
City Of Yarra – Grant (Naidoc Family Day)	-	2,099
Auspiced Grant Nahs Funding PB Trust	-	955,761
FACSIA Cert Iv Grant	181,744	124,768
Coda Grant	-	-
FACSIA Housing grant	-	76,788
TOTAL GRANTS NOT YET SPENT	242,079	1,223,159

NOTE 12: RESERVES

a. Asset Revaluation Reserve

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

NOTE 13: CAPITAL AND LEASING COMMITMENTS

Note	2008	2007
	\$	\$
b. 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	124,019	63,494
- between 12 months and five years	48,290	38,046
- greater than five years	-	-
	172,309	101,540

c. Capital Expenditure Commitments

There are no current capital commitments.

NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

There are no contingent liabilities nor contingent assets as at 30th June 2008.

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	2008	2007
	\$	\$
a. Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Operating surplus/(deficit) after income tax	236,986	702,836
Depreciation of Non-Current Assets	72,717	76,061
Reversal of Depreciation	-	-
Decrease/(Increase) in Fixed asset w/off		6,363
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	-23,581	27,042
Increase/(Decrease) in payables	38,416	(59,686)
Increase/(Decrease) in prepayments	29,905	(27,472)
Increase in current provisions	20,470	(2,705)
Reclassification of Term Deposit	-	-
Increase/(Decrease) in Grants c/fwd	(981,090)	(494,005)
Net cash provided by operating activities incl Auspiced Grants	606,168	219,511

Aboriginal Housing Victoria

Financial Report for the Year Ended 30 June 2008

NOTE 17: EVENTS AFTER THE BALANCE SHEET DATE

a. There were no such events after balance date.

NOTE 18: RELATED PARTY TRANSACTIONS

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

NOTE 19: COMPANY DETAILS

The registered office of the company is:

Aboriginal Housing Victoria

125-127 Scotchmer St

North Fitzroy VIC 3068

The principal place of business is:

Aboriginal Housing Victoria

125-127 Scotchmer St

North Fitzroy VIC 3068



DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on the preceding pages are in accordance with the *Corporations Act 2001*:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2008 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 28th day of October 2008

Aboriginal Housing Victoria

Financial Report for the Year Ended 30 June 2008

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 28 October 2008, 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 2008 and of their performance for the year ended on that date, and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.


LBW Chartered Accountants

Peter Landers

Dated this 28th day of October 2008

PARTNERS

Michael
Betts FCA

Richard
Bull FCA

Simon
Flowers CPA
Affiliate ICCA

Nicholas
Klein CA

Peter
Landers FCA

Sripathy
Sarma CA

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

Report on the financial report

We have audited the accompanying financial report of Aboriginal Housing Victoria, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

PARTNERS

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