



# Aboriginal Housing Victoria



Annual Report  
2010 - 2011



# Artwork Description



**Artist:** Eileen Harrison

**Tribe:** Gunnai/Kurnai

**Title:** Culture Coming Together

“The Circles in the middle depicts two cultures coming together, while the circles on the outside are emerging with the middle one.

Footprints are the people finding their way home.

Our culture is strong and surviving in modern society.”

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## Our Vision

Aboriginal Housing Victoria will develop and manage the provision of housing assistance to the 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 the 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.

# Chairperson's Overview

As Chair of Aboriginal Housing Victoria I am very pleased to present the 2010/ 2011 Annual Report. The Company has delivered some exceptional results over the past 12 months and developed a maturity as an organisation that all our members should be proud of. I note that the portfolio of housing now stands at 1448 properties, a significant growth achievement during the past year and a credit to our good financial management.

As the largest provider of Aboriginal Housing in Victoria, and the first fully accredited Aboriginal Registered Housing Organisation, we have shown the way for many other similar organisations to follow. The path to self determination is not easy, AHV have found the road a hard one, and mistakes have been made, our structures tested and our resolve to achieve our vision put under pressure. I can now say we have come through all this and we are still moving forward and growing stronger.

Your Board meet every month to discuss the activities and directions that AHV are heading towards. The Board comprises 4 Aboriginal elected members and 3 Directors from the professional/corporate world. This brings together a culturally responsible group and the external expertise that is needed to guide the organisation. AHV also have in place several committees with specific responsibilities to develop both policy and provide advice to the Board. This structure works extremely well as the company continues to grow and seek more opportunities into the future. As Chairman I would especially like to welcome on to the Board Mr Bill Scrivenor who replaced Mr Mark Lipson as the Board's finance member. Mr Scrivenor has over 30 years experience in the accounting field and will bring much needed experience and qualifications to our meetings. I acknowledge the commitment made by all our Board members, we have met 11 times in the past 12 months with a long list of important agenda items, the Board have dedicated their time and energy to further develop the AHV vision and I respect them for their involvement.

Late last year our CEO, Ms Sharon Paten resigned to take up a position with the Koorie Heritage Trust, I would like to thank Sharon for her many years of dedicated service to the organisation and to recognise her role in guiding AHV in its first steps towards Transition. We wish Sharon well in her new career. Early in 2011 we appointed Mike Calvert to the role of CEO, and in so doing we recognised that the Company needed to bring some commercial management experience in and to appoint a professional that could also demonstrate the cultural sensitivity we need in our relationship with the community. AHV welcome Mike to the role and hope you will get to know him over the next few months.

Our tenancy management systems and staff have been at the forefront of AHV challenges and as your Chairman I would ask that all our tenants continue to work closely with your Regional Housing Officers to resolve outstanding issues. We need our tenants to be with us into the future and we will be working hard to settle down this part of our business. The vast majority of our tenants live in their homes in quiet and respectful peace, I am thankful and grateful to all of you who appreciate our relationship and work with us to meet all your needs.

A very important part of what makes AHV a housing provider of choice is our strong relationship back to community with our community elected Representatives across the 8 regions. Your Representatives act as the voice and local knowledge holders across the state, all our members should know their local Rep and be in touch with them with their concerns. As Chairman, I appreciate this relationship and recognise the hard work these volunteers contribute to AHV. With elections this year, I hope that all positions will be filled and the Reps meet regularly to provide community advice to AHV.

The next step is under way, Aboriginal Housing Victoria is now assuming responsibility for all maintenance and upgrades on our properties. The call centre and maintenance function handled by the Office of Housing is moving across to our Asset Management team. This is the last stage in the transition to full transfer of all properties, the ultimate goal that the State Government and AHV set for us many years back. The responsibility to manage such a huge asset and ensure these properties are all well maintained and appropriately located to suit the needs of our community is our next goal. Coupling this with continued new construction and spot purchases should deliver a range of housing solutions and opportunities across Victoria.

I would like to take this opportunity to thank the State Government and in particular Ms Wendy Lovell as Minister for Housing for the continued support of the transition process and commitments made by the Department of Human Services, Department of Treasury and the Office of Housing, all of whom have been instrumental in continuing the support to AHV in achieving its ambitions.

I would also like to thank the Management and Staff of the company for an outstanding year, one that has seen tremendous change, challenge and achievement. I look forward to the next year when the company can truly begin to stand on its own and show that an Aboriginal organisation can become self determined and deliver back to community culturally appropriate homes for our people to enjoy and live in for as long as they wish.

**Chairperson**  
Tim Chatfield



# Chief Executive Officer's Report

As this is my first report since assuming the role as CEO of Aboriginal Housing Victoria back in May this year, I should like to introduce myself to all members but first I would like to acknowledge the hard work and successes that the previous CEO, Sharon Paten, gave to the organisation. The foundations were laid by Sharon and your Board, it is my job to continue and develop the organisation and deliver on the promise and vision that has been your goal for over 30 years.

I come to the role as CEO after a long career in the Northern Territory, most recently as CEO of Nauiyu Community on the banks of the Daly River. Nauiyu is a highly developed Aboriginal Community that is a guiding light on how a cohesive and enlightened community can take charge of its future. Prior to this I owned a large Real Estate business in Darwin and Adelaide so my commercial background has a property management focus as well.

The business of AHV is at an interesting crossroad, the challenge of tenancy management and developing the systems and procedures for a successful transfer of 1448 properties was not without its difficulties. The organisational structure and staffing at both the regional and Melbourne office levels were under pressure to deliver what was an enormous task. I accept that my role is to further implement this process and resolve all outstanding barriers to success on this front. Aboriginal Housing Victoria is determined to be the culturally responsible tenancy manager that you as the members expect and deserve.

The next step we are taking involves responsibility for all property maintenance, upgrades and asset purchases. The asset management team have been developing the systems and procedures and testing this with the 53 AHV owned properties we have currently. I am confident that this next big step will proceed with little disruption to the existing process we have for maintenance with the Office of Housing. We have resourced the call centre, employed the expertise and developed

our business relationships with contractors across the state for all maintenance programmes. This will enable us to better understand our properties and deliver a higher standard of service, a thorough investigation of every home will be undertaken in 2011/12. This will also coincide with 6 monthly inspections by your Regional Housing Officer so that we have a better understanding of your requirements and can develop better planning for upgrade works as required.

As Aboriginal Housing Victoria continues to evolve into a stand alone not-for-profit Company, the pressure mounts for financial stability. AHV does not receive any Federal or State Government funding, its sole source of income is from you as rent payments. There is currently limited funding available in the future to purchase new social housing properties, therefore AHV will be restricted in buying new properties to any small margins that can be found between income and expenditure. Our maintenance programme will be totally reliant on your rental income as well, hence as many of our tenants are aware, AHV have been working closely with you to reduce the rent arrears outstanding.

As CEO, I am extremely conscious of these competing pressures. I must constantly balance what is culturally correct in line with our vision and mission statement against ensuring that the company can meet its financial liabilities. As a company, AHV must first put itself on this sound financial footing in order to deliver affordable housing and maintain your home to an acceptable standard. The management and staff of AHV have undertaken regular community forums throughout Victoria to listen to you as members and to develop the understanding between us as a property manager and you as a tenant. These forums will continue throughout 2011 and 2012 and I personally invite you to attend the next one in your region, take the opportunity to meet with our staff and to talk through the issues that concern you most.



This year, AHV hope to be able to have nominations for the Representative Committee vacancies and the election process completed. Current vacancies for Gippsland, Western District and Loddon Mallee need to be filled as does a renomination process for Eastern/ Northern Metropolitan. Following on from our AGM in October this year, AHV are convening a planning forum to further develop our vision and business plan. The Board of AHV and the Representative Committee and Management will work together to map out all the initiatives and policies that will guide the organisation for the next 10 years. The Business Plan will provide the guidance and direction for AHV and will clearly define our business and community objectives and expectations.

Aboriginal Housing Victoria can demonstrate some notable achievements for 2010/2011. The year has not been without its challenges, but I am pleased to be able to say, we are stronger for it and clearer in our goals.

- On the staffing front several new key people have joined the company and all vacant positions have been filled. Some extra resources were required to catch up on the backlog but we can see the light and our processes are beginning to work for us.
- On the asset purchases, AHV added 14 new properties this financial year, something we are proud of given the difficult financial times.
- The completion of the first Garden project and a commitment to continue to develop this worthwhile programme into 2012.
- A reduction in the current arrears and ongoing objective to work closely with you, our tenants, to ensure the arrears are managed in a sensitive but financially responsible manner.
- Development of internal policies and procedures to provide a workplace of choice and secure place of employment. A commitment to ongoing personal development for our staff and a concerted effort to further implement the Cert 1V in Indigenous Social Housing.

- Apprentice programme to attract young people to our industry.
- External consultancies to evaluate our IT systems and internal staff development opportunities.

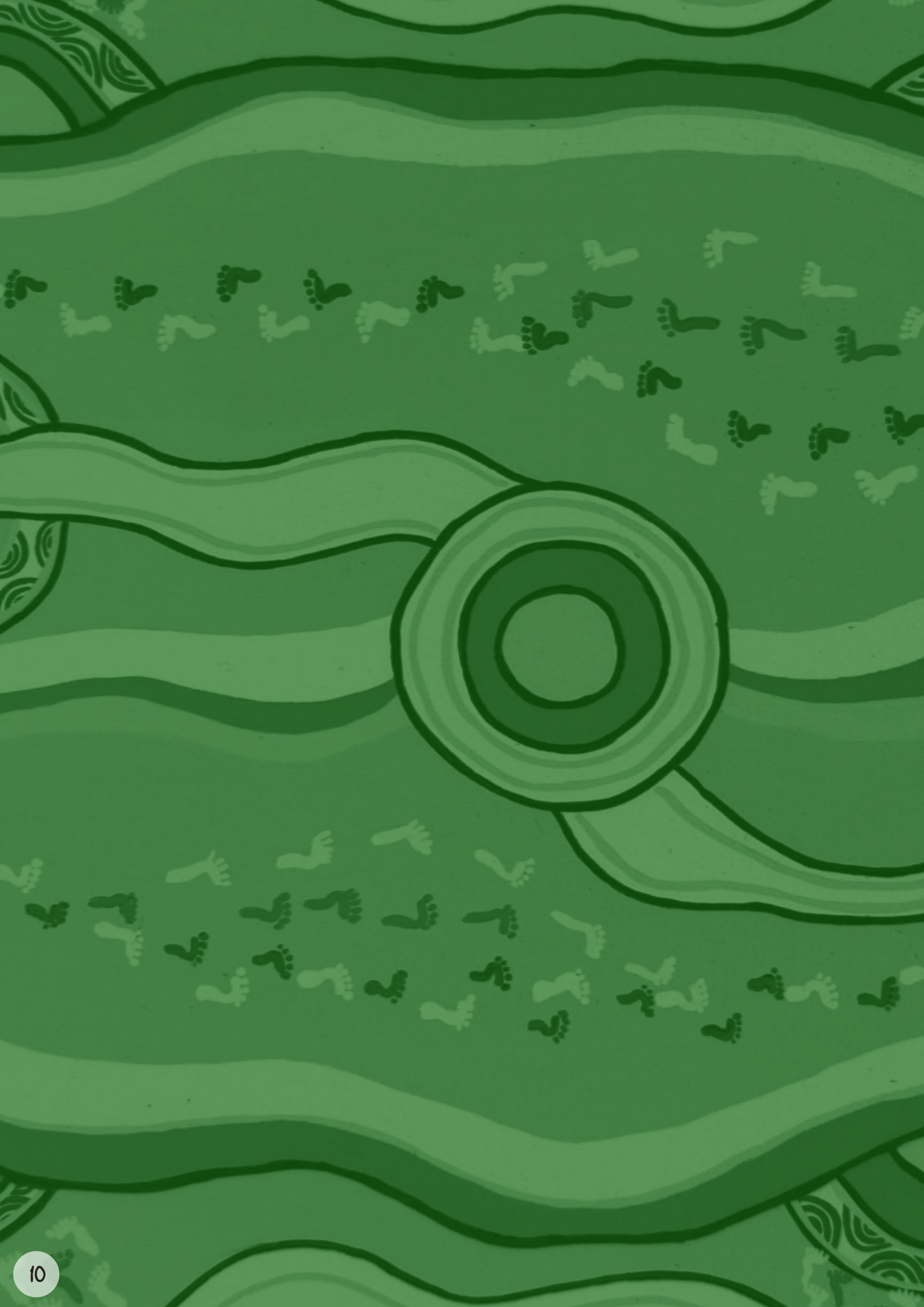
Aboriginal Housing Victoria is on a journey with all our members, we have shown that we can survive through the hard times and prosper. Our future is an exciting one that will evolve over time and with the support of our tenants can show other Aboriginal Housing Providers how to develop a sustainable model for the provision of long term housing tenancies.

At this point I must also say to all our tenants, the homes you live in are yours for as long as you wish. All we ask is that you pay the rent and look after your home as if it is yours. Every little item of damage costs money, money that will not be able to be spent on new houses.

I am pleased to have become a part of this journey and hope to see AHV develop in line with everyone's expectations. The next few years will be critical to the long term ability of AHV to truly respond to the needs of the community. We all know how devastating the housing shortage is for Aboriginal People today, you know from firsthand experience how the ability to live in your own home gives you the security and ability to look after your children and your family's health and wellbeing. AHV hope in its own small way to be able to provide as many new homes as are possible. It's all up to you as our tenants and AHV as your property manager to be a partnership and together it can become a reality.

**Chief Executive Officer**  
Michael Calvert





# 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 Company's 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, which will be 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 will be 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 2011, 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.

## 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 laws in force that apply from the State of Victoria and Federal Government.

## SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Company and its 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 timeframe 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 for remuneration are undertaken by the Finance, Audit and Risk Committee and recommendations must be endorsed by the full Board. 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 across the whole state of Victoria.

# Company Directors

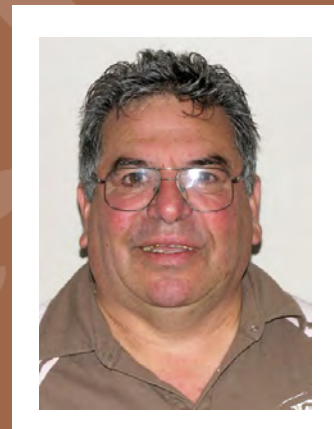
## Tim Chatfield

- Current Chairperson of Aboriginal Housing Victoria (7 years);
- 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 the PAAC.



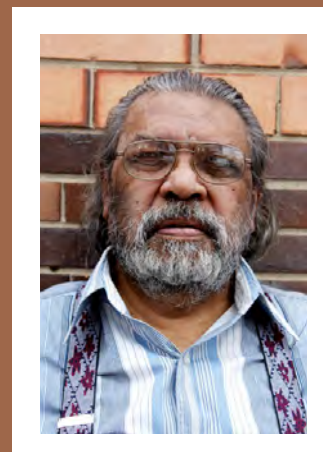
## Graeme Austin

- Current Deputy Chairperson Aboriginal Housing Victoria;
- Current Bringing Them Home (BTH) Worker, Victorian Aboriginal Health Service;
- Court appointed Respected Person, Koori Court Division of County Court of Victoria and Broadmeadows Magistrates Court;
- Deputy Chairperson, MAYSAR (Melbourne Aboriginal Youth, Sport & Recreation);
- 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 Counsel (ATSIC)



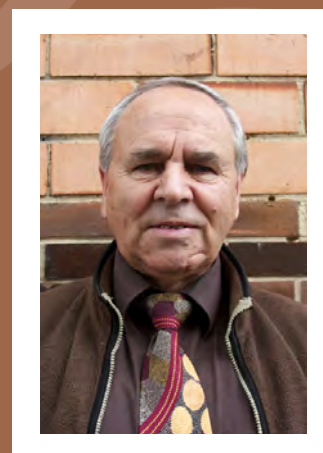
## Kennedy Edwards

- Current Director Aboriginal Housing Victoria and Chairperson of the Policy committee;
- 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 with the then Ministry of Housing; (11 years)
- Former Chairperson of the Aboriginal Housing Board of Victoria (10 years);
- Assisted other well respected community Elders to run Cabarets in order to raise funds to establish the Aboriginal Funeral Fund;
- Former President of Victorian Aboriginal Education;
- Former Director, Victorian Aboriginal Health Service;
- Drug and Alcohol Worker for two years and
- Fitzroy Stars Football Club player.



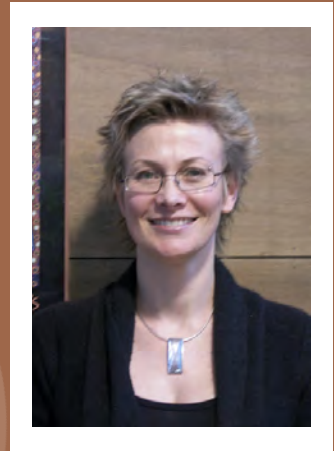
## Trevor Edwards

- Current and longest serving Director Aboriginal Housing Victoria (28 years) and Chairperson of the Regional Representative Committee;
- Active in the Aboriginal community for over 35 years and a strong advocate for social economic outcomes for the Aboriginal community, particularly low income earners;
- Former Director and Current Member, Native Title Services,
- 20 years service as Wathaurong Community Justice Panel;
- Founding member of Wathaurong Aboriginal Co-operative;
- Former CEO, Wathaurong Aboriginal Co-operative
- Has a strong interest in Governance and Self Determination.



## Jacquelyn Turfrey

- Current Director Aboriginal Housing Victoria;
- LLB (Hons) University of Melbourne, Grad Dip (EO Admin) Swinburne University;
- Currently practising law as a Barrister at the Victorian Bar;
- Admitted to practice as a legal practitioner in 2000;
- Extensive experience as both a Company Secretary and in multiple Directorship roles;
- Has worked in Federal Government agencies, private law firms, banking industry and Aboriginal not-for-profit organisations



## Julia Canty-Waldron

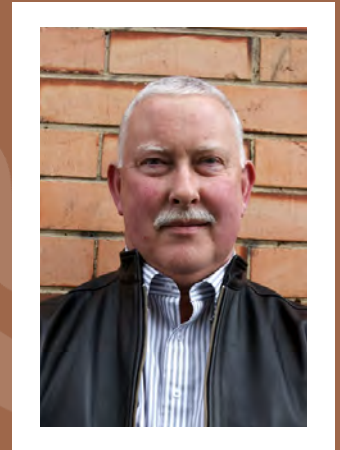
- Current Director Aboriginal Housing Victoria and Chairperson of the Arrears committee;
- 20 years experience in health and welfare, specifically social housing and homelessness in positions of executive leadership, program management, policy development and direct service delivery; across government and not-for-profit organisations.
- BA in Sociology,
- Grad Cert in Social Sciences (Housing Policy and Management);
- Cert IV in Training and Assessment;
- Finalising Masters in Strategic Foresight;
- Oxford University, Saïd Business School, Scenarios Program
- Currently an independent consultant with government and not-for-profit organisations.





## Bill Scrivenor

- Current Director Aboriginal Housing Victoria and Chairman of Finance, Audit and Risk Committee
- B. Commerce, Chartered Accountant, Certified Practising Accountant, Registered Tax Agent
- 39 years finance, business and management experience including not-for-profit organisations
- Career started in Audit at Price Waterhouse, followed by a move into various accounting and management positions in manufacturing, retailing, construction, transport and financial services
- Previously at Lowell Capital Ltd: Compliance Committee member, Director of accounting & taxation subsidiary companies
- Previously Internal Auditor for a federal government law enforcement agency
- From 2002 Compliance Committee member for Convexity Ltd, Chairman of the Committee since 2008.
- Currently provides accounting services and taxation advice to individual and business clients, financial planning, corporate capital funds raising, investment management and administration of public unit trusts
- Director of a wholesale capital markets business



# Aboriginal Housing Victoria's Committees

## Regional Representative Committee

The Regional 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, elected by community members of the region in which they reside.

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.

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 McGuinness, 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

AHV have recently sought expressions of interest for the Regions of:

- Western Metropolitan Region
- Gippsland Region
- Loddon Mallee Region
- Eastern/Northern Metropolitan Region.

The closing date for nominations was the 23rd September 2011.  
We are pleased to advise that we received a positive number of applications.

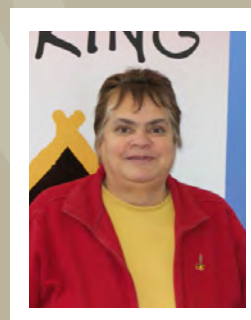
### Ralph (Rex) Atkinson

- Current and long serving Board member and current Hume Regional Representative Committee member, Aboriginal Housing Victoria. (18 years);
- Active Aboriginal Community Member for over 20 years.



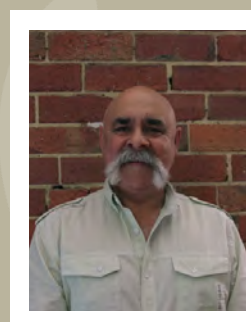
### Pat Ockwell

- Long serving Board member and Chairperson Aboriginal Housing Victoria and current Southern Regional Representative Committee member, Aboriginal Housing Victoria (22 years);
- Community Director for Aboriginal Community Elders Service (ACES);
- Deputy Chairperson, Dandenong Aboriginal Co-Operative;
- Member, Koori Children's Court (Melbourne);
- Member, Koori Adult Court (Broadmeadows).



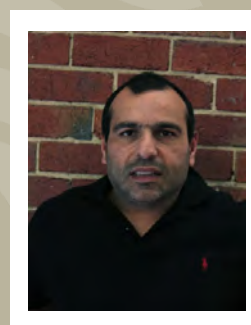
### Brendan Edwards

- Current Grampians Regional Representative Committee member, Aboriginal Housing Victoria;
- Active Aboriginal Community Member for more than 25 years;
- Health Worker, Budja Budja Aboriginal Co-Operative;
- Former Board Member on various Aboriginal Co-Operative organisations including: Gunditjmara Aboriginal Co-Operative, Wathaurang Aboriginal Co-Operative and Current Chairperson, Budja Budja Aboriginal Co-Operative;
- Former Housing Officer, Wathaurong Aboriginal Co-Operative.



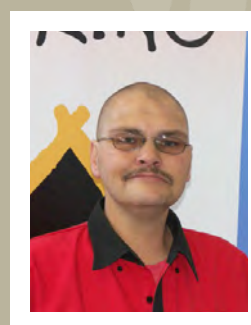
### Joey Chatfield

- Current Barwon Regional Representative Committee member, Aboriginal Housing Victoria;
- Respected member South West Community with over 18 years experience in cultural Heritage and other community service;
- Former Director and Committee Representative on various organisations including Gunditjmara Aboriginal Co-Operative, Museum Victoria and Brambuk;
- Currently self employed as a consultant for Boonta Consultants, past 3 years;
- Founder of the Elders Retreat Centre, Warrnambool.



### Gary McGuinness

- Current Northern Regional Representative Committee member, Aboriginal Housing Victoria;
- Active Aboriginal Community Member for over 31 years representative on various Community Organisations, Koori Radio Station 3KND;
- Aboriginal Affairs Victoria, Victorian Aboriginal Health Service;
- Certificate III and IV in Radio Broadcasting;
- Official Prison Visitor, Corrections Victoria.



## Finance, Audit and Risk Committee

The key role of the FAR Committee is to assist the Board of Directors 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 membership of the Finance, Audit and Risk (FAR) Committee consists of the following:

- Mr Bill Scrivenor (Chairperson)
- Mr Tim Chatfield (Director)
- Mr Graeme Austin (Director)

## Policy and Planning Committee

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

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

- Mr Kennedy Edwards (Chairperson)
- Mr Trevor Edwards (Director)
- Julia Canty-Waldron (Director)

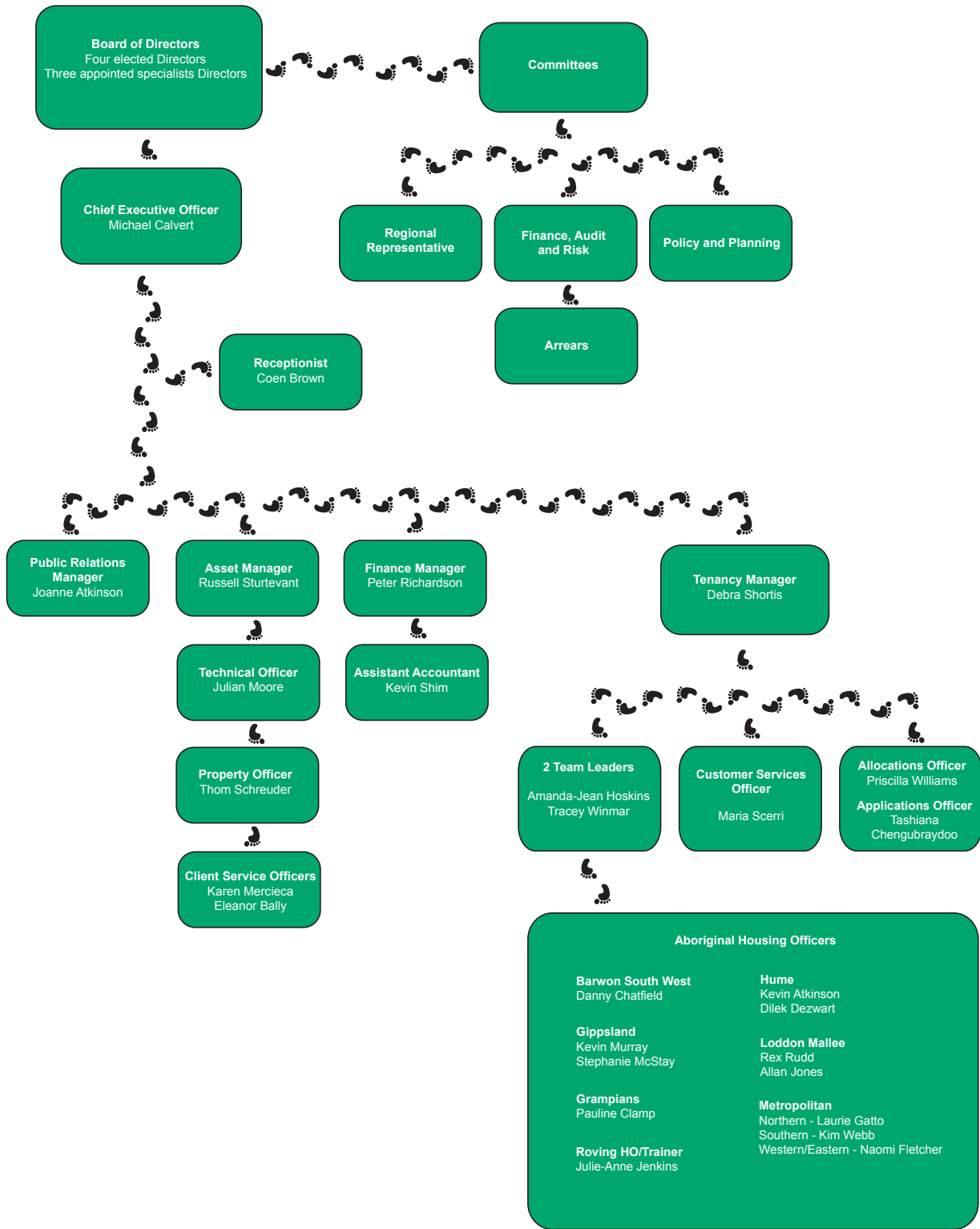
## Arrears Committee

The purpose of the Arrears Committee is to ensure that the level of rental arrears are reduced through appropriate, innovative and realistic tenancy management approaches.

The membership of the Arrears Committee consists of the following:

- Julia Canty-Waldron (Chairperson)
- Graeme Austin (Director)
- Trevor Edwards (Director)

# Organisational Structure



# Tenancy Management

It is now two years since Aboriginal Housing Victoria (AHV) took on full responsibility for tenancy management of all properties from the Victorian Aboriginal Rental Housing Program (VARHP).

We have learnt a lot in this time and continue to strive to manage our tenancies in a professional and sensitive manner.

There have been numerous staffing changes within AHV during 2010/2011.

The following are staff who currently work within the tenancy team:

Tenancy Manager:	Debra Shortis
Team Leader:	Tracey Winmar
Team Leader:	Amanda-Jean Hoskins
Allocations Officer:	Priscilla Williams
Roving Housing Officer/Trainer:	Julie-Anne Jenkins
Aboriginal Housing Officer Grampians:	Pauline Clamp
Aboriginal Housing Officer Barwon:	Danny Chatfield
Aboriginal Housing Officers Hume:	Kevin Atkinson & Dilek Dezwart
Aboriginal Housing Officers Gippsland:	Stephanie McStay & Kevin Murray
Aboriginal Housing Officers Loddon Mallee:	Rex Rudd & Allan Jones
Aboriginal Housing Officer Northern Metropolitan:	Laurie Gatto
Aboriginal Housing Officer Southern Metropolitan:	Kim Webb
Aboriginal Housing Officer East/West Metropolitan:	Naomi Fletcher
Application and Waiting List Coordinator:	Tashiana Chengubraydoo
Customer Services Officer:	Maria Scerri

## WAITING TIMES

Waiting times for people wanting housing varied across the state, generally reflecting the trends across the regions for private rental access and affordability. AHV's housing stock has increased via the spot purchase program in the Loddon Mallee, Barwon and Northern and has also increased in all regions via the Nation Building program.

## WAITING LIST

AHV continue to receive applications from the Office of Housing through the internal consent process, however all applications that come to AHV via this process will be sent out a letter requesting Confirmation of Aboriginality prior to them being added to the AHV waiting list.

At the time of this report there were over 1200 applications on the waiting list.

## AHV KEY PRINCIPLES IN RENT MANAGEMENT

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

## AFFORDABILITY

The underlying basis is that households pay no more than 25% of their income in rent, plus 100% of any Commonwealth Rent Assistance (CRA) the household is eligible to claim.

The assessable rent is calculated in a manner related to income so as to ensure Aboriginal Housing Victoria rents are affordable to all low income households.

## VIABILITY

This rent payment system optimises CRA payments to ensure income received from rent is enough to meet all costs associated with providing AHV properties.

## FAIRNESS

Where tenants face financial difficulty or fall into arrears, the AHV policy for rental arrears will be followed with ALL tenants. AHV will provide every possibility for the tenancy to be sustained and to ensure ongoing viability of the organisation. While we offer a personalised service taking into account the needs of the individual, the rent arrears procedure will be consistent, firm but fair.

## RENT POLICY

AHV has two views on tenants who are in rent arrears and it is dependent on whether the tenant keeps us informed of any difficulties they are having paying their rent and whether the tenant keeps their agreement with us regarding any payment arrangements.

We understand that at times it is difficult to pay the rent when other bills also need paying. AHV will show a commitment to sustaining tenancies by providing support and advice to tenants to enable rent arrears to be cleared without the threat of losing their home.

AHV will work in partnership with other agencies to reduce tenant debt and encourage effective financial management and to maintain the tenancy.

We will take legal action when all attempts to assist the tenant to repay the rent arrears fail.

We will continually review our policies and procedures to identify ways of improving the way in which we tackle the recovery of rent arrears.

## STRATEGIES FOR DEALING WITH RENT ARREARS

Our aim is to reduce the arrears and bring all tenancies in to credit within an acceptable timeframe and prevent recurrence. Termination of a tenancy on the basis of rent arrears is a last resort when all else has failed.

The strategies we will use are:

- Clear, accurate and timely rent management reports
- Prompt and accurate reconciliation of rent payments
- Provision of verbal and written information
- Letters – friendly reminders through to formal warnings
- Promoting friendly and prompt communication
- Home visits
- Office visits
- Convenient options for payment
- Repayment plans and the monitoring of such arrangements
- Ensuring tenants and household members are claiming full entitlements
- Documentation of all communications and action taken
- Information provided to tenants of their obligations and the implications of non payment
- Legal action if required

## TERMINATION OF TENANCIES FOR NON PAYMENT OF RENT

When all avenues of support and assistance have been exhausted we will commence legal action to terminate the tenancy.

Once legal action has commenced, tenants will be advised of:

- Free legal advisory agencies
- Their right to present in court to contest legal proceedings
- Their right to give permission for someone else to represent them in court, or to have a friend with them in court
- The court hearing process and what to expect
- What decisions may be made

We will remain open to negotiations where tenants demonstrate a commitment and a responsibility to repay their debt. We will issue rent statements every 12 months, when requested by the tenant or when the tenancy is in arrears.

We will seek feedback from tenants to continually review and improve the services we provide.

## FIXED RENT REVIEW

AHV has conducted two fixed rent reviews over the past 12 months. The fixed rent review will continue to be conducted twice yearly.

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 will be applied to the tenants account from the date of the rent reduction.

Alternatively, if a household's income increases, AHV will not increase the rent until the next fixed rent review, however you must notify AHV of the change so the most current household information can be recorded on our computer system.





# NAIDOC Event

Aboriginal Housing Victoria's annual NAIDOC Family Day event was held on Thursday 7 July 2011 at the Collingwood Children's Farm where an estimated 1,100 people attended throughout the day contributing to another successful year.

Michael Calvert, newly appointed CEO, Aboriginal Housing Victoria officially opened the day, joined by respected Elder Aunty Pat Ockwell who provided a traditional Welcome to Country, followed by a welcome from the City of Yarra Councillor, Alison Clarke and Collingwood Children's Farm Manager, Alex Walker.

The day was full of fun and excitement with a full program of activities featuring Aboriginal artists, dancers, face painting, boomerang painting, emu feather and beading crafts, a jumping castle, free competitions and raffles, which have proven to be the big highlight of the day for the children. Morning tea, Barbeque lunch and fresh fruit were also provided to ensure all who attended were well looked after.

Visitors to the NAIDOC Event enjoyed free entry into the Farm with all activities provided at no cost.

NAIDOC week is a culturally significant week for the Aboriginal Community and we are proud to be able to host this event each year to share with our tenants and the wider community.

The event was proudly sponsored by the City of Yarra, the NAIDOC Committee and reinforced the wonderful partnership between Aboriginal Housing Victoria and the Collingwood Children's Farm along with various other sponsors who made donations to make the day enjoyable for all.



# Sponsors

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.



## VICTORIAN NAIDOC COMMITTEE

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

Our appreciation and special thanks also to the following sponsors for their kind donations:

### Joel Harris Office Supplies - Collingwood

A new sponsor to the event, donating magnificent prizes for the raffles and competitions which highly excited the children on the day.

### Australia Post - North Fitzroy

Also a new sponsor this year, kindly donated many great books and toys for the day which were also included in the prizes.

### Heinz

And last but not least, another great new sponsor kindly donated many boxes of various juices for the children on the day which were a great hit with all.

We gratefully acknowledge the donations and financial support received from our sponsors and supporters. Your valuable contribution has ensured that we can promote AHV, maintain our social housing objectives and support our community during a very important time of the year - NAIDOC Week.

Please enjoy some of the photos that were taken on the day and we look forward to seeing you next year at our Collingwood Children's Farm NAIDOC event.

# Garden Project

Aboriginal Housing Victoria has commenced a program designed to assist our Elders to fully utilise their outdoor areas and safely potter in their gardens and surrounding areas. This program includes the use of synthetic grass on rubber based underlay to replace natural grassed areas that need constant care and mowing.

We are also fitting raised garden beds at each of the properties on the program; this enables gardens to be easily accessible. We have also included in the common areas low maintenance drought tolerant native gardens beds. Water tanks are being fitted to offset the ever increasing cost of water.

Some of the comments from the tenants are:

'We love the new outdoor areas, the new style grass is like a mini golf course, makes me want to get a golf club'.

'I am so looking forward to growing colourful flowers and herbs in my new raised garden bed.'

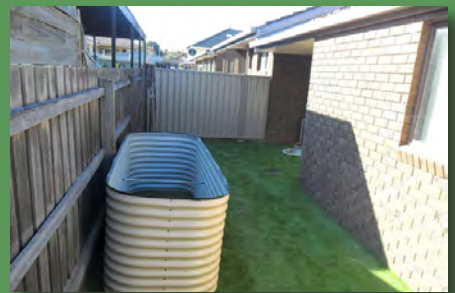
'My raised garden bed will be used to grow vegetables; this will save me money on the food bills'.

'The areas are so much brighter and open thanks AHV for doing such a wonderful job'.

AHV is delighted with the success of this project, as such we have committed funding to develop other garden projects.



Before



After



Before



After

# 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 with a gradual role out commencing November 1. All maintenance enquiries will come direct to AHV's Maintenance Call Centre on (03) 9403 2166. 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 and 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. When a representative of AHV visits please advise them of any outstanding maintenance issues and make them welcome.

Over the past twelve months AHV has tenancy managed approximately 1448 properties whilst the maintenance for these properties has been the responsibility of the Office of Housing. Over the past four months all maintenance calls have commenced to come through the AHV maintenance call centre. This process has assisted tenants in getting maintenance works done by going direct to AHV and the process is assisting the maintenance team to be ready to commence the roll out of maintenance repairs that will be done when transferred across over the next eight months. There are two ways to get maintenance works done; one is by contacting your Aboriginal Housing Officer or by simply calling our maintenance hot line on (03) 9403 2166.

AHV maintenance has introduced a customer satisfaction survey to help us provide a better service. You may receive a phone call from the maintenance hot line requesting information

regarding the level of service you received. Your responses to AHV will assist us to provide a better service to you.

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

Office of Housing will continue to do major upgrade works over the next 8 months and during this time AHV will continue to liaise between Office of Housing, consultants, contractors and clients for access and support during upgrade works.

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 will continue to liaise between Office of Housing, consultants, contractors and clients for access and support during upgrade works. AHV expects to take on all upgrade works at completion of stage 3. AHV is committed to ensure maintenance and upgrade works are completed in a professional manner.

AHV presently fully asset manage 53 properties, these properties are spread between Bendigo, Northern Metro and Gippsland. AHV has used the maintenance on these properties as a pilot maintenance program using four Head Contractors to carry out responsive maintenance on these properties including an after hours emergency maintenance call system that has been implemented and residents 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.

## Asset Management achievements 2010/11

AHV has commenced an garden upgrade program. This program is designed to develop friendly low maintenance gardens and provide safer outdoor areas at the same time as creating on site work experience for Indigenous students from local TAFE colleges. If you are a tenant or know of an tenant that would benefit from this program please contact your local Housing Officer or call directly to the Asset Team on (03) 9403 2166. If you are a student that requires work experience placement, please arrange for your careers co-ordinator to contact the Asset Manager on (03) 9403 2166.

AHV Asset Services will be running a cadet training program commencing February 2012. This position will provide employment for two days per week based at AHV's head office and will incorporate all sections of Asset management. If you are interested in this position or know someone that is interested please contact the Asset Manager on (03) 9403 2166.

AHV have a Spot Purchase program that over the past twelve months has added a further 14 properties to the AHV portfolio, these properties were purchased in areas that were identified as having a shortage of properties and were in high demand. While this is only a small program to assist in reducing our waiting lists it all helps to relieve the outstanding number and growing demand for AHV properties across the state.

New construction is involved by redeveloping properties that have reached the end of their economical life. In many cases the sites are fully utilized with several dwellings being built on one site. Fifteen new houses were built using this program during the previous 12 months.

AHV continue to work with Office of Housing to identify properties for major 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 generally sold and funds returned to our Spot Purchase program.

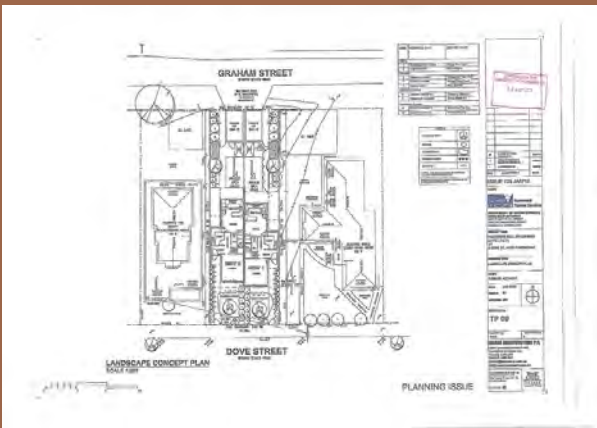
AHV meet monthly with Office of Housing Property Services and Asset Management to monitor and report on spot purchase, upgrade programs, new construction and asset planning.

## Nation Building Programme

Nation Building has now provided 150 new properties to AHV right across Victoria. These have been very well received and our new tenants report back a high level of satisfaction. The Nation Building initiative continues into 2012 with an expected further 50 properties now being identified and assessed for their suitability. The programme will hopefully be completed over the next 12 months.

If you have further interest in AHV's Asset Management programs or ideas and suggestions that could improve our service to you please contact us on (03) 9403 2166.

# Nation Building Homes



Your directors present this report on the Company for the financial year ended 30 June 2011.

### 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  
Kennedy Edwards  
Jacqualyn Turfrey (retired and reappointed 26 November 2010)  
Julia Canty-Waldron (retired and reappointed 26 November 2010)  
William Scrivenor (appointed 26 November 2010)  
Mark Lipson (retired 26 November 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 activity of the Company during the financial year was the provision of affordable social housing to the Aboriginal community in Victoria.

The Company's short-term objectives are to move to the next stage of transition and take over the asset management and maintenance of the properties currently being managed by the Office of Housing.

The Company's long-term objective is to achieve full independence from the Office of Housing with the transfer of ownership of all rental properties.

### Information on directors

Tim Chatfield Experience	Chairman A wide range of positions within the Aboriginal community including Aboriginal Heritage Council, ATSIC, Framlingham Aboriginal Trust and many others.
Graeme Austin Experience	Deputy Chairman Victorian Aboriginal Health Service, Court appointed Respected Person and a wide range of other community activities including youth work and sports.
Trevor Edwards Experience	Chairman of the Representative Committee Actively involved in the Aboriginal community for over 30 years and is Aboriginal Housing Victoria's longest serving Director.
Kennedy Edwards Experience	Chairman of the Policy Committee Over 34 years experience working for the Aboriginal community and was the first Chairperson of the Aboriginal Housing Board of Victoria.



Jacquelyn Turfrey	
Qualifications	LLB (Hons), Grad Dip EOA, CSA.
Experience	Corporate lawyer.
Julia Canty-Waldron	
Qualification	Chairman of the Arrears Sub-committee BA in Sociology, Grad Cert Housing Policy and Management, Cert IV Training and Assessment.
Experience	Over 20 years experience in health and welfare, specifically social housing and homelessness.
William Scrivenor	
Qualifications	Chairman of the Finance, Audit and Risk Committee B.Com, C.A, C.P.A, Reg. Tax Agent.
Experience	Over 39 years financial, audit, compliance and management experience in commercial, government, and not for profit sectors.

### Meetings of directors

During the financial year eleven meetings of directors were held. Attendances by each director were as follows:

	Directors' meetings	
	Number eligible to attend	Number attended
Tim Chatfield	11	11
Graeme Austin	11	11
Trevor Edwards	11	11
Kennedy Edwards	11	11
Jacquelyn Turfrey	11	8
Julia Canty-Waldron	11	10
William Scrivenor	6	6
Mark Lipson	5	3



Director  
Tim Chatfield  
Dated 15 September 2011

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 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

Dated 15 September 2011



Chartered Accountants



**LBW**  
Chartered Accountants

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**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>Revenue</b>			
Rental revenue	2	11,133,498	9,780,970
Other revenue	2	898,969	482,585
<b>Total revenue</b>		<b>12,032,467</b>	<b>10,263,555</b>
<b>Expenses</b>			
Cost of housing		5,608,668	4,749,794
Tenancy related costs		898,854	270,470
Employees		1,629,362	1,445,849
Board and representatives		225,537	174,946
Building and equipment		47,464	46,949
Travel and motor		192,335	157,677
Communication		107,862	98,220
Information technology		306,498	328,176
Administration		210,634	169,692
Projects		43,934	261,665
<b>Total expenses</b>		<b>9,271,148</b>	<b>7,703,438</b>
<b>Surplus before income tax</b>		<b>2,761,319</b>	<b>2,560,117</b>
Income tax expense	1h	-	-
<b>Surplus for the year</b>	3	<b>2,761,319</b>	<b>2,560,117</b>
<b>Other comprehensive income</b>			
Net gain on revaluation of non-current assets	7	1,175,087	-
<b>Other comprehensive income for the year</b>		<b>1,175,087</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>3,936,406</b>	<b>2,560,117</b>
Total comprehensive income attributable to the Company		3,936,406	2,560,117

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	4,785,118	5,562,995
Term deposits		-	86,976
Trade and other receivables	5	357,215	1,121,666
Other current assets	6	416,290	12,993
<b>Total current assets</b>		<b>5,558,623</b>	<b>6,784,630</b>
<b>Non-current assets</b>			
Quarantined funds		-	38,422
Office property	7	2,187,361	1,024,913
Rental property	7	10,543,376	6,389,121
Office furniture and equipment	7	63,213	91,244
<b>Total non-current assets</b>		<b>12,793,950</b>	<b>7,543,700</b>
<b>Total assets</b>		<b>18,352,573</b>	<b>14,328,330</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	706,194	577,044
Short-term provisions	9	82,212	52,268
Deferred grant income	10	12,492	53,499
<b>Total current liabilities</b>		<b>800,898</b>	<b>682,811</b>
<b>Non-current liabilities</b>			
Long-term provisions	9	21,320	51,570
<b>Total non-current liabilities</b>		<b>21,320</b>	<b>51,570</b>
<b>Total liabilities</b>		<b>822,218</b>	<b>734,381</b>
<b>Net assets</b>		<b>17,530,355</b>	<b>13,593,949</b>
<b>EQUITY</b>			
Retained earnings		15,816,057	13,054,738
Reserves	16	1,714,298	539,211
<b>Total equity</b>		<b>17,530,355</b>	<b>13,593,949</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Retained earnings	Revaluation surplus	Total
<b>Balance at 1 July 2009</b>	10,494,621	539,211	11,033,832
Surplus attributable to the Company	2,560,117	-	2,560,117
<b>Balance at 30 June 2010</b>	13,054,738	539,211	13,593,949
Surplus attributable to the Company	2,761,319	-	2,761,319
Total other comprehensive income for the year	-	1,175,087	1,175,087
<b>Balance at 30 June 2011</b>	<b>15,816,057</b>	<b>1,714,298</b>	<b>17,530,355</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
<b>Cash flow from operating activities</b>			
Rentals received		11,170,737	8,976,872
Grants received		12,492	421,901
Other receipts		648	7,461
Payments to suppliers and employees		(8,198,152)	(7,463,212)
Interest received		200,201	165,171
Net cash generated from operating activities	15b	3,185,926	2,108,193
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		198,998	335,874
Receipt on maturity of term deposits		92,159	-
Receipt on release of quarantined funds		39,954	-
Payment for property, plant and equipment		(4,294,914)	(498,004)
Net cash used in investing activities		(3,963,803)	(162,130)
<b>Cash flow from financing activities</b>			
Net cash used in financing activities		-	-
<b>Net increase in cash held</b>		<b>(777,877)</b>	<b>1,946,063</b>
Cash and cash equivalents at beginning of the financial year		5,562,995	3,616,932
<b>Cash and cash equivalents at the end of the financial year</b>	<b>4,15a</b>	<b>4,785,118</b>	<b>5,562,995</b>

The accompanying notes form part of these financial statements.

The financial statements are for Aboriginal Housing Victoria as an individual entity, incorporated and domiciled in Australia. Aboriginal Housing Victoria is a company limited by guarantee.

## **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 (including Australian Accounting Interpretations) 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.

The financial statements were authorised for issue on 15 September 2011 by the Directors of the Company.

#### **a Revenue**

Grant revenue is recognised in the statement of comprehensive income when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Aboriginal Housing Victoria receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

#### **b. Property, plant and equipment**

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

##### **Office property**

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

## Note 1: Summary of significant accounting policies

In periods when the freehold properties are not subject to an independent valuation, the Directors conduct Directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

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

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

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

### Rental property

Freehold rental property is measured on the cost basis less depreciation and impairment losses.

Freehold rental properties that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

### Office furniture and equipment

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

### Depreciation

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

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

Class of fixed asset	Depreciation rate
Office buildings	1.5%
Rental buildings	1.5%
Office furniture and equipment	7.5 – 33.3%

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.

## Note 1: Summary of significant accounting policies

### 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 company 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 company 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 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 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 company 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's class, the company 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.

### 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. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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



## Note 1: Summary of significant accounting policies

### 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. Income tax

Aboriginal Housing Victoria is an income tax exempt charitable entity 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.

### i. Provisions

Provisions are recognised when the Company 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.

### j. Comparative figures

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

In preparing the financial statements to 30 June 2011 some items have been presented differently to previous years. For all items where a change in presentation has been made the comparative amounts have been amended to reflect the change.

### k. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

## Note 2: Revenue

	2011	2010
	\$	\$
<b>Rental revenue</b>		
<i>Operating activities</i>		
<b>Rental revenue</b>	<b>11,133,498</b>	<b>9,780,970</b>
<b>Other revenue</b>		
Revenue from government and other grants		
FaHCSIA grant revenue – Certificate IV funding	12,277	216,006
FaHCSIA grant revenue – Dja Dja Wrung liquidation funds	41,222	-
FaHCSIA grant revenue – Property upgrade program	471,900	-
Other organisations	-	7,165
	525,399	223,171
<i>Other revenue</i>		
Interest income	210,276	168,562
Profit on sale of rental property	4,646	90,556
Market value of rental property contributed	158,000	-
Other revenue	648	296
	373,570	259,414
<b>Total other revenue</b>	<b>898,969</b>	<b>482,585</b>

### Note 3: Surplus for the year

	2011	2010
	\$	\$
<b>Expenses</b>		
Depreciation and amortisation		
Office buildings	12,639	11,449
Rental buildings	69,469	47,449
Office furniture and equipment	32,962	32,023
Total depreciation and amortisation	115,070	90,921
Impairments to rental properties held-for-sale	163,816	-
Loss on demolition of rental buildings	78,413	-
Loss on disposal of office furniture and equipment	1,810	-
Bad and doubtful debts expense	879,639	224,210
Rental expense on operating leases		
Housing Provider Framework	5,155,874	4,533,437
Office equipment and motor vehicles	108,890	94,852
Auditor remuneration		
Audit services	41,300	18,000
Other services	-	-
Total auditor remuneration	41,300	18,000

### Note 4: Cash and cash equivalents

	2011	2010
	\$	\$
Cash at bank and in hand	1,785,118	5,562,995
Short-term term deposits	3,000,000	-
<b>Total cash and cash equivalents</b>	<b>4,785,118</b>	<b>5,562,995</b>

### Note 5: Trade and other receivables

	2011	2010
	\$	\$
Rental receivables	1,266,428	1,170,897
Provision for impairment	(928,453)	(49,231)
	337,975	1,121,666
Other receivables	19,240	-
<b>Total current trade and other receivables</b>	<b>357,215</b>	<b>1,121,666</b>

## Note 6: Other current assets

	2011	2010
	\$	\$
Prepayments	127,930	11,993
Accrued income	3,360	-
Deposits on rental properties	-	1,000
Rental properties held-for-sale	285,000	-
<b>Total other current assets</b>	<b>416,290</b>	<b>12,993</b>

## Note 7: Property, plant and equipment

	2011	2010
	\$	\$
<b>Office property</b>		
Freehold land at fair value		
Independent valuation at 30 June 2010 (2010: 30 June 2006)	1,585,000	739,211
Buildings at fair value		
Independent valuation at 30 June 2010 (2010: 30 June 2006)	615,000	310,789
Less accumulated depreciation	(12,639)	(25,087)
Total buildings	602,361	285,702
<b>Total office property</b>	<b>2,187,361</b>	<b>1,024,913</b>
<b>Rental Property</b>		
Freehold land		
At cost	4,955,067	3,553,717
Buildings		
At cost	5,960,618	3,624,413
Less accumulated depreciation	(372,309)	(327,889)
Total buildings	5,588,309	3,296,524
Capital grants received	-	(461,120)
<b>Total rental property</b>	<b>10,543,376</b>	<b>6,389,121</b>
<b>Office furniture and equipment</b>		
Office furniture and equipment		
At cost	156,619	205,798
Less accumulated depreciation	(93,406)	(114,554)
<b>Total office furniture and equipment</b>	<b>63,213</b>	<b>91,244</b>
<b>Total property, plant and equipment</b>	<b>12,793,950</b>	<b>7,505,278</b>

## Note 7: Property, plant and equipment

### Movements in carrying amounts

Movements in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office property \$	Rental property \$	Office furniture and equipment \$	Total \$
<b>2010</b>				
Carrying amount at 1 July 2009	1,036,362	6,681,888	87,383	7,805,633
Additions at cost	-	461,120	35,884	497,004
Disposals	-	(245,318)	-	(245,318)
Capital grant received	-	(461,120)	-	(461,120)
Depreciation expense	(11,449)	(47,449)	(32,023)	(90,921)
Carrying amount at 30 June 2010	<u>1,024,913</u>	<u>6,389,121</u>	<u>91,244</u>	<u>7,505,278</u>
<b>2011</b>				
Carrying amount at 1 July 2010	1,024,913	6,389,121	91,244	7,505,278
Additions at cost	-	4,315,405	6,741	4,322,146
Additions at fair value	-	158,000	-	158,000
Disposals	-	(272,765)	(1,810)	(274,575)
Depreciation expense	(12,639)	(69,469)	(32,962)	(115,070)
Reallocation of capital grant to income	-	471,900	-	471,900
Impairment of held-for-sale assets	-	(163,816)	-	(163,816)
Transfer to held-for-sale assets	-	(285,000)	-	(285,000)
Revaluation	1,175,087	-	-	1,175,087
Carrying amount at 30 June 2011	<u>2,187,361</u>	<u>10,543,376</u>	<u>63,213</u>	<u>12,793,950</u>

### Asset revaluations

The office property was independently valued at 30 June 2010 by Marketline - Opteon. The valuation was based on the fair value. The valuation resulted in a revaluation increment of \$1,175,087 being recognised in the revaluation surplus for the year ended 30 June 2011.

### Interests on properties

Aboriginal Affairs Victoria holds a mortgage of \$710,000 secured on the office property at Scotchmer Street, North Fitzroy. Repayment of the mortgage can only be demanded upon the sale of the property or in the event of the winding up of Aboriginal Housing Victoria.

The Director of Housing has a registered interest in the title of the rental properties. Aboriginal Housing Victoria cannot dispose of, use as security for borrowings, or otherwise transact using the rental properties without the prior consent of the Director of Housing.

## Note 8: Trade and other payables

	2011	2010
	\$	\$
Trade payables	26,766	129,380
Rental payments in advance	341,925	208,738
Other current payables	322,886	230,494
Employee benefits	14,617	8,432
<b>Total trade and other payables</b>	<b>706,194</b>	<b>577,044</b>

## Note 9: Provisions

	2011	2010
	\$	\$
<b>Analysis of total provisions</b>		
Current	82,212	52,268
Non-current	21,320	51,570
<b>Total provisions</b>	<b>103,532</b>	<b>103,838</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.

## Note 10: Deferred grant income

	2011	2010
	\$	\$
FaHCSIA – Certificate IV funding	-	12,277
FaHCSIA – Dja Dja Wrung liquidation funds	-	41,222
FaHCSIA – NAIDOC funding	2,250	-
City of Yarra – NAIDOC funding	10,242	-
<b>Total deferred grant income</b>	<b>12,492</b>	<b>53,499</b>

## Note 11: Capital and leasing commitments

	2011	2010
	\$	\$
<b>Operating lease commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
Minimum lease payments for motor vehicles and office equipment, payable:		
within one year	74,435	85,910
between one and five years	17,220	30,068
after five years	12,150	-
	<b>103,805</b>	<b>115,978</b>

The motor vehicle lease commitments are non-cancellable finance leases contracted for with a two year term. The office equipment lease commitments are non-cancellable finance leases contracted for with a five year term. No capital commitments exist in regards to the lease commitments at the 30 June 2011.

	2011	2010
	\$	\$
<b>Minimum lease payments under the Housing Provider Framework, payable:</b>		
within one year	5,299,175	4,563,875
between one and five years	1,630,515	5,968,139
After five years	-	-
	<b>6,929,690</b>	<b>10,532,014</b>

## Note 12: Events

There were no significant events after the reporting date which require disclosure in the financial statements at 30 June 2011.

## Note 13: Contingent liabilities and assets

There were no contingent liabilities or contingent assets at 30 June 2011.

## Note 14: 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 15: Cash flow information

	2011	2010
	\$	\$
<b>a. Reconciliation of cash</b>		
Cash at bank and in hand	1,785,118	5,562,995
Short-term term deposits	3,000,000	-
<b>Total cash and cash equivalents</b>	<b>4,785,118</b>	<b>5,562,995</b>
<b>b. Reconciliation of surplus after income tax to cash flow from operating activities</b>		
Surplus after income tax	2,761,319	2,560,117
Non cash flows		
Depreciation and amortisation	115,070	90,921
Impairments on rental properties held-for-sale	163,816	-
Loss on disposal of office furniture equipment	1,810	-
Loss on demolition of rental buildings	78,413	-
Surplus on sale of property, plant and equipment	(4,646)	(90,556)
Rental property contributed	(158,000)	-
Interest earned on non-cash accounts	(6,715)	(3,391)
Reallocation of capital upgrades	(498,132)	-
Changes in assets and liabilities		
Decrease/(increase) in receivables	764,451	(788,626)
(Increase)/decrease in prepayments and accrued income	(119,297)	4,280
Increase in payables	129,150	135,445
(Increase) in deferred provisions	(306)	(5,892)
(Decrease) in grants carried forward	(41,007)	(255,225)
Capital grants received	-	461,120
<b>Cash flow from operating activities</b>	<b>3,185,926</b>	<b>2,108,193</b>

## Note 16: Reserves

The revaluation surplus records the revaluations of the office property. At 30 June 2010 the office property was revalued to its fair value of \$2,200,000 giving rise to a revaluation surplus of \$1,175,087.

## Note 17: Compant details

The registered office and principal place of business of the company is:  
Aboriginal Housing Victoria  
125-127 Scotchmer Street  
North Fitzroy VIC 3068



## DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 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 2011 and of the performance for the year ended on that date of the 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.



Tim Chatfield (Director)  
Dated 15 September 2011

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

We have audited the accompanying financial report of Aboriginal Housing Victoria which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report and have determined that the accounting policies described in Note 1 to the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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 of the financial report that gives a true and fair view 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.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Aboriginal Housing Victoria on 15 September 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

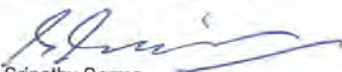
*Opinion*

In our opinion the financial report of Aboriginal Housing Victoria is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

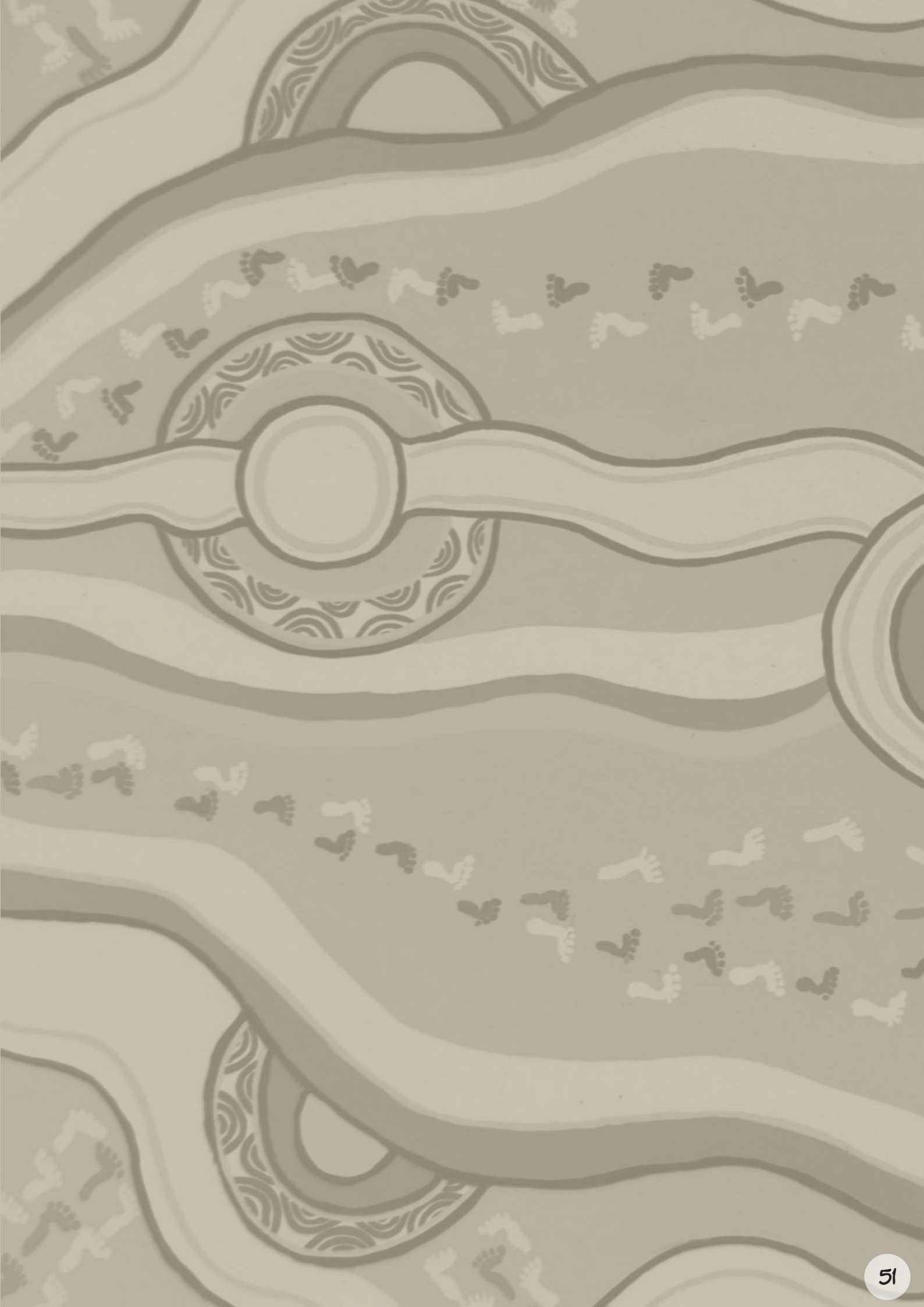


  
LBW Chartered Accountants

  
Sripathy Sarma  
Dated 15 September 2011



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