



# opening doors for the Victorian Aboriginal Community

Aboriginal Housing Victoria • Annual Report 2009-10



## **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.**

4	Minister's Introduction	18	Asset Management
5	Chairperson's Overview	20	Aboriginal Housing Victoria's Committees
6	Chief Executive Officer's Report	22	Naidoc Event
10	Housing Registrar Key Performance Measures	23	Sponsors and Supporters
11	Organisational Chart	26	Corporate Governance
12	Projects	29	The Company Directors
13	Tenancy Management	33	Financial Report for the year ended 30 June 2010



Kerrie Black, tenant

## **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.



Kerry Proctor, tenant

## Minister's Introduction

Throughout 2009-10 Aboriginal Housing Victoria (AHV) has continued to make a significant contribution to Indigenous housing in Victoria and it gives me great pleasure once again to introduce its Annual Report.

In June 2009 AHV became the first Indigenous housing agency to be registered as a housing provider in Victoria. It is now the largest Indigenous Housing agency in Victoria with a portfolio of 1332 dwellings under its direct tenancy management, of which 1294 are owned by the Director of Housing.

In December 2007 the Government and AHV announced that Aboriginal housing tenants in the Aboriginal Rental Housing Program would be given the opportunity to transfer the management of their tenancies from the Director of Housing to AHV.

I am very pleased to report that by the cessation of transfers at 30 September 2009 around 90% of tenants within the program had chosen to transfer.

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

The Brumby Government has maintained its strong commitment to addressing the housing need of Indigenous Victorians through partnership with AHV. During 2009-10 the Victorian Government spent \$19.5 million to improve existing and acquire new Aboriginal housing properties in Victoria. In total, 46 new Aboriginal Housing dwellings were acquired by the Brumby Government in 2009-10 to be managed by AHV.

I would like to congratulate AHV on its achievements, not only during 2009-10 but over the many years of partnership with the Government, and to re-iterate the Government's commitment to further strengthening this partnership in 2010-11 and beyond. AHV continues to accept the challenge to develop and strengthen its own business and to further enhance the housing prospects for Indigenous Victorians.



**Richard Wynne**  
Minister for Housing  
Minister for Local Government  
Minister for Aboriginal Affairs

## Chairperson's Overview

In June 2009, Aboriginal Housing Victoria became the first Aboriginal organisation to achieve registration as a Housing provider under the Housing (Housing Agencies) Act 2004.

The accreditation process, whilst onerous and rigorous, showcased Aboriginal Housing Victoria's preparedness to become an independent Landlord responsible for the Victorian Aboriginal Rental Housing Program, whilst identifying and developing an awareness of requirements under the regulatory framework to achieving success in the housing arena.

By the end of September 2009, Aboriginal Housing Victoria had successfully transferred 1294 tenancies from the Office of Housing to Aboriginal Housing Victoria in what is the largest stock transfer from a State Government Housing Authority to an Indigenous organisation nationally.

Whilst we are extremely proud of our achievements, we realise that we need to consolidate all of the hard work by effectively implementing all of the policies and processes developed and work harder at meeting the needs and expectations of our tenants.

This Annual Report is dedicated to the tenants who chose to trust in Aboriginal Housing Victoria as their preferred landlord and transferred their tenancy across from the Office of Housing.



**Tim Chatfield**  
Chairperson

Those tenants who chose to remain with the Office of Housing have our thanks for the years of partnership and we wish them all the best for the future.

We would also like to thank the Managers and staff from the local Housing Offices across the State of Victoria for over 30 years of partnership and support, not only of our program, but of our staff and more importantly, our community. Your encouragement and positivity contributed to our success.

Our independence has resulted in the generation of surpluses which are targeted to capital growth and community initiatives. Some of the projects achieved in the past year include:

- Purchase of 5 additional properties for the program;
- Enhancements to tenancy management system; and
- Tenants Online Consultancy commenced to determine tenant's desire and ability to log into their own information with AHV.

As always, we sincerely thank the Brumby Government, and particularly the Hon Richard Wynne MP, Minister for Housing, Local Government and Indigenous Affairs for the ongoing partnership and commitment of \$19.5 million which saw 46 additional properties acquired across the State and upgrading of many more to maintain our portfolio to a high standard.

I thank my fellow Directors and Members of the Company for their ongoing commitment to succeed in independence whilst staying true to the Vision of the organisation.

And finally, thank you to the Managers and staff who work tirelessly, with little recognition, for their outstanding contribution to the success of the Company.

## Chief Executive Officer's Report

The year ending 30 June 2010 was both exciting and challenging in terms of Aboriginal Housing Victoria developing into a self funded tenancy management business, expanding it's capacity whilst maintaining a strong presence in the regions.

Whilst we are proud of our achievement, AHV became the first Indigenous housing agency to be registered under the Housing (Housing Agencies) Act 2004, this is an opportunity to take stock of where we are at and work hard to re-engage our tenants and commit to making good on our promise to provide a better quality service.

The organisation has been operating reactively as it develops in its understanding of the range of activities and issues as a tenancy management business. The staff turnovers and additional requirements placed on the organisation, including the Fixed Rent Reviews and the Market Rent Reviews, have consumed all staff and placed a high level of distress on tenants which has to be managed sensitively and efficiently.

We continue to improve on our tenancy and asset management system with arrears enhancements to the system about to go live which will automate arrears recovery processes and enhanced asset management functionality which will allow us to trial asset management on AHV owned properties.



**Sharon Paten**  
Chief Executive Officer

As you will notice from our recent Tenant Survey, the system will allow tenants to Log In and update their application details, view rental accounts on line and raise maintenance requests on line. Results of the survey will inform how our tenants can gain access to computers to enable them to take charge of their housing business directly online. We encourage you to respond to that survey if you want access to your information online.

We have also recently integrated the Applicants on the Waiting List for Public Housing, into our own Aboriginal Housing Wait List. Applicants are also encouraged to apply directly to Aboriginal Housing for their future housing needs. There is still the requirement to provide proof of Aboriginality in order to be eligible to be housed with Aboriginal Housing Victoria.

Aboriginal Housing Victoria are proud of the achievements made in the design, implementation and successful delivery of the Certificate IV Indigenous Social Housing. We thank Swinburne for their strong and committed partnership in the project and to furthering the education opportunities of the Victorian Indigenous community and we also thank Office of Housing for their involvement in the first years to assist with the design and delivery. We do however urge them to consider the value of funding an ongoing Certificate IV for the growing Indigenous Social housing sector in Victoria.

AHV is now solely funded on a rent retention model with proceeds from rent being returned to the Office of Housing for Asset Management and Maintenance.

The rent also provides for the operational funding of the organisation and the remainder is surplus to grow the program and develop projects that contribute to the community.



The achievements in 2009/10 were:

- The acquisition of five additional properties for the portfolio;
- Ongoing enhancements to the IT system; and
- Upgrading of the AHV Finance system.

Projects approved for 2010/11 are:


A further six properties acquired to grow the portfolio;

- The recruitment of 2 Debt Reconciliation and Arrears Recovery Officers positions to develop and implement debt recovery processes for vacated arrears and maintenance claims against tenants along with monitoring of debt recovery processes, reconciling rent received against tenant balances and monitor difficult arrears cases;
- Expansion of the Asset Management area of AHV and an Asset Management Feasibility Study to review the organisations capacity and readiness for Stage 3 – Asset Management;
- IT enhancements/modifications to align AHV Business requirements into IT systems;
- Elders Units Garden Redevelopment Program to ensure that gardens for Elders specific units are maintenance free;
- 'Our Place' Customer Induction Program
- An Induction Program for AHV applicants to provide them with the information and resources to be able to successfully manage their future tenancy; and
- Scholarships for tenants/occupants wanting a career in the Housing, Maintenance and/or Building Industry.

We thank all tenants of the Victorian Aboriginal Housing Program for their commitment to the success of Aboriginal Housing Victoria and the future economic returns such success will provide to the local communities.

We encourage you to have a voice by responding to the tenant surveys and speaking to your local Representative Committee Member. If you don't have a Representative Member, please encourage someone to step up and be the voice for your region.

We look forward to enhancing our resources and providing you with the service you are entitled to and deserve, and dedicate this Annual Report to you.



**I'm very happy about  
the transfer, great to  
see Aboriginal Housing  
moving forward.**

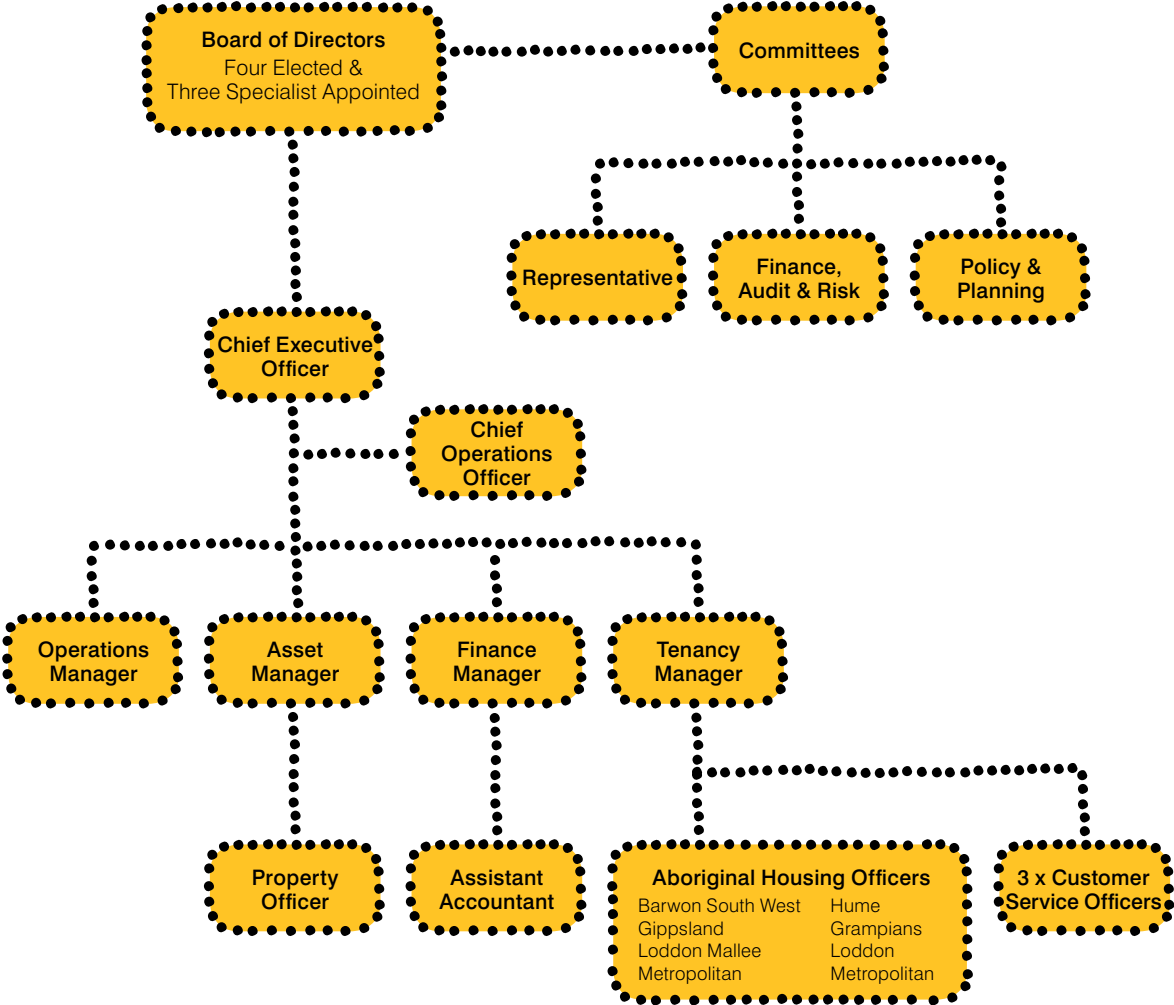
Vinnie Bux, tenant



## Housing Registrar Key Performance Measures

Measure	Target	Performance
<b>Tenant Rent Arrears</b> Total rent collected from tenants as a proportion of total amount of rent charged in year ended 30 June, 10.	94.2%	91.81%
<b>Evictions</b> Number of evictions over a 12 month period as a proportion of the total number of tenancies existing.	0	7
<b>Current tenants owing more than 8 weeks rent at year end</b> 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.	10%	21.3 %
<b>Tenant satisfaction exiting</b> 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.		Not yet implemented
<b>Voids Loss</b> Rent foregone due to tenancy units being vacant as proportion of total rental income for year ended 30 June.	\$21,000 (based on a target of 34 days vacant across 35 vacated properties)	\$27,048
<b>Arrears written off as bad debt</b> 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	1.8 %
<b>Tenancies maintained</b> The number of tenancies maintained over a 12 month period as a proportion of the total number of tenancies.	95%	There were a total of 1,279 tenancies maintained this is a 101.9% The increase in number of tenancies current is due to an increase of new properties and the final transfer of properties under the transition from OoH which concluded 30 September 2009.
<b>Client/tenant complaints</b> The number of tenant/prospective tenant complaints resolved as a proportion of all tenant/prospective tenants complaints for year ended 30 June.	98%	96.54%
<b>Tenant satisfaction – housing services</b> 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%	Have not conducted tenant satisfaction surveys during this period.

# Organisational Chart



## Projects



**Aunty Merle Bamblett**

### FRANCES PENNINGTON AWARD

The annual Frances Pennington Award is celebrated as part of Housing Week and is designed to pay tribute to public and social housing residents who make a significant contribution to society.

Housing Minister the honourable Richard Wynne congratulated two of Victoria's finest community and public housing residents at this year's Frances Pennington Award ceremony at Parliament House on the 21 Sept 2010 with over 30 nominations received throughout the state.

AHV congratulates Aunty Merle Bamblett, (and Ms Elizabeth Coldicutt of Northcote) joint winner, who is an active member of the Shepparton Aboriginal Community for the past 30 years and a valued tenant of Office of Housing and Aboriginal Housing Victoria since 1980.

### CAPITAL ACQUISITIONS

#### Certificate IV Indigenous Social Housing

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

There were four key objectives behind the Framework:

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

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

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

Aunty Merle Bamblett, a Koorie elder, is an active resident of the Indigenous community in Shepparton with a keen interest in the judicial system and its effects on her people. Aunty Merle has a passion to improve services for her community, through a variety of volunteer programs including mentoring and standing up for the rights and inclusion of our people.

Aunty Merle served on the first Koorie court in Victoria in 2003 and helped to forge better relations between the law and Indigenous people. Her outstanding work in the area of justice has improved the community's understanding of law and its processes.

Aunty Merle is now working with the Institute of Koorie Education Indigenous research committee to provide advice on the improvement of justice programs, social inclusion and education.

## Tenancy Management

In September, 2009 Aboriginal Housing Victoria (AHV) completed Stage Two – Transition to Independence becoming a self sustaining business, taking on full responsibility for tenancy management of 1294 properties from the Victorian Aboriginal Rental Housing Program (VARHP).

AHV would like to extend its sincerest gratitude to those tenants who agreed to transfer their tenancies to AHV.

Tenants who chose not to transfer their tenancy to AHV management reverted to mainstream tenants and are no longer able to have AHV input into how they are managed. The properties remain Office of Housing properties and are no longer eligible to transfer to AHV.

We do thank those tenants for working closely with us in the past and wish them every success in the future.

### RENT AND RENTAL ARREARS

AHV relies on tenants paying their rent on time and always remaining two weeks in advance as per their signed Tenancy Agreement.

We understand that there are times when tenants are facing financial hardship due to unexpected health problems, loss of a loved one or changes in household composition.

If a tenant falls into arrears, you are required to contact your Aboriginal Housing Officer immediately to enter into an arrears agreement. Where tenants fail to make contact, AHV will commence the legal process to recover outstanding rent.

Whilst we are committed to sustaining tenancies and providing long term housing for our community, tenants who fail to pay their rent to AHV will be taken to the Victorian Civil and Administrative Tribunal (VCAT)

to seek Legal Agreement and, if non-compliance, the eventual Warrant for Possession.

This process is difficult for tenants and staff alike, so we ask all our tenants to commit to your weekly or fortnightly rental payments and contact us immediately if you are experiencing difficulties.

### FIXED RENT REVIEWS (FRR)

AHV conducted the first Fixed Rent Review in December 2009 and the second in June 2010. The next Fixed Rent Review will be conducted in March 2011.

The Fixed Rent Review is a bi-annual process of reviewing the household income against the rent being charged to each tenancy and ensuring tenants are eligible for and receiving the appropriate amount of subsidy and the Commonwealth Rent Assistance.

It is a requirement for tenants to provide AHV with up-to-date information at the time household circumstances change. If the household income reduces, rent charges will also be reduced and any credits applied to the date of the rent reduction.

Alternatively, should a household's income increase (where they are currently being charged a reduced subsidised rent) AHV will not increase the rent charge until the next review period.

However, if a tenant does not notify AHV of the increase to household income prior to the review, AHV may backdate the new rent to when the income increased, which may result in a debit, possibly leading to rental arrears.

To avoid this occurring, please respond to each and every Fixed Rent Review and immediately advise AHV whenever there is a change to household circumstances.

## WAIT LIST

Recently, AHV integrated the Aboriginal applicants from the Office of Housing Wait List into our internal tenancy management systems by applicant consent.

This process identified gaps in information provided by applicants to the Office of Housing, particularly Confirmation of Aboriginality.

We are in the process of sending out correspondence to all those applicants who are required to provide additional information in order for them to take their rightful place on our Wait List.

This process also concluded with the ability for applicants to apply for housing directly to AHV if they choose not to seek housing elsewhere.

At the time of this report, there were over 800 applicants on the Wait List.

## STAFFING

In the past year we have had a number of changes in the Tenancy area:

**Joanne Atkinson** – Tenancy Manager

**Tracey Winmar** – Team Leader and Aboriginal Housing Officer Western Metropolitan

**Amanda-Jean Hoskins** – Team Leader and Aboriginal Housing Officer Western and Eastern Metropolitan

**Priscilla Taylor** – Senior Administration Officer

**Pauline Clamp** – Aboriginal Housing Officer Grampians Region

**Danny Chatfield** – Aboriginal Housing Officer Barwon Region

**Kevin Atkinson** – Aboriginal Housing Officer Hume Region

**Stephanie McStay** – Aboriginal Housing Officer Gippsland Region

**Kevin Murray** – Aboriginal Housing Officer Gippsland Region

**Alan Jones** – Aboriginal Housing Officer Loddon Mallee Region

**Rex Rudd** – Aboriginal Housing Officer Loddon Mallee Region

**Casey Atkinson** – Aboriginal Housing Officer Southern Metropolitan Region

**Andrea Saliba** – Customer Service Officer

**Tashiana Chegubraydoo** – Customer Service Officer

**Dragana Veselinovic** – Customer Service Officer

There are currently 2 vacant AHO positions in Metropolitan regions.

The role of Aboriginal Housing Officers in each region has changed since the transition. The Aboriginal Housing Officers are now focussed on being on the road and visiting clients and providing support services face to face. Aboriginal Housing Officers also liaise closely with local SAAP and Support workers in the regions to support our mutual clients and provide a more holistic service.

Whilst some of the Aboriginal Housing Officers are still based in Office of Housing offices, this is only an accommodation arrangement and all AHV tenants are serviced by Aboriginal Housing Officers, and can no longer be serviced by Housing Officers of the Department.

Tenants can also ring head office between 9am and 5pm, Monday to Friday on (03) 9403 2100 and request a home visit by the Aboriginal Housing Officer or speak to one of three full time Customer Service Officers who are ready to assist with any queries about applications, tenancy and maintenance and will seek further advice if you cannot be assisted.





Jessica Couzens, tenant



**The Aboriginal  
Housing Officers  
are now focused  
on being on the road  
and visiting clients  
and providing support  
services face to face.**



Justine McQuirk , tenant

## Asset Management

AHV is currently preparing for Stage 3 of the Transition to Independence where AHV will take full management of all maintenance, repairs and minor upgrade works. This is an exciting and challenging time for AHV, we are committed to developing, preparing and implementing a thorough maintenance program that meets all statutory requirements and suits the needs of our communities. When AHV progresses to Stage 3 this will allow AHV to have direct involvement with contractors and ensure all maintenance and upgrade works are what is required and that the works are carried out and completed in a professional manner. Forward planning of our assets is very important we are committed to ensure all properties have regular property condition reports to identify upgrades, redevelopments and cyclic maintenance and ensure these works are included in future works programs.

### OFFICE OF HOUSING OWNED PROPERTIES

At this time maintenance and repairs on Aboriginal Rental Housing Program, 1268 properties, are the responsibility of the Office of Housing. Currently tenants in Ooh owned properties arrange maintenance works through the Ooh maintenance call centre, if tenants encounter difficulty in getting repairs actioned through the Ooh system they are encouraged to contact AHV staff who will gladly assist with any maintenance issue.

Elders and tenants that need assistance can arrange works through one of the Property Services Officers or your local Aboriginal Housing Officer.

All requests for Disabled modifications are to be referred to AHV Asset management division, a supporting letter from a Doctor or Occupational Therapist is required to advise of individual requirements.

AHV staff also provides direct support in the provision of home visits to determine maintenance requirements. Asset management staff also works closely with Ooh

Field Services Officers in arranging more extensive issues to be dealt with promptly and thoroughly.

AHV liaise between Ooh, consultants, contractors and clients for access and support during upgrade works. AHV also is committed to ensure maintenance and upgrade works are completed in a professional manner.

### ABORIGINAL HOUSING VICTORIA FULLY OWNED AND MANAGED PROPERTIES

AHV presently fully asset manage 40 properties, these properties are spread between Bendigo, Northern Metro and Gippsland. AHV are implementing a pilot maintenance program using three Head Contractors to carry out responsive maintenance on these properties. After hours emergency maintenance system has been implemented and tenants have been advised of contact details. Over the past twelve months most of these properties had upgrade works carried out, all properties have been re-inspected and properties that require further works were identified. These repairs will be addressed in a future program.

AHV have implemented their own Spot purchase program with 5 new properties committed for purchase.

### ASSET MANAGEMENT ACHIEVEMENTS 2009/10

Office of Housing have a Spot Purchase program that contributed \$2.5m, a total of 5 new properties were purchased.

New construction is involved by redeveloping properties that have reached their economical life. In many cases the sites are fully utilised with several dwellings being built on one site. Nine new houses were built on this program during this period.

AHV work with Ooh to identify properties for upgrade programs. Fifty properties per year are upgraded through this program.

AHV also identify properties that are in poor condition and located in areas of no demand. The properties are sold and funds returned to the Spot purchase program.

AHV meet monthly with Ooh Property Services and Asset Management to monitor and report on spot purchase, upgrade programs, new construction and asset planning

Nation Building has provided 33 new properties to AHV this year with a further 167 expected over the next twelve months.

**Tenants can contact the Maintenance Call Centre on 13 11 72 for all repairs.**



## Aboriginal Housing Victoria's Committees

### REPRESENTATIVE COMMITTEE

The Membership of the Representative Committee consists of the following:

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

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

**If you are interested in applying for any of the vacant positions please contact AHV for further information and an application form.**



Trevor Edwards



Rex Atkinson



Pat Ockwell



Gary (Gilla) McGuiness



Brendan Edwards



Joey Chatfield

### FINANCE, AUDIT AND RISK COMMITTEE

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

- Mr Mark Lipson (Chairperson)
- Mr Tim Chatfield (Director)
- Mr Graham Austin (Director)

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



Mark Lipson



Tim Chatfield



Graeme Austin



Trevor Edwards

### POLICY AND PLANNING COMMITTEE

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

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

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



Kennedy Edwards

## Naidoc Event



### **NAIDOC THEME 2010 – “UNsung HEROES – CLOSING THE GAP BY LEADING THEIR WAY”**

Aboriginal Housing Victoria's annual NAIDOC Family Day event was held on Thursday 8 July 2010 at the Collingwood Children's Farm where an estimated 800 people attended throughout the day contributing to another successful year.

Sharon Paten, CEO, Aboriginal Housing Victoria (AHV) officially opened the day, and Aunty Pat Ockwell (Indigenous Elder) provided a traditional Welcome to Country, which was followed by a welcome from the City of Yarra Councillor, Jane Garrett and a welcome from Collingwood Children's Farm Manager, Alex Walker.

Morning tea, Barbeque lunch and fresh fruit accompanied a full program of activities, featuring Indigenous Artists and story tellers, face painting, boomerang painting emu feather craft and free competitions and raffles.

Visitors to the NAIDOC Event enjoyed free entry into the farm and once again everything was provided at no cost. The event was proudly sponsored by the City of Yarra and reinforced the wonderful partnership between Aboriginal Housing Victoria and the Collingwood Children's Farm.



## 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.



### **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.



**We thank all tenants of the Victorian Aboriginal Housing Program for their commitment to the success of Aboriginal Housing Victoria and the future economic returns such success will provide to the local communities.**

**Sharon Paten**  
Chief Executive Officer



Ann & Crystal Litster, tenants

## Corporate Governance

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

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

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

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

### WHAT IS CORPORATE GOVERNANCE?

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

### LAYING SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

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

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

### Composition

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

### Responsibilities

The responsibilities of the Board include:

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

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

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

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

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

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

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

The Board seeks to ensure that:

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

### **Appointment of Directors**

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 2010, 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 important stakeholder, the Aboriginal community members.

## The Company Directors



### TIM CHATFIELD

Current Chairperson, Aboriginal Housing Victoria, Current Member, Aboriginal Cultural Heritage Council Victoria, Current Shareholder/Member, Framlingham Aboriginal Trust, Former Tumbukka Chairperson, ATSIC and former Ministerially appointed Taskforce Member, Victorian Indigenous Family Violence Strategy. Current Chairperson Martang Pty Ltd. Member Sitting on PAAC.



### GRAEME AUSTIN

Bringing Them Home Worker, Victorian Aboriginal Health Service; Court appointed Respected Person, Koori Court Division of County Court of Victoria and Broadmeadows Magistrates Court, Head Negotiator with HSUA for Proper Awards Wages for Aboriginal and Torres Strait Islander Health Services; Deputy Chairperson, Aboriginal Housing Victoria; Deputy Chairperson, Melbourne Aboriginal Youth, Sport & Recreation; Representative, RAJAC Committee; Member, Kirrae Whurrong Native Title Working Group and Negotiation Team; Member of Fitzroy Stars Football, Netball, Basketball, Softball, Athletics, Boxing, Self Defence and Fitness; Former CEO of Victorian Aboriginal Health Service; Former Chairperson of Tumbukka Regional Council, ATSIC.



### TREVOR EDWARDS

Actively involved in the Aboriginal Community for over 35 years a strong advocate for Social Economic and self determining outcomes for the Aboriginal Community particularly low income earners. Longest and current serving Director of Aboriginal Housing Victoria (27 years), inaugural Director of NTS (6 years), founding member of Wathaurong Aboriginal Co-operative, long time Chairperson and current CEO, 20 years of service with the Community Justice Panel, a strong interest in Governance and Self Determination.



### JACQUALYN TURFREY LLB (Hons), Grad Dip EOA, CSA

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



**MARK LIPSON**  
**B.Bus., B.Ed., Al.Arb.A, CA**

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



**KENNEDY EDWARDS**  
**Currently undertaking Bachelor of Arts in Visual Arts**

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



**JULIA-CANTY WALDRON**

20 years experience in health and welfare, specifically social housing and homelessness in positions of executive leadership, program management, policy development and direct service delivery. Has worked extensively for government and not-for-profit organisations. BA in Sociology, Grad Cert Housing Policy and Management, Cert IV Training and Assessment and currently finalising Masters in Strategic Foresight at Swinburne University. Currently an independent consultant with government and not-for-profit organisations.



REPRESENTATIVE COMMITTEE MEMBERS	QUALIFICATIONS	KEY RESPONSIBILITY
Uncle Ralph (Rex) Atkinson	Active Aboriginal Community Member for over 20 years. Aboriginal Housing Board of Victoria, Executive Member.	Elected by community members of the region in which they reside, for the purpose of providing a link between the community, AHV staff and the Board of Directors.
Aunty Pat Ockwell	Community Director for Aboriginal Community Elders Service (ACES). Deputy Chairperson, Dandenong Aboriginal Co-Operative, Member, Koori Children's Court (Melbourne), Member Koori Adult Court (Broadmeadows).	The objectives of the Representative Committee are:
Brendan Edwards	Active Aboriginal Community Member for more than 25 years. Health Worker, Budja Budja Aboriginal Co-op. Board Member on various Aboriginal Co-Operative organisations including; Gunditjmara Aboriginal Co-op, Wathurang Aboriginal Co-Op and former Chairperson, Budja Budja Aboriginal Co-op.	<ol style="list-style-type: none"> <li>1. To represent Aboriginal Housing Victoria at community forums;</li> <li>2. To ensure regular communication with community and Aboriginal service providers;</li> </ol>
Joey Chatfield	Active Aboriginal Community Member for more than 16 years. Active Board Member and Chairperson, Gunditjmara Aboriginal Co-Operative, involved on Victorian Museum Aboriginal Cultural Advisory Committee, Regional Manager and Cultural Officer, Cultural Heritage in South West Victoria.	<ol style="list-style-type: none"> <li>3. To ensure that tenants and applicants of the VARHP have a process of participation and feedback to the Board of Directors; and</li> </ol>
Gary McGuinness (Gilla)	A descendant of the Gunditjmara Tribe (Western District). Active Aboriginal Community Member born and raised in Fitzroy where he has extensive connection with the community and Aboriginal organisations. He has been a Community Housing Representative of Northern Metro Region for 4 years, a Director of the Victorian Aboriginal Health Service for 4 years and Community Radio Broadcaster with 3CR for 35 years.	<ol style="list-style-type: none"> <li>4. To ensure regular liaison and consultation with the Aboriginal Housing Officers in the regions.</li> </ol>

**REPRESENTATIVE COMMITTEE MEMBER**

Currently AHV requires nominations for Representative Committee Members in Loddon Mallee, Gippsland and Western Metropolitan regions. The role of the Member will be to co-ordinate meetings with the community to allow issues to be raised with the aim of improving service delivery.

If you are interested in becoming a Representative Committee Member and advocating on behalf of your community, please feel free to contact us for an application.

**CONTACTING AHV**

AHV is located at 125-127 Scotchmer Street, North Fitzroy, Victoria 3068. For General enquiries, please call **(03) 9403 2100** or Fax **(03) 9403 2122**.

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





# Financial Report for the Year Ended 30 June 2010

## Directors' Report

Your directors present this report on the entity for the financial year ended 30 June 2010.

### DIRECTORS

The names of each person who has been a director during the year and to the date of this report are:

- Tim Chatfield
- Graeme Austin
- Trevor Edwards
- Mark Lipson
- Jacquelyn Turfey
- Kennedy Edwards
- Julia Canty-Waldron (appointed 5th May 2010)

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

### PRINCIPAL ACTIVITIES

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

Completing Stage Two - Transfer of Tenancy Management of the Aboriginal Rental Housing Program comprising of 1242 properties by 30 September 2009 (under Transition to Independence) from Office of Housing to Aboriginal Housing Victoria.

### OPERATING RESULTS

The surplus of the company for the financial year amounted to \$2,560,117 (2009: \$1,857,080).

### DIVIDENDS PAID OR RECOMMENDED

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

### REVIEW OF OPERATIONS

Moving from a Government Grant funded model of operations to a Rent Retention model under the Housing Provider Framework Lease and subsequently the transfer of over \$350M worth of assets with an annual rental revenue base of almost \$10M.

The company consolidated that transfer by reviewing the management and staffing structure, reviewing processes, implementing new support structures and enhancing its IT requirements to meet the demands of a tenancy management business.

Additional staffing positions were created and the final year's delivery of the Certificate IV in Indigenous Social Housing enhanced the staffing and skill levels of the Company.

The Company continued to work closely with the Office of Housing to monitor and manage the program and met the requirements of the Office of the Registrar.

### **AFTER BALANCE DATE EVENTS**

There were no significant events after the reporting date which require disclosure in the financial statements at 30 June 2010.

### **FUTURE DEVELOPMENTS**

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.

### **ENVIRONMENTAL ISSUES**

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

### **INDEMNIFYING OFFICERS OR AUDITOR**

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 entity.

### **PROCEEDINGS ON BEHALF OF THE ENTITY**

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

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

### **AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 3 of the directors' report.

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



Director  
Tim Chatfield

Dated 17th September 2010

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

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

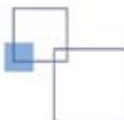
LBW Chartered Accountants



Sripathy Sarma

Partner

Date 17<sup>th</sup> September 2010



**LBW**  
Chartered Accountants

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
Rental revenue	2	9,780,970	5,569,781
Cost of housing		(4,796,047)	(2,552,582)
<b>Gross Profit</b>		<b>4,984,923</b>	<b>3,017,199</b>
Other revenues	2	482,585	1,098,100
Deduct:			
Board member expenses		(136,436)	(115,050)
Building & equipment purchases		(46,814)	(40,109)
Communication expenses		(77,357)	(60,964)
Employee & related expenses		(1,445,849)	(1,139,180)
IT expenses		(367,748)	(360,116)
Administration expenses		(146,161)	(267,622)
Project expenses		(261,665)	(183,484)
Other expenses		(425,361)	(91,694)
<b>Surplus before income tax</b>		<b>2,560,117</b>	<b>1,857,080</b>
Income tax expense	1a	-	-
<b>Surplus for the year</b>		<b>2,560,117</b>	<b>1,857,080</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>2,560,117</b>	<b>1,857,080</b>
Total comprehensive income attributable to organisation		<b>2,560,117</b>	<b>1,857,080</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010	2009
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	5,562,995	3,616,932
Term Deposit		86,976	83,626
Trade and other receivables	5	912,928	333,040
Prepayments	6	11,993	16,273
<b>TOTAL CURRENT ASSETS</b>		<b>6,574,892</b>	<b>4,049,871</b>
NON-CURRENT ASSETS			
Quarantined Funds		38,422	38,381
Office Land & Buildings	7	1,025,913	1,036,362
Rental Land & Buildings	7	6,389,121	6,681,888
Plant, Equipment and Motor Vehicles	7	91,244	87,383
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,544,700</b>	<b>7,844,015</b>
<b>TOTAL ASSETS</b>		<b>14,119,592</b>	<b>11,893,885</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	8	368,306	441,599
Employee Provisions	9	52,268	75,320
Grants Carried Forward	10	53,499	308,724
<b>TOTAL CURRENT LIABILITIES</b>		<b>474,073</b>	<b>825,643</b>
NON-CURRENT LIABILITIES			
Employee Provisions	9	51,570	34,410
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>51,570</b>	<b>34,410</b>
<b>TOTAL LIABILITIES</b>		<b>525,643</b>	<b>860,053</b>
<b>NET ASSETS</b>		<b>13,593,949</b>	<b>11,033,832</b>
<b>EQUITY</b>			
Retained Earnings		13,054,738	10,494,621
Reserves		539,211	539,211
<b>TOTAL EQUITY</b>		<b>13,593,949</b>	<b>11,033,832</b>

The accompanying notes form part of these financial statements.



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Retained Earnings	Revaluation Surplus	Financial Assets Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2008	8,637,541	539,211	-	9,176,752
Profit attributable to the entity	1,857,080	-	-	1,857,080
<b>Balance at 30 June 2009</b>	<b>10,494,621</b>	<b>539,211</b>	<b>-</b>	<b>11,033,832</b>
Profit attributable to the entity	2,560,117	-	-	2,560,117
<b>Balance at 30 June 2010</b>	<b>13,054,738</b>	<b>539,211</b>	<b>-</b>	<b>13,593,949</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010	2009
		\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Rent received		8,976,872	5,569,781
Grants received		421,901	993,506
Payments to suppliers and employees		(7,463,212)	(4,612,726)
Interest received		165,171	94,604
Other income		7,461	9,989
Net cash generated from operating activities	16	2,108,193	2,055,154
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Receipts for sale of property, plant and equipment		335,874	-
Payment for property, plant and equipment		(498,004)	-
Net cash used in investing activities		(162,130)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net cash used in financing activities		-	-
Net increase in cash held		1,946,063	2,055,154
Cash and cash equivalents at beginning of the financial year		3,616,932	1,561,778
Cash and cash equivalents at the end of the financial year	4	<b>5,562,995</b>	<b>3,616,932</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

### 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 the end of each reporting period.

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

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

### 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, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

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 the end of each reporting period, the entity 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 statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### e. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

#### f. 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 statement of financial position.

#### g. 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

#### h. Provisions

Provisions are recognised when the entity 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### i. 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).

#### j. 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.

#### k. Comparative Figures

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

**NOTE 2: REVENUE AND OTHER REVENUE**

	2010	2009
	\$	\$
<i>Operating Activities</i>		
– Rental revenue	9,780,970	5,569,781
<b>Total Rent Revenue</b>	<b>9,780,970</b>	<b>5,569,781</b>
<i>Grant Revenue Activities</i>		
– Office of Housing, Dept of Human Services Stream 2	-	790,150
– FACS Grant Revenue	216,006	203,356
<b>Total Grant Revenue</b>	<b>216,006</b>	<b>993,506</b>
<i>Other income</i>		
– Interest revenue	168,562	94,604
– Project income	7,165	6,320
– Profit on sale of Property, Plant & Equipment	90,556	-
– Other	296	3,670
<b>Total Other Income</b>	<b>266,579</b>	<b>104,594</b>
<b>Total Other Revenues</b>	<b>482,585</b>	<b>1,098,100</b>

**NOTE 3: PROFIT FOR THE YEAR**

	2010	2009
	\$	\$
<b>a. Expenses</b>		
Depreciation and Amortisation		
– Office Buildings	11,449	4,525
– Rental Buildings	47,449	47,449
– Plant and Equipment	32,023	21,202
<b>Total Depreciation and Amortisation</b>	<b>90,921</b>	<b>73,176</b>
Bad and Doubtful Debts expense	224,210	-
Auditor Remuneration		
– audit services	18,000	18,000
– other services	-	-
<b>Total Audit Remuneration</b>	<b>18,000</b>	<b>18,000</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

**NOTE 4: CASH AND CASH EQUIVALENTS**

	2010	2009
	\$	\$
CURRENT		
Cash at bank and in hand	5,562,995	3,616,932
	<b>5,562,995</b>	<b>3,616,932</b>

**NOTE 5: TRADE AND OTHER RECEIVABLES**

	2010	2009
	\$	\$
CURRENT		
Rental receivables	912,928	333,040
Provision for impairment of receivables	-	-
	<b>912,928</b>	<b>333,040</b>
Other receivables	-	-
Total current trade and other receivables	<b>912,928</b>	<b>333,040</b>

**NOTE 6: OTHER ASSETS**

	2010	2009
	\$	\$
CURRENT		
Prepayments	11,993	16,273
	<b>11,993</b>	<b>16,273</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT**

	Note	2010 \$	2009 \$
<b>OFFICE LAND AND BUILDINGS</b>			
Freehold land at fair value:			
– Independent valuation in 2006	a	739,211	739,211
Total land		739,211	739,211
Buildings at fair value:			
– Independent valuation in 2006	a	310,789	310,789
Less accumulated depreciation		(25,087)	(13,638)
Total buildings		285,702	297,151
Deposit on Properties		1,000	-
Total Office land and buildings		<b>1,025,913</b>	<b>1,036,362</b>
<b>RENTAL LAND AND BUILDINGS</b>			
Freehold land at fair value:			
– Independent valuation in 2008		3,624,413	3,799,035
Total land		3,624,413	3,799,035
Buildings at fair value:			
– Independent valuation in 2008		3,553,717	3,163,293
Less accumulated depreciation		(327,889)	(280,440)
Total buildings		3,225,828	2,882,853
Capital Grants Received		(461,120)	-
Total Rental land and buildings		<b>6,389,121</b>	<b>6,681,888</b>
<b>PLANT AND EQUIPMENT</b>			
Plant and equipment			
At cost		205,798	169,914
Less accumulated depreciation		(114,554)	(82,531)
Total plant and equipment		<b>91,244</b>	<b>87,383</b>
<b>Total property, plant and equipment</b>		<b>7,506,278</b>	<b>7,805,633</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

### NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONT.)

#### 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:

	Freehold Land	Buildings	P & E & MV's	Rental Land	Rental Buildings	Total
	\$	\$	\$	\$	\$	\$
<b>2009</b>						
Balance at the beginning of the year	739,211	301,676	108,585	3,799,035	2,930,302	7,878,809
Additions at cost	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation increment	-	-	-	-	-	-
Depreciation expense	-	(4,525)	(21,202)	-	(47,449)	(73,176)
Carrying amount at the end of year	739,211	297,151	87,383	3,799,035	2,882,853	7,805,633
<b>2010</b>						
Balance at the beginning of the year	739,211	297,151	87,383	3,799,035	2,882,853	7,805,633
Additions at cost	-	1,000	35,884	70,696	390,424	498,004
Disposals	-	-	-	(245,318)	-	(245,318)
Capital Grants Received	-	-	-	-	(461,120)	(461,120)
Depreciation expense	-	(11,449)	(32,023)	-	(47,449)	(90,921)
Carrying amount at end of year	<b>739,211</b>	<b>286,702</b>	<b>91,244</b>	<b>3,624,413</b>	<b>2,764,708</b>	<b>7,506,278</b>

#### Asset revaluations

The group's land and buildings were revalued at 30 June 2008 by independent valuers. Valuations were made on the basis of open market value. The revaluation surplus was credited to an asset revaluation reserve in member's equity.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

**NOTE 8: TRADE AND OTHER PAYABLES**

	2010	2009
	\$	\$
<b>CURRENT</b>		
Trade payables	129,380	323,646
Sundry payables and accrued expenses	238,926	117,593
	<b>368,306</b>	<b>441,599</b>

**NOTE 9: EMPLOYEE PROVISIONS**

	2010	2009
	\$	\$
<b>Current</b>	<b>52,268</b>	<b>75,320</b>
	<b>52,268</b>	<b>75,320</b>
<b>Non-Current</b>	<b>51,570</b>	<b>34,410</b>
	<b>51,570</b>	<b>34,410</b>

**Provision for Long-term Employee Benefits**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

### NOTE 10: GRANTS CARRIED FORWARD

	2010	2009
	\$	\$
ATSIC Tfr Aboriginal Hsg Co-Op Properties	-	19,114
Dja Dja Liquidation Funds	41,222	41,222
FACSIA Cert IV Grant	12,277	228,282
FACSIA Grant for Property Upgrades	-	20,106
	<b>53,499</b>	<b>308,724</b>

### NOTE 11: CAPITAL AND LEASING COMMITMENTS

	2010	2009
	\$	\$
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments		
– not later than 12 months	85,910	58,812
– later than 12 months but not later than 5 years	30,068	50,688
– greater than 5 years	-	-
	<b>115,978</b>	<b>109,500</b>

### NOTE 12: CONTINGENT LIABILITIES AND ASSETS

There are no contingent liabilities or contingent assets at 30 June 2010.

### NOTE 13: SEGMENT REPORTING

Aboriginal Housing Victoria operates 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).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

### NOTE 14: EVENTS AFTER THE REPORTING PERIOD

There are no significant events occurring after the reporting period which require disclosure in the financial statements for year ended 30 June 2010.

### NOTE 15: 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 16: CASH FLOW INFORMATION

	Note	2010 \$	2009 \$
<b>a. Reconciliation of Cash</b>			
Cash at bank and in hand		5,562,995	3,616,932
	4	<b>5,562,995</b>	<b>3,616,932</b>
<b>b. Reconciliation of Cashflow from Operations with Profit after Income Tax</b>			
Surplus after income tax		2,560,117	1,857,080
Non cash flows			
Depreciation and amortisation		90,921	73,176
Profit on sale of P,P&E		(90,556)	-
Changes in assets and liabilities			
(Increase)/decrease in receivables		(579,888)	(293,032)
(Increase)/decrease in prepayments		4,280	(13,305)
(Increase)/decrease in quarantined funds		(41)	131
(Increase)/decrease in term deposit		(3,350)	(5,154)
Increase/(decrease) in payables		(73,293)	339,109
Increase/(decrease) in current provisions		(23,052)	(3,906)
Increase/(decrease) in deferred provisions		17,160	34,410
Increase/(decrease) in grants carried forward		(255,225)	66,645
Capital grants received		461,120	-
		<b>2,108,193</b>	<b>2,055,154</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

### NOTE 17: 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 18: ENTITY DETAILS

The registered office of the entity is:

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

The principal place of business is:

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

Aboriginal Housing Victoria Ltd

DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 4 to 17, are in accordance with the *Corporations Act 2001*:
  - a. comply with Australian Accounting Standards; and
  - b. give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity 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.

  
\_\_\_\_\_  
Tim Chatfield (Director)

Dated 17<sup>th</sup> September 2010

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

We have audited the accompanying financial statements of Aboriginal Housing Victoria Ltd (the company), which comprises the statement of financial position as at 30 June 2010 and the statement of comprehensive income and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

*The Responsibility of the Directors for the Financial Statements*

The directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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

*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 Ltd on 17<sup>th</sup> September 2010, 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, the financial statements present fairly, in all material respects, the financial position of Aboriginal Housing Victoria Ltd as of 30 June 2010, and its financial performance and cash flows for the year then ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards.

LBW

LBW Chartered Accountants



*S. Sarma*  
Sripathy Sarma

Dated 17<sup>th</sup> September 2010

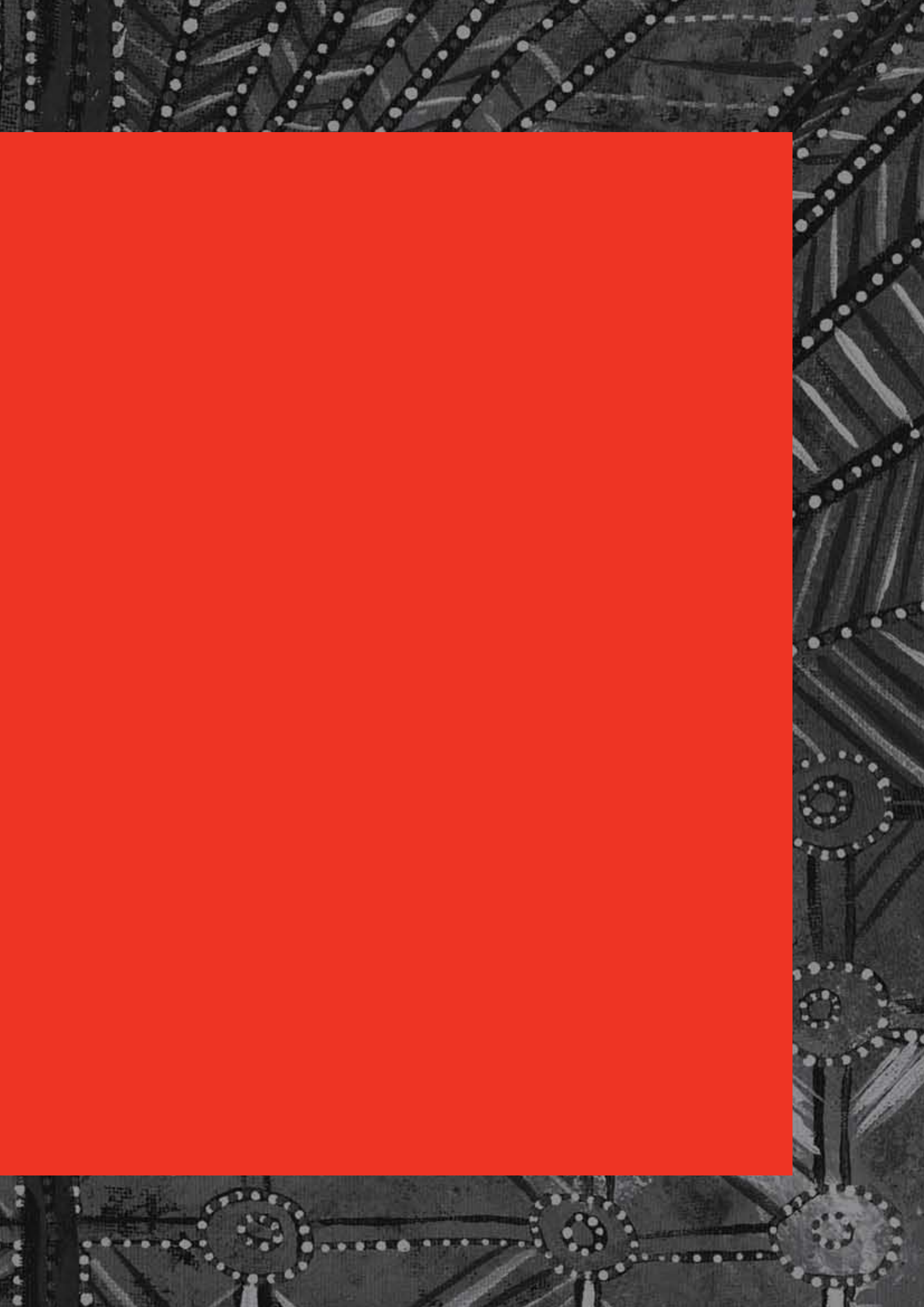


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