



Aboriginal Housing Victoria

**Aboriginal Housing Victoria**

# **ANNUAL REPORT**

**2014-2015**



Boardroom table artwork commissioned by the former CEO of Aboriginal Housing Victoria Bev Murray, design and artwork prepared by Lyn Thorpe.

### **Lyn Thorpe - The design and symbolic meanings**

The central circle represents the heart of the AHV and workforce and the sun is symbolic of the strength and sustainability that is needed to enable the ongoing provision of quality housing for Aboriginal people in Victoria.

The concentric circles that radiate from the central hub symbolises multiple layers of culturally appropriate and respectful ways of working with Aboriginal families in AHV homes across the State.

The 3 suns, trees and rivers that flow throughout the design and protect the houses are symbolic of our ongoing connection to Country and Ancestors and our past, present and future generations.

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# Vision

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

# Values

- Respect and support for Aboriginal identity and culture, and for our tenants and stakeholders.
- Striving for excellence through our leadership in Aboriginal housing and best practice service delivery
- Integrity, trust and honesty in all our business activities
- Collaborative relationships with our community, tenants, government and stakeholders
- Kindness, compassion, courtesy and dignity in our relationships with our clients, stakeholders and each other.

# Objectives

- Be independent and financially viable
- Provide efficient and effective housing services for Aboriginal people
- Manage our housing stock to ensure quality and affordability
- Leverage our housing assets to maximise housing opportunities for Aboriginal people.
- Invest in a culturally and socially responsible manner
- Develop constructive and mutually beneficial partnerships and relationships within the housing and community sector
- Develop best practice community and tenancy engagement
- Advocate for, influence and deliver improvements in Aboriginal housing and other outcomes
- Maintain high standards of accountability, probity and transparency to tenants, clients, the Aboriginal community, Government and the public.

# Chairperson's Report

I am pleased to present the 2014-15 Aboriginal Housing Victoria (AHV) Annual Report. It has been a year of change, hard work, and achievement for Victoria's largest Aboriginal housing provider. It's good to take stock and look forward to our next steps. This report sets out our accomplishments over the 2014 – 2015 year as well as our goals for the future.

AHV provides 1522 homes for more than 4000 Aboriginal people throughout Victoria. We own 73 of these houses, and we manage the other 1449 on behalf of the Department of Health and Human Services (DHHS).

After a year of organisational and cultural change in 2013 – 2014, the past 12 months has been a period of continuous improvement and consolidation. Following our restructure in 2013-2014, which enabled us to improve workflows and create a one-stop call centre for our tenants, this year we conducted a comprehensive series of community consultations. We have listened to our tenants and stakeholders and made great strides in improving our service delivery and supporting our residents in sustaining their tenancies.

We welcomed the new Victorian Government's election commitment to work with us to achieve our long held aspiration of owning the Department of Health and Human Services properties that we manage. We are now focusing our efforts on gaining title to these properties and working towards achieving Housing Association status. Achieving these two goals will give us the right to use our housing stock as flexibly and productively as we can, through construction, redevelopment, sale and acquisition. As an independent, not-for-profit, Aboriginal-controlled organisation with full title to our properties, we will have a unique capacity to use this housing stock to meet the changing needs of our communities in Victoria.

This will be a big challenge. Our communities are growing rapidly, and with this growth comes an expanded need for affordable housing for Aboriginal people on low incomes. Aboriginal Housing Victoria is taking a considered, tactical approach to the challenges entailed in meeting this need.

In preparation for this work, and in addition to our improvements in service delivery, the AHV team has overseen significant improvements in policy and procedure across the board, from tenancy management and support, to revenue and asset management, internal processes, and communication with tenants and communities.

To assist us in driving these programs, this year we welcomed to the Board new members Karen Milward and Rob Leslie. They complement the robust skill base found among our ongoing Board team; Ian Hamm, Jacki Turfrey, Mark Lipson, and Owen Donald. In closing, I would like to thank our CEO, Jenny Samms, her executive team and all the staff at AHV. They have met the challenges of this transformative phase with strength, professionalism, collegiality and a forward focus. Thank you also to the Ministers for Housing and Aboriginal Affairs, the Department of Health and Human Services and the Registrar of Housing for their support through our internal changes, and in our drive towards title transfer and achievement of Housing Association status. We acknowledge our shared aspirations for better housing for Aboriginal Victorians.

Finally, I would like to thank our tenants, residents, and our communities for their support. Meaningful and respectful communication with our tenants and communities is central to the accomplishment of AHV's goals. The insights given and suggestions raised in the 2014-15 Community Consultations have contributed to a better understanding of tenants' views and experiences, and to significant improvements in how we serve the community, do business and engage and work with our tenants. We hope to build on this feedback in to the future.

**Tim Chatfield**  
Chairperson

# CEO's Report

Over the past year we have consolidated our internal operations and made significant progress in our journey toward self determination.

Our organisational structure is now firmly in place. It is centred around the importance of our clients, both current tenants and residents and the ever growing number of people on our waiting list. Our Client Services team led by Laurie Gatto aims to improve access to AHV through a one number call centre for our clients. The Housing Officers in the Tenancy Team, led by Tracey Winmar and Property Compliance Officers in the Maintenance Team, led by Ricky Morris are out in the field working with tenants and ensuring that services are delivered.

I am proud that the number of Aboriginal people in our organisation has reached fifty percent and an even higher percentage of our senior and middle managers are Aboriginal. Both our Aboriginal and non-Aboriginal staff bring knowledge of housing issues and skill and understanding in working with Aboriginal people and communities. These are the skills we need if we are to better understand the needs of our communities and build lasting partnerships.

This year we also released our Strategic Plan which charts our course through to 2025. This plan recognises that there are many vulnerable Aboriginal people and families that we cannot assist and highlights our commitment to grow the supply of affordable houses to better meet that demand.

We are very pleased that Victoria's Andrews' Government has committed to work with AHV to progress transfer of ownership to AHV of the 1449 properties that we manage on behalf of the Department of Health and Human Services. When AHV took over management of these properties in 2008 our tenants had the benefit of an Aboriginal landlord. Under current arrangements however we are hampered in how much we can do to upgrade properties or develop new stock. Our tenants are understandably often confused about who is responsible for upgrading their property and who is responsible for maintaining it. Once we own these houses this split in responsibilities will be removed. We believe that we can do a better job of ensuring houses are brought up to standard and meet tenants' needs. We can also do far more in developing stock and in particular meeting the critical demand for one and two bedroom units.



Our founders aspired to ownership of housing stock and we look forward to the day that we can deliver on that aspiration.

Successful partnerships are vital to achieving better outcomes: it takes a partnership with tenants to turn houses into homes and it takes a partnership with other community organisations to ensure that services and supports are there when people need special assistance. We will continue to develop the quality of our partnerships and use them for the betterment of our clients and communities.

In finishing I would like to thank the Board for their leadership and support, the staff for their hard work and commitment and our partner organisations including Government agencies for their support and understanding of the importance of housing to achieve successful lifelong outcomes for Aboriginal people and communities.

**JENNY SAMMS**

CEO



# Our Year in a Snapshot

## Who we are:

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

We provide affordable housing to over 4000 low income Aboriginal and Torres Strait Islander Victorians across the state. Our housing services are targeted to those most in need of support. Through the provision of secure housing by an Aboriginal landlord, AHV helps strengthen and maintain Aboriginal communities and cultural ties.

AHV is proud of the history and culture of the Aboriginal people of Victoria it serves.



## What we do:

We aim to help strengthen Aboriginal communities and cultural ties by creating, maintaining and sustaining tenancies to stem the cycle of poverty and disadvantage. Our clients are at the heart of our business. Acting as a responsible and innovative property owner and landlord, we deliver culturally safe services to the Victorian Aboriginal community. We work in partnership with other agencies where our tenants need special social supports. This is reflected in our very high percentage – 89 percent - of tenancies maintained, which is well above industry standards and exceptional given the unique and complex disadvantage experienced by our tenants.

## How we do it:

- AHV provides high quality, one stop shop service delivery to our tenants. A single point of contact takes clients directly to a person who is trained across tenancy, housing application and maintenance issues.
- We listen to our tenants. During 2014-15 the organisation conducted consultations with tenants around the state, listening first hand and finding out what is and isn't working. We've taken that feedback and used it to implement significant changes in our operating model and will work to continuously improve our services.
- We partner with service providers across the sector to ensure our tenants are linked into the services they need to manage their affairs.
- We ensure our employees receive regular training in culturally appropriate practice and support functions so that they can meet the distinctive needs of our tenants, their families and the community.

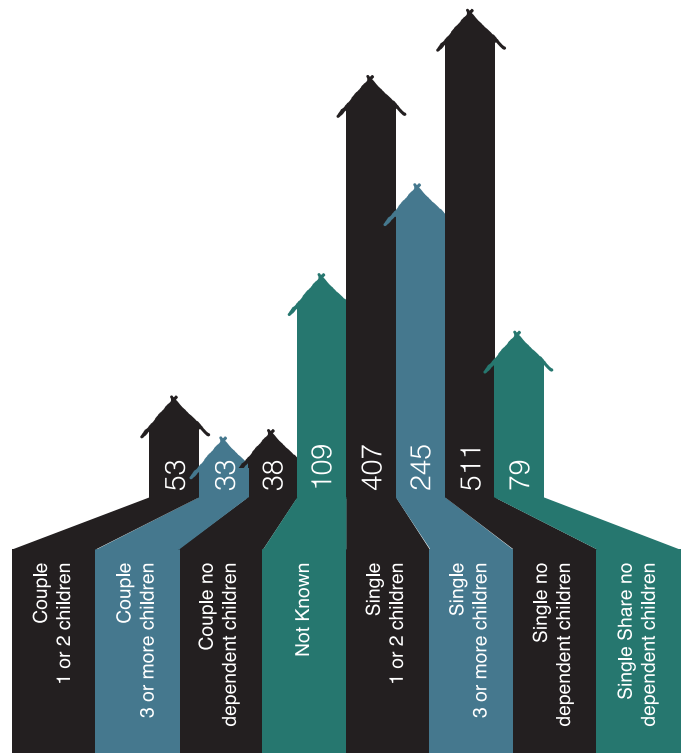
## One of AHV's valued tenants – Brenda Chatfield

*“My AHV home has given me and my family security and stability over the years. That's the main thing. The service is good all round. AHV people are very helpful and quick at getting things done. Very good!”*

# People

Who are our tenants?

**1475** total



## TOTAL NUMBER OF TENANCIES 1475

Average Length of Tenancies **4 years & 6 months**

**1074**

3 years +

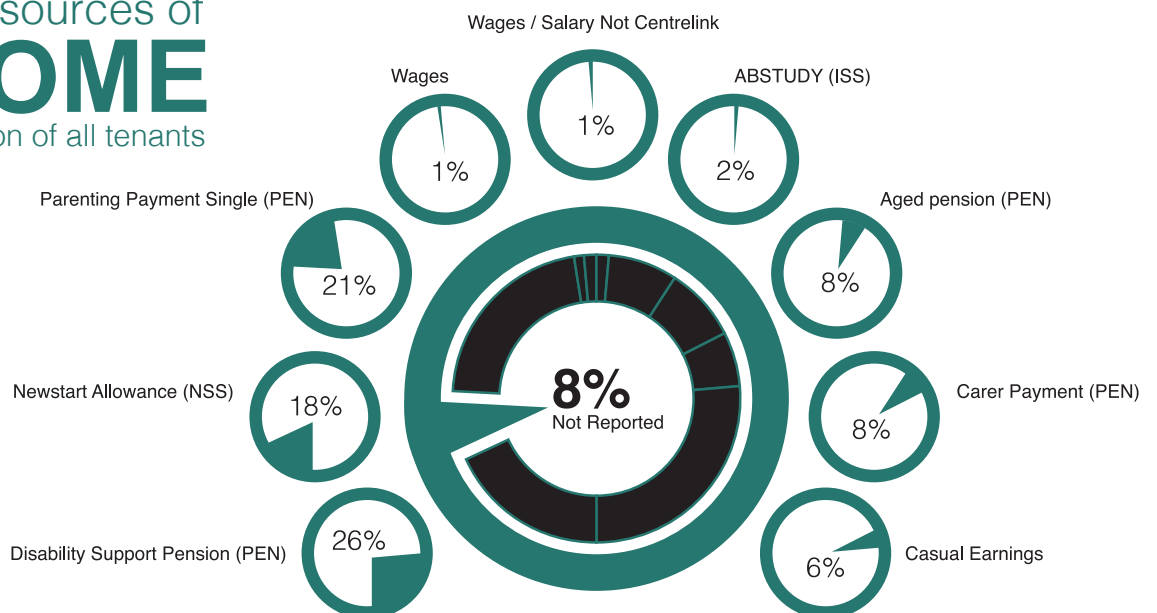
**401**

Less than 3 years

**138**

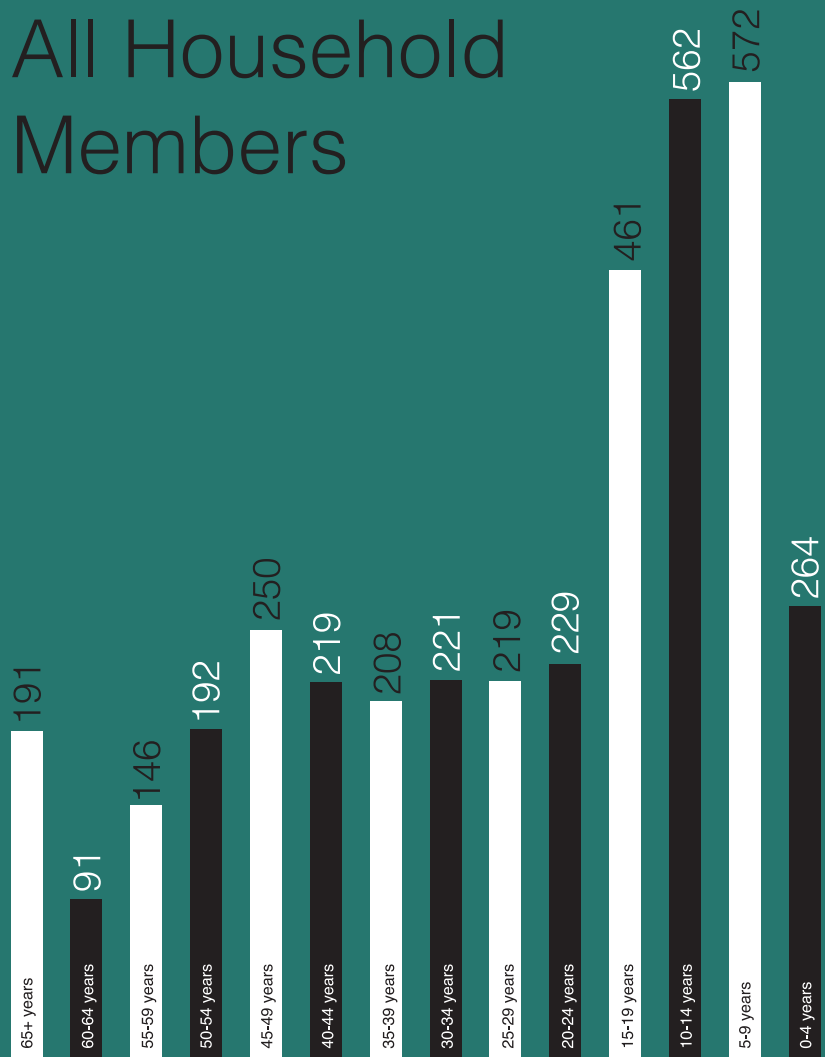
New Tenants 2014-15

## Principle sources of INCOME as a proportion of all tenants

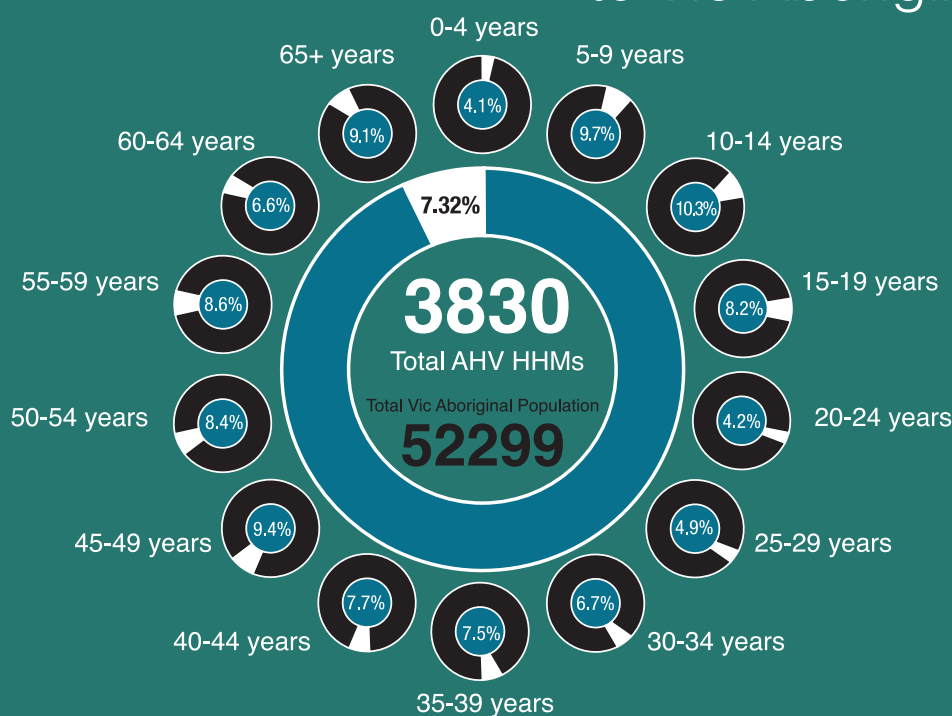


# Age

## All Household Members



## All Household Members compared to Vic Aboriginal Population\*



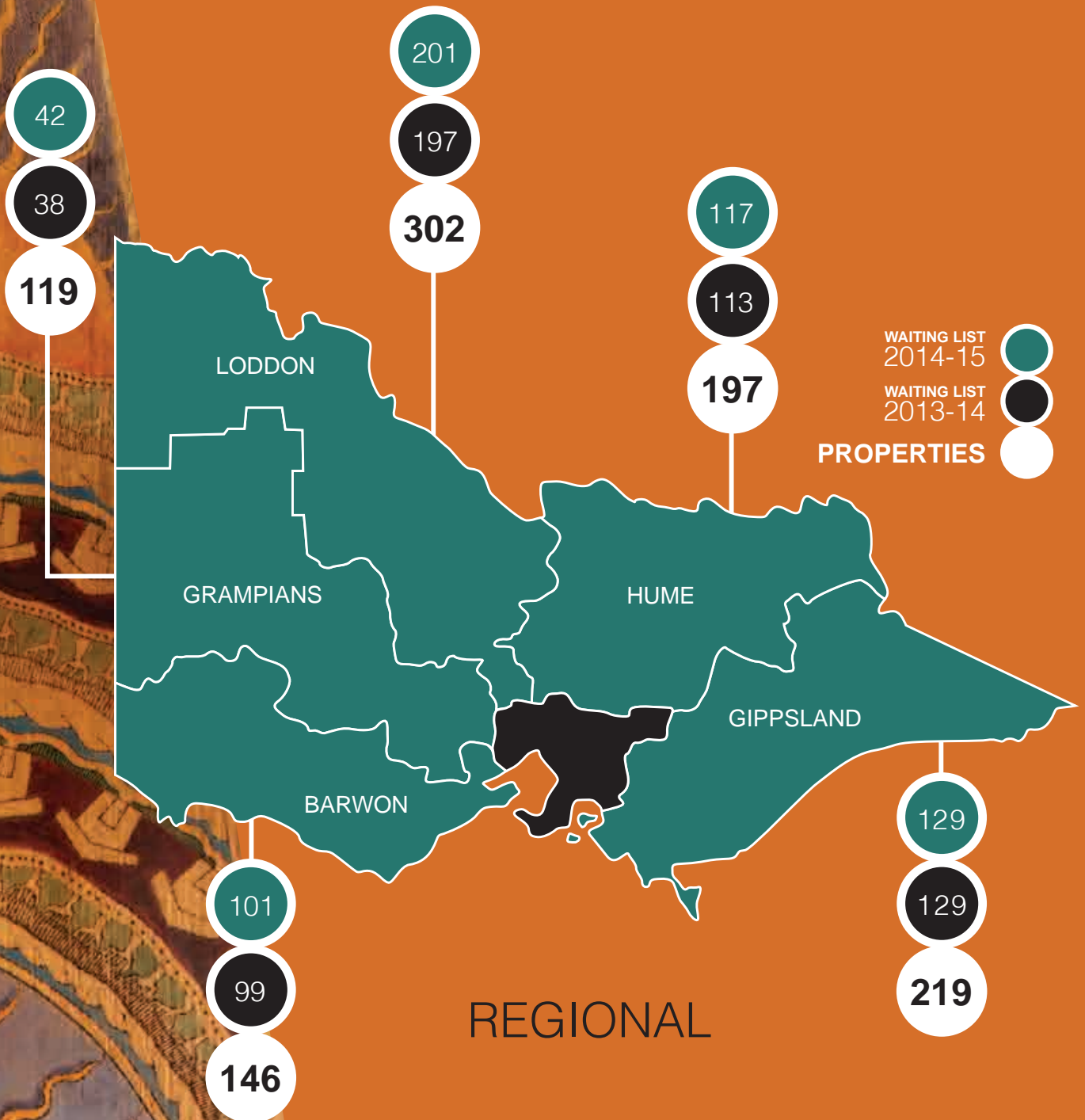
\*Exact figures on the number of Aboriginal AHV residents is not available.

# Property

Metropolitan **539**

**TOTAL PROPERTIES 1522**

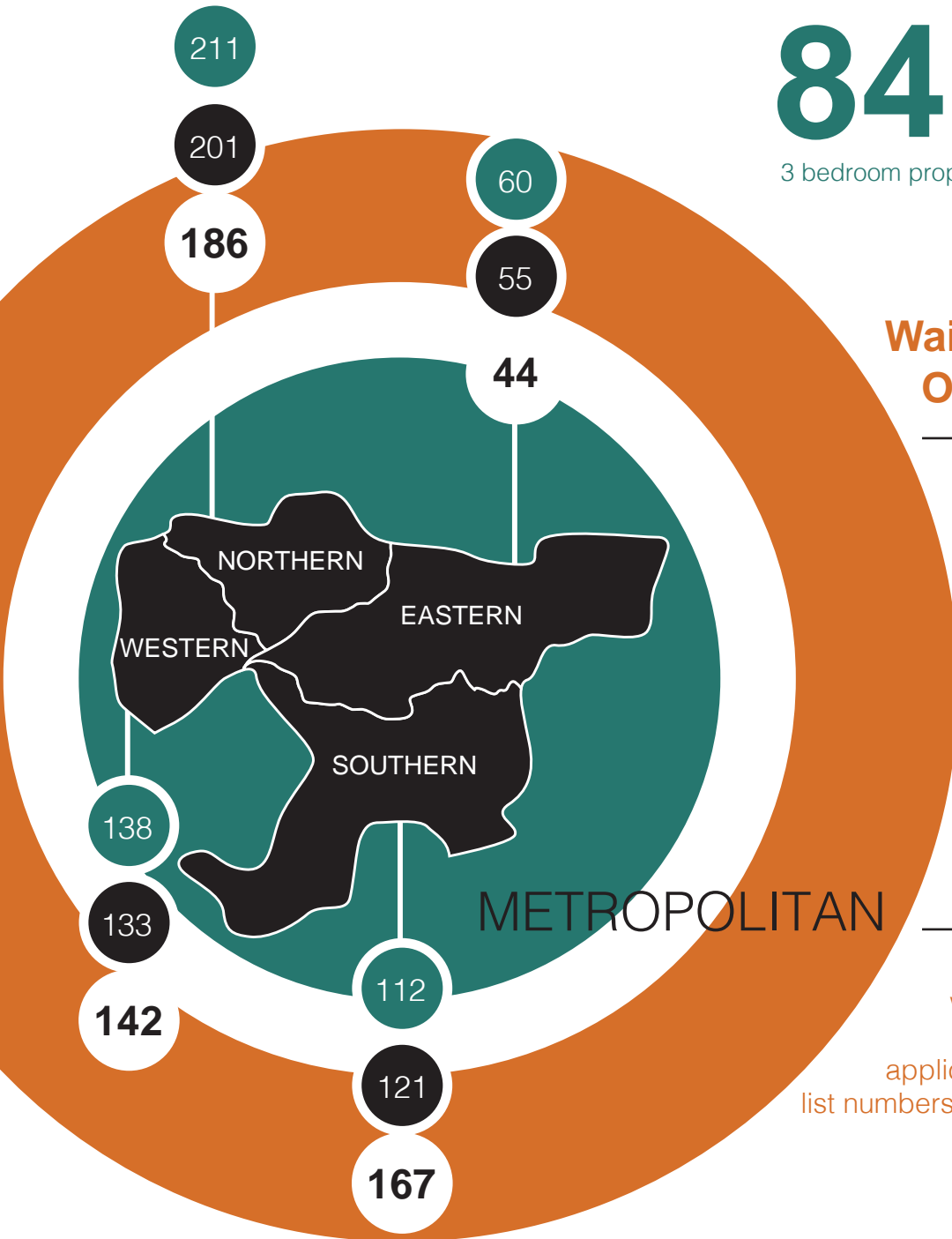
Regional **983**



# 849

3 bedroom properties

- 1 Bedroom **4**
- 2 Bedroom **427**
- 4 Bedroom **229**
- 5 Bedroom **13**



## Waiting list Growth Over Three Years

# 886

2012-13

# 1124

2013-14

# 1143

2014-15

Despite clearing up our waiting list to ensure only eligible and contactable applicants were listed, waiting list numbers have continued to grow.

## Applications

Bedroom Size	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
1	44	51	52	93	129	107
2	59	70	72	109	123	88
3	42	48	62	60	81	59
4	36	15	25	27	33	28
5+		0	1	2	4	3
<b>Total</b>	<b>181</b>	<b>184</b>	<b>212</b>	<b>307</b>	<b>370</b>	<b>285</b>

# Performance 2014-2015

Total Rent Charged **\$14,542,318**  
Current Rental Arrears (Nett) **\$312,845**

Average amount  
tenants in arrears owe  
2014/2015 **\$759**

% Rent outstanding  
from current tenants  
2014/2015 **2.15%**

% Rent outstanding  
from current tenants  
2013/2014 **2.43%**

## Tenant requested maintenance

**5438**

Maintenance Orders

**5356**

Orders Completed

**\$1,714,626**

Total Cost

One of AHV's valued tenants – **Kylie Norris**

*“My Housing Officer is excellent and always available. I think it's a good service in all honesty”.*

## TENANT SATISFACTION SURVEY

**87%**

Tenants expressing overall satisfaction with **AHV's services.**

**76%**

Tenants who expressed overall satisfaction with the **quality of the repairs** that was carried out on their homes.

**1015** Total Staff Training hours **64%** Increase in training spend

**48** STAFF

3 reported **OH&S incidents**

0 **Work Cover Claims**

**50%**

Aboriginal Staff ratio



# Highlights and Achievements



## Service delivery

During the 2013-2014 year we reported on our move to a new organisational structure. The aim of this change was to improve our service delivery to better meet the needs of our tenants. This year we have focused on putting in place that new structure and continuously improving how we deliver our services. We have done this by:

- Cross training our client services and housing officer staff to enhance their skills and knowledge, enabling them to deliver services flexibly and efficiently.
- The introduction of a single point of contact for tenants, via our client services phone number.
- We redesigned our complaints process, systematically following through on 73 complaints.
- Restructuring the maintenance team to enable a focus on contractor compliance, to ensure high standards of workmanship on our tenants' homes.
- The prioritisation of the recruitment of skilled Aboriginal trades people both as employees and contractors, so our own community members are ensuring the needs of our community are met. The majority of our maintenance team members are now Aboriginal and this year we have taken on an Aboriginal electrician, plumber, painter and plasterer as subcontractors. We're expecting to continue to build on this work in to the future.
- Implementing a new process to recover money from tenants who damage their properties in an effort to ensure we're able to direct as many of our resources as possible to assisting those tenants who do look after their homes.
- We've increased staff training, with a focus on improving service delivery and tenant support. Our front line staff have received training in family violence, mental health first aid, working with complex clients and lateral violence.

Aboriginal Affairs Minister The Hon. Natalie Hutchins and Aunty Pat Ockwell open our NAIDOC family day event.





We had strong attendance at community consultation sessions around the state.



## Engagement and communications

### The community and external stakeholders

During the course of this year we made a concentrated effort to engage with our tenants to find out what is and isn't working for them. We conducted extensive statewide consultations with Aboriginal tenants in 15 communities across Victoria and held 10 local meetings with Aboriginal and non-Aboriginal support organisations. The feedback we have received has informed our service delivery and enabled us to better assist tenants to access wrap-around support services. This year also saw us begin to develop a program that will enable us to better support and to draw on the wisdom and experience of the Elders within our tenant community and improve our services to them.

In addition to meeting tenants face to face we have been strengthening our relationships with government and other community and industry stakeholders. We have taken the opportunity to use these forums to advocate for our residents and on behalf of the Aboriginal community including through participation in:

- Ministers' and Premier's forums
- DHHS stakeholder roundtables
- Community Housing Federation Victoria and Australian Housing Institute forums and conferences.

These experiences have contributed to the substantial progress made in developing a community engagement strategy that will inform how we partner with stakeholders including, importantly, with the Victorian Aboriginal Community into the future.

### Traditional and social media

During the reporting year, we began a process of increasing our public presence in order to improve our visibility and assist with advocacy. This year we participated in radio, TV and print media stories and developed a social media presence with the introduction of a very popular Facebook page. This page allows us to connect with our tenants, clients and the broader community and put a human face to the organisation, sharing our news, stories and events with our constituency.



### Out and about

Over the past twelve months we have aimed to increase our presence in the broader community through community events, sponsorships and other activity. On Sorry Day, the 26th May this year, we held a community barbeque outside our head office for tenants, locals and traders, which featured a Welcome to Country and smoking ceremony. The day gave us a chance to talk to locals and explain the significance of the day and the work we do. The event was covered by the local newspaper.

Once again we held our annual NAIDOC Family Day at the Collingwood Children's Farm, which was our most successful yet. Through this free community event, AHV strengthens relationships with clients, tenants and the local community, through the participation in celebrations and Aboriginal cultural activities. The event helps us to foster greater mutual understanding and respect for culture in this important week. This year the event was attended by the (then) Mayor of the City of Yarra, Jackie Fristacky. The number of participants in this event increases each year and we look forward to the continued success of this event in years to come.

Former Carlton Football club great, Syd Jackson and AHV Receptionist Glen Satour have a yarn during our Sorry Day event.



There was lots of fun to be had at our NAIDOC family day



## Advocacy

AHV regularly attends industry and stakeholder forums. The success we have had in maintaining sustainable tenancies puts us in a strong position to be able to ensure that the unique housing needs of the Victorian Aboriginal community are represented and understood. This year the executive team and staff attended, and in some cases presented, at forums both in Victoria and interstate.

These forums have extended beyond social housing to include representation at forums on culturally appropriate housing design, and the role of housing in closing the gap within the criminal justice system.

AHV also made a submission to the Royal Commission into Family Violence. Aboriginal women are 34 times more likely to experience family violence than non-Aboriginal women. This has a significant impact on their ability to maintain their properties and in some instances their tenancies. AHV is committed to addressing and preventing family violence, and to this end will commence the process of becoming a White Ribbon accredited employer over the next year.



## One of AHV's valued tenants – Hayden Jelly

*“My family know they’ll always have a place to stay when they visit”*



### Governance

2014-2015 saw AHV improve its standard of reporting to the Board on organisational performance and our progress in implementing the business plan. This was achieved through greater capability and rigor in our approach to data collection and reporting. Our staff continued to improve support and quality of advice to the Board and this year we updated our:

- Governance policy;
- Board Charter; and
- Introduced a Board specific Code of Conduct

In 2015-2016 the Board will undergo a comprehensive review to ensure the organisation's governance processes and our Directors' capabilities continue to be maintained to a very high standard.





## One of AHV's valued tenants – Emily Patterson

*“My daughter and I had no where to go for a very long time, in and out of night and care homes, Salvo flats, moving from here back to Horsham, Ballarat. So I am pretty happy that I got this place, it's made a big difference in me and my daughter's lives. When I got this house I was over the moon!”*

### Policy/Strategy

This year we developed and published our comprehensive Strategic Plan 2014-2025, which outlines our strategic priorities over the next 10 years. The plan was designed with the original ambition of AHV's founding Elders in mind; that is to achieve self-determination and provide culturally responsive housing services that improve the lives of Aboriginal people in Victoria. It places our clients and tenants at the centre of all that we do, while committing to ensuring we're delivering effective and sustainable services.

A primary objective of AHV over the coming year is to achieve Housing Association status and, following a Victorian Government commitment to do so, achieving the transfer of titles for the properties we lease from the Department of Health and Human Services (DHHS). These changes would enable us to build on our current asset base and extend our housing services beyond the provision of social housing.

In the interim we will continue to lease the majority of our properties. We have been actively participating in discussions with DHHS regarding the impact of a general lease on the housing sector. Currently AHV is not responsible for the structural maintenance of those properties owned by DHHS. DHHS is seeking to move housing providers on to a lease arrangement which would see providers take on that responsibility. This poses a number of challenges for all providers within the social housing sector and we have been focused on ensuring any leasing arrangements preserve the long-term viability of AHV.

In addition to these significant developments, on a smaller scale we have also undergone a review of our privacy and data security measures and have introduced new privacy and IT security policies to ensure our tenants can enjoy the highest level of confidence in our capacity to protect their information.



## One of AHV's valued tenants – Jacob Porter

*“The service from AHV is pretty good, when I want something done they get it done pretty much straight away”*



### Asset management

AHV is committed to ensuring that we are being financially responsible in our asset management practices and that the work done to our properties is of a high standard. This year we have undertaken considerable work to establish improved relationships and contracting arrangements with the head contractors who deliver maintenance services for AHV. We have also made substantial progress in developing an Asset Management Strategy and revising the policies, procedures and systems we have in place to maintain our housing stock.

As part of the due diligence required for the transition of property titles from DHHS, this year we conducted 286 property condition reports. We also had all of our AHV owned properties re-assessed to ensure we have an accurate understanding the value of our current assets.

To ensure we have the capability to manage our assets expertly this year we appointed a skilled team of trade qualified property compliance officers and a qualified architect to oversee our maintenance and development projects.

Dean Wanganeen (Property Compliance Officer) and Ricky Morris (Maintenance Team Leader) are just two of the qualified Aboriginal tradespeople we have had come on board this year.



## People and culture

This year we have significantly increased the number of Aboriginal staff. This is also reflected in our management team, which also comprises over 50 per cent Aboriginal staff. This is a reflection of our commitment to self-determination and the employment of Aboriginal people to provide culturally safe services to our tenants.

To support our commitment to continuous improvement in 2014-2015 we introduced new professional development plans for all our staff, including the executive team. These plans aim to establish performance measures in line with the organisation's objectives and to identify areas for development. In line with this commitment and to our objective to best support and

engage with our tenants we have nearly tripled our spending on staff development to ensure we have the skills to deliver the best possible service to our tenants and provide them with the necessary supports.

We have been lucky enough to have a number of organisations assist us with staff development. The Victorian Public Service Commission invited some of our Aboriginal staff to participate in their career development program, and the housing service HomeGround hosted two of our team leaders on placements to gain an insight in to the operating practices of other housing organisations. These partnerships allow our staff to expand their networks and gain an insight in to the practices of other organisations.

# Where to next 2015/2016

## One of AHV's valued tenants – Uncle Graham “Bootsie” Thorpe

*Uncle Bootsie and his partner, Aunty Fay have lived in their AHV home for over 30 years “I mean, AHV have got bigger. The service has improved over the years – we’ve had no complaints”*

### Housing Association Status

In the 2015/2016 year AHV will begin the process of applying to become a housing association. Currently we operate as a housing provider, which allows us to manage properties but limits our capacity for housing development and flexible service offerings. As a housing association we would be able to expand our asset base through the construction, purchase or acquisition of new housing as well as increasing our capacity to fundraise through government and private sector investment. AHV sees gaining housing association status as an important step in the path toward self-determination, allowing an Aboriginal Community Organisation to control the assets we manage.

### Life Skills Program

As part of our Community Capacity Building program, AHV has introduced a new Life Skills program. This package of services aims to provide tenants, particularly those who are the most disadvantaged, with the skills necessary to sustain their tenancies and effectively manage their households. The Life Skills program will operate on the principle of early intervention, stepping in quickly where it is apparent that a client is experiencing problems.

The Life Skills program is responsible for working with AHV clients to achieve a home-like, comfortable and normal environment in AHV tenancies, while also supporting them to develop to the fullest extent their abilities and desires.





# Governance

## Company Directors

### Tim Chatfield

- Chairperson of Aboriginal Housing Victoria
- CEO of Budja Budja Aboriginal Cooperative
- 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

### Ian Hamm

- Deputy Chairperson of Aboriginal Housing Victoria
- Career public servant for Commonwealth and State governments
- Director Workforce Access & Participation - DEDJTR (Vic Govt)
- Current directorships:
  - Aboriginal Housing Victoria
  - Connecting Home (Chair)
  - Koori Heritage Trust
  - Tigers in Community Foundation
  - First Nations Foundation
- Member:
  - Forest Sustainability Council – Victorian Association of Forest Industries
  - Camps Committee – Sport and Recreation Victoria
- Former President and Board member – Western Region Football League
- Fellow – Institute of Public Administration Australia

### Dr Owen Donald

- Chair of AHV's Governance Committee
- Expertise and experience in developing and advising on housing policy and housing services, as well as in influencing government policy on Indigenous housing and increasing the role of regulated community based housing providers
- Over 20 years of governance experience in a wide variety of organisations
- Self employed consultant on policy & management (since 2008)
- Non-Executive Director of Housing Choices Australia Limited (added)
- Chairman of the Commonwealth Government's National Housing Supply Council (2008-2013)
- Member, Ministerial Advisory Committee on Social Housing and Homelessness (2011-2013)
- Director of Housing, and Executive-Director Housing & Community Building, for State of Victoria (2004-2008)
- CEO, Australian Housing & Urban Research Institute (AHURI) Limited (2000-2004)
- Executive roles in Commonwealth Departments of Finance and Social Security (1983-1997)
- Past governance roles include Chair of Barwon Health; Executive Director, AHURI Limited; Non-Executive Director of Southern Health, Homeground Services Limited, the Australian Institute of Health and Welfare and the Melbourne Port Corporation; independent member, Audit Committee, of Aboriginal & Torres Strait Islander Commission (ATSIC).



### Jacquelyn Turfrey

- LLB (Hons) University of Melbourne, Grad Dip (EO Admin) Swinburne University
- Barrister at the Victorian Bar
- Director, Koori Justice Unit, Department of Justice & Regulation
- 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

### Karen Milward

- Karen owns and operates Karen Milward Consulting Services specialising in policy and program development for Aboriginal and Torres Strait Islander communities
- Extensive experience in social research, with expertise in issues concerning Aboriginal communities and organisations, early intervention and prevention, children and young people, health, housing, drug and alcohol, family violence, native title, education, training and employment, cultural heritage, social justice and Aboriginal cultural competence and responsiveness to government and mainstream services
- Chairperson, Mullum Mullum Indigenous Gathering Place, EMR, Victoria
- Chairperson, Boorndawan William Aboriginal Healing Service, EMR, Victoria
- Chairperson, Indigenous Leadership Network Victoria
- Chairperson, Kinaway – Victorian Aboriginal Chamber of Commerce
- Co-Chairperson, Indigenous Community Volunteers – National
- Deputy Chairperson, First Nations Foundation - National

### Dr Rob Leslie

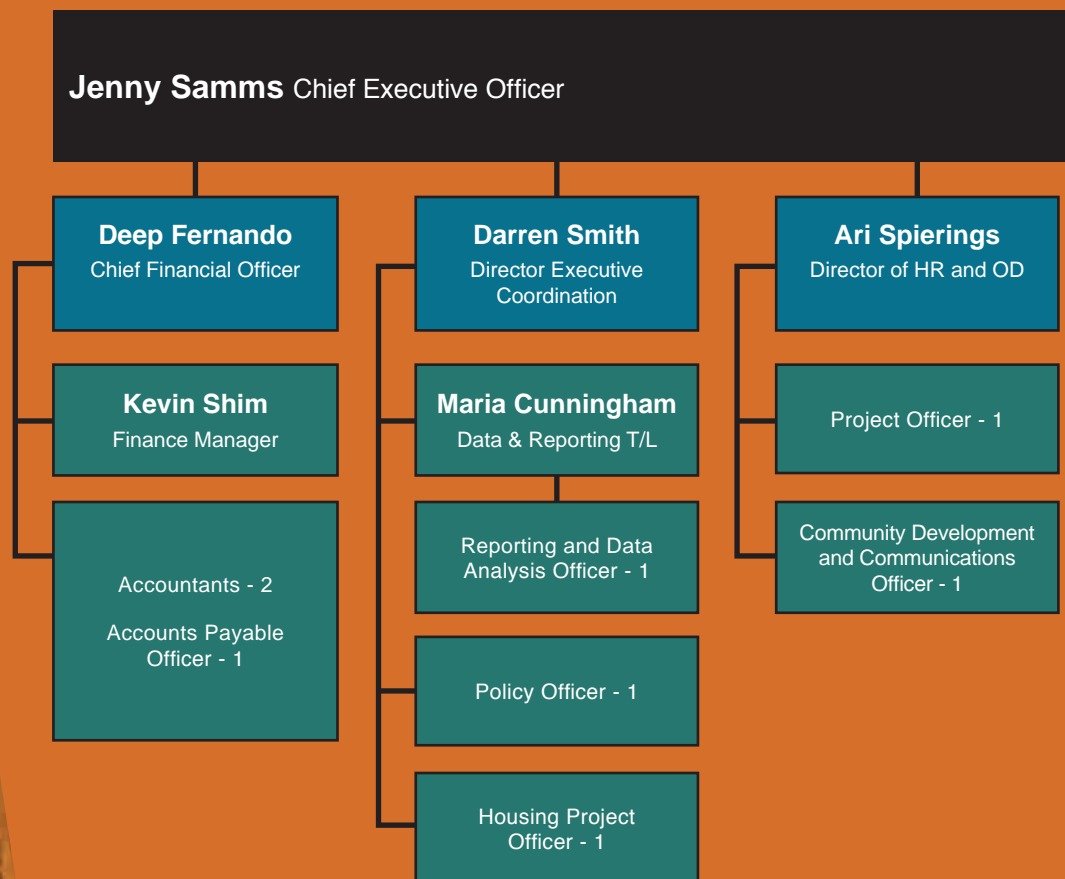
- Chief Executive Officer at Yarra Community Housing from 2000
- Extensive community housing and development experience within the Victorian housing sector
- Bachelor of Veterinary Science, Honours. Melbourne University.
- Churchill Fellow
- GAICD ( Graduate Australian Institute of Company Directors )
- Member of the Refugee Council of Australia
- Member of Oxfam

### Mark Lipson

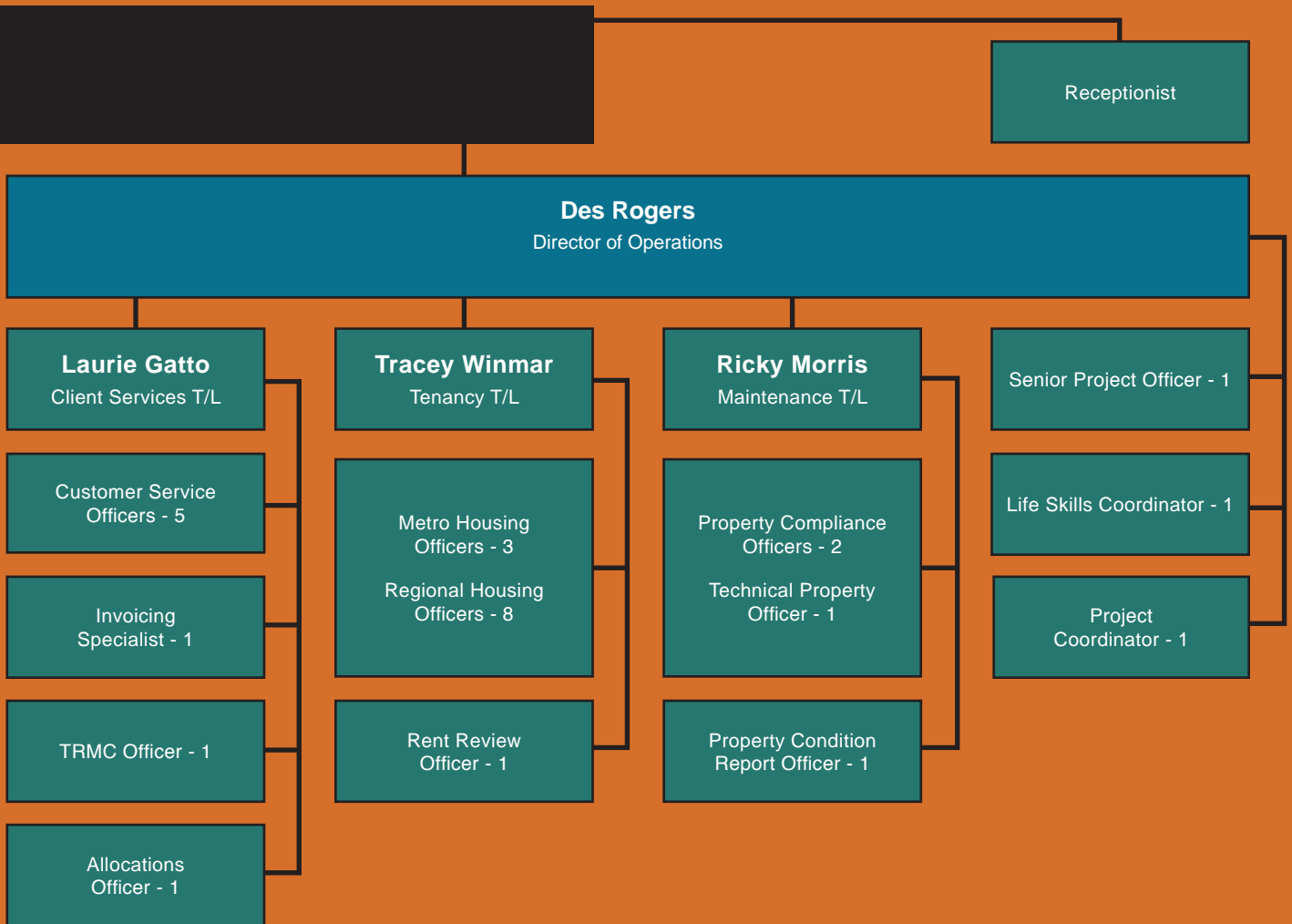
- Chair of Finance, Audit and Risk Committee,
- Forensic Accountant with over 25 years of expertise in professional accounting practice and family law matters,
- Member, Institute of Chartered Accountants in Australia,
- Member, Institute of Chartered Accountants in Australia Professional Conduct Tribunal,
- Member, CPA Australia,
- Member, Forensic Accountants Special Interest Group,
- Associate Member, Institute of Arbitrators and Mediators in Australia,
- Part time ordinary Member, VCAT in the legal practice list.

# Board structure and committees

## Organisational Chart







# Financial Report

## for the year ended 30 June 2015

### DIRECTORS' REPORT

Aboriginal Housing Victoria Limited ('Aboriginal Housing Victoria') presents its Report together with the financial statements of the entity for the year ended 30 June 2015 and the Independent Audit Report thereon.

#### Company details

The following persons were Directors of Aboriginal Housing Victoria during or since the end of the financial year.

#### Tim Chatfield

Chairperson

Grad Diploma Governance (AICD)

CEO of Budja Budja Aboriginal Cooperative, current Member Aboriginal Cultural Heritage Council Victoria, shareholder/member of Framlingham Aboriginal Trust, Chairperson of Martang Pty Ltd and member sitting on the Premier's Aboriginal Advisory Council (PAAC).

Involvement in a wide range of initiatives within the Aboriginal community including the Victorian Indigenous Family Violence Strategy, ATSIC and a former ministerially appointed Taskforce member.

#### Ian Hamm

Deputy Chairperson

Fellow – Institute of Public Administration Australia

Career public servant for Commonwealth and State governments, currently Director Workforce Access & Participation - DEDJTR (Vic Govt). Director of Connecting Home (Chair), the Koori Heritage Trust, Tigers in Community Foundation and First Nations Foundation. Member of the Forest Sustainability Council – Victorian Association of Forest Industries, and the Camps Committee – Sport and Recreation Victoria. Former President and Board member of the Western Region Football League

#### Dr Owen Donald

Director, Chair of Governance Committee  
BA (Hons 1), Monash University 1974.

PhD, Australian National University 1977.

Graduate of Australian Institute of Company Directors, 2011.

Company director and policy consultant whose career includes: senior management roles in the public services of the Commonwealth and State of Victoria; CEO of the Australian Housing & Urban Research Institute; Victorian Director of Housing; Chairman of the Commonwealth State Housing Ministers Advisory Committee; Chairman of the National Housing Supply Council; Chairman of Barwon Health; Non-executive Director of Housing Choices Australia.

## DIRECTORS' REPORT

### **Robert Leslie**

Director

Bachelor of Veterinary Science (Hons),  
Melbourne University

Churchill Fellow

Graduate of Australian Institute of Company  
Directors

Current Chief Executive Officer at Yarra  
Community Housing from 2000. Extensive  
community housing and development  
experience within the Victorian housing sector.  
Member of the Refugee Council of Australia.  
Member of Oxfam.

### **Graeme Austin**

Deputy Chairperson (*Resigned 20 February  
2015*)

Court appointed Elder, Koori Court Division of  
Broadmeadows Magistrates Court and a wide  
range of other community activities including  
youth work and sports.

### **Jacquelyn Turfrey**

Director

LLB (Hons.), Grad Dip EOA, CSA.

Barrister at the Victorian Bar. Current Director,  
Koori Justice Unit, Department of Justice  
& Regulation. 15 years experience as a  
commercial lawyer, extensive experience in  
director and company secretariat roles and in  
senior management and governance roles in  
the banking and finance sector and Aboriginal  
not-for-profit organisations.

### **Mark Lipson**

Director, Chair of Finance, Audit and Risk  
Committee

B.Bus, B. Edu, FCA

Forensic Accountant with over 25 years of  
expertise in professional account practice  
and family law matters, Member, Institute of  
Chartered Accountants in Australia, Member,  
Institute of Chartered Accountants in Australia  
Professional Conduct Tribunal, Member, CPA  
Australia, Member, Forensic Accountants  
Special Interest Group. Associate Member,  
Institute of Arbitrators and Mediators in  
Australia, Part time ordinary Member, VCAT in  
the legal practice list.

### **Karen Milward**

Director

MBA, RMIT (current)

Policy and program development specialist  
for Aboriginal and Torres Strait Islander  
communities. Extensive experience in social  
research, with expertise in issues concerning  
Aboriginal community and organisations, early  
intervention and prevention, children and young  
people, health, housing, drug and alcohol,  
family violence, native title, education, training  
and employment, cultural heritage, social  
justice and Aboriginal cultural competence and  
responsiveness to government and mainstream  
services. Chairperson, Mullum Mullum  
Indigenous Gathering Place. Chairperson,  
Boorndawan William Aboriginal Health Service.  
Chairperson, Indigenous Leadership Network  
Victoria. Chairperson, Kinaway – Victorian  
Aboriginal Chamber of Commerce. Co-  
Chairperson, Indigenous Community Volunteers  
– National. Deputy Chairperson, First Nations  
Foundation – National.

## DIRECTORS' REPORT

### 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.

### Director's meeting

During the financial year nine board meetings were held as well as meetings for several board committees and sub-committees. Board members sit on the Finance Audit and Risk Committee (FAR) and the Governance Committee (Gov). In addition to the committee meetings the board members also attended other meetings.

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

	Board	FAR	Gov	Total
<b>Total planned</b>	<b>9</b>	<b>10</b>	<b>4</b>	<b>23</b>
Tim Chatfield	9	10	4	23
Graeme Austin*	6	6	-	12
Ian Hamm	9	10	-	19
Jacquelyn Turfrey	9	10	4	23
Mark Lipson	9	10	-	19
Owen Donald	9	10	4	23
Karen Milward**	2	2	-	4
Robert Leslie**	2	2	-	4

The meetings that each Director actually attended during the year were:

	Board	FAR	Gov	Total
Tim Chatfield	9	10	4	23
Graeme Austin*	5	5	-	10
Ian Hamm	7	5	-	12
Jacquelyn Turfrey	6	6	3	15
Mark Lipson	5	8	-	13
Owen Donald	8	8	4	20
Karen Milward**	-	1	-	1
Robert Leslie**	2	2	-	4

\* Resigned – 20 February 2015      \*\* Appointed – 25 March 2015

## DIRECTORS' REPORT

### Contribution in winding up

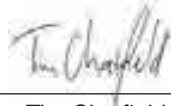
The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the company. At 30 June 2015, the total amount that members of the company are liable to contribute if the company is wound up is \$350 (2014: \$450).

### Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 5 of the financial report.

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

Director



Tim Chatfield

Dated 24 September 2015

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

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

We have audited the accompanying financial report of Aboriginal Housing Victoria Limited which comprises the statement of financial position as at 30 June 2015, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

**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 Australian Charities and Not for Profits Commission Act 2012 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. These 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 Australian Charities and Not for Profits Commission Act 2012, provided to the directors of Aboriginal Housing Victoria Limited on 20 September 2015, 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 Limited is in accordance with the Australian Charities and Not for Profits Commission Act 2012, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2015 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 Australian Charities and Not for Profits Commission Regulations 2012.



**LBW Chartered Accountants**



Sripathy Sarma  
Principal  
20 September 2015

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>Revenue</b>			
Rental revenue	2	14,542,318	14,104,880
Other revenue	2	1,375,467	189,981
<b>Total revenue</b>		<b>15,917,785</b>	<b>14,294,861</b>
<b>Expenses</b>			
Depreciation and amortisation expenses		288,522	196,977
Employee benefit expenses		3,960,373	3,894,446
Housing program expenses		7,924,083	6,401,200
Administration expenses		1,220,570	1,610,932
Other expenses		406,707	38,318
<b>Total expenses</b>		<b>13,800,255</b>	<b>12,141,873</b>
<b>Surplus before income tax</b>		<b>2,117,530</b>	<b>2,152,988</b>
Income tax expense	1h	-	-
<b>Surplus for the year</b>	<b>3</b>	<b>2,117,530</b>	<b>2,152,988</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Net gain on revaluation of non-current assets	7	6,726,588	-
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Fair value gains on available-for-sale financial assets, net of tax		-	-
<b>Total other comprehensive income for the year</b>		<b>6,726,588</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>8,844,118</b>	<b>2,152,988</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,827,697	4,504,315
Term deposits	4	7,262,298	3,082,785
Trade and other receivables	5	2,157,008	295,343
Other current assets	6	108,247	576,351
<b>Total current assets</b>		<b>11,355,250</b>	<b>8,458,794</b>
<b>Non-current assets</b>			
Office property	7	2,136,804	2,149,443
Rental property	7	22,922,500	16,872,716
Office furniture and equipment	7	528,147	111,993
<b>Total non-current assets</b>		<b>25,587,451</b>	<b>19,134,152</b>
<b>Total assets</b>		<b>36,942,701</b>	<b>27,592,946</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	1,975,853	1,482,874
Short-term provisions	9	328,028	318,020
Deferred grant income	10	12,000	8,000
<b>Total current liabilities</b>		<b>2,315,881</b>	<b>1,808,894</b>
<b>Non-current liabilities</b>			
Long-term provisions	9	17,532	18,882
<b>Total non-current liabilities</b>		<b>17,532</b>	<b>18,882</b>
<b>Total liabilities</b>		<b>2,333,413</b>	<b>1,827,776</b>
<b>Net assets</b>		<b>34,609,288</b>	<b>25,765,170</b>
<b>EQUITY</b>			
Retained earnings		26,168,402	24,050,872
Reserves	16	8,440,886	1,714,298
<b>Total equity</b>		<b>34,609,288</b>	<b>25,765,170</b>

The accompanying notes form part of these financial statements.



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Retained earnings	Revaluation surplus	Total
	\$	\$	\$
<b>Balance at 1 July 2013</b>	21,897,884	1,714,298	23,612,182
Surplus attributable to the company	2,152,988	-	2,152,988
<b>Balance at 30 June 2014</b>	<b>24,050,872</b>	<b>1,714,298</b>	<b>25,765,170</b>
Surplus attributable to the company	2,117,530	6,726,588	8,844,118
<b>Balance at 30 June 2015</b>	<b>26,168,402</b>	<b>8,440,886</b>	<b>34,609,288</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		\$	\$
<b>Cash flow from operating activities</b>			
Rentals received		14,520,842	14,004,435
Grants received		176,341	7,997
Other receipts		2,252	-
Payments to suppliers and employees		(15,026,552)	(11,797,270)
Interest received		225,410	221,148
Net cash generated from operating activities	15b	(101,707)	2,436,310
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		1,680,712	-
Payments into term deposits		(4,179,513)	650,667
Payment for property, plant and equipment		(76,110)	(1,556,706)
Net cash used in investing activities		(2,574,911)	(906,039)
<b>Cash flow from financing activities</b>			
Net cash used in financing activities		-	-
<b>Net increase in cash held</b>		<b>(2,676,618)</b>	<b>1,530,271</b>
Cash and cash equivalents at beginning of the financial year		4,504,315	2,974,044
<b>Cash and cash equivalents at the end of the financial year</b>	<b>15a</b>	<b>1,827,697</b>	<b>4,504,315</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The financial statements are for Aboriginal Housing Victoria Limited as an individual entity, incorporated and domiciled in Australia. Aboriginal Housing Victoria Limited 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 requirements of the *Australian Charities and Not for Profits Commission Act 2012*.

The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 24 September 2015 by the directors of the company.

#### Accounting policies

##### 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 Limited 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).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### Note 1. Summary of significant accounting policies

#### 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.

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 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 (if any) 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 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, deposits held by trust, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts (if any) 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 Limited 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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
<b>Note 2. Revenue</b>	<b>\$</b>	<b>\$</b>
<b>Rental revenue</b>		
<i>Operating activities</i>		
<b>Rental revenue</b>	<b>14,542,318</b>	<b>14,104,880</b>
<b>Other revenue</b>		
Interest income	227,173	189,981
Profit on sale of property, plant and equipment	1,146,042	-
Other revenue	2,252	-
<b>Total other revenue</b>	<b>1,375,467</b>	<b>189,981</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<b>Note 3. Surplus for the year</b>		
<b>Expenses</b>		
Depreciation and amortisation		
Office buildings	12,639	12,639
Rental buildings	157,383	143,483
Office furniture and equipment	118,500	40,855
Total depreciation and amortisation	288,522	196,977
Impairments to rental properties held-for-sale	-	-
Bad and doubtful debts expense	121,494	102,665
Rental expense on operating leases		
Housing Provider Framework	4,691,502	3,219,162
Office equipment and motor vehicles	160,975	183,090
Auditor remuneration		
Audit services	25,000	25,000
Other services – FBT Compliance	12,550	5,400
Total auditor remuneration	37,550	30,400

### Note 4. Cash and cash equivalents

Cash at bank and in hand	1,827,697	4,504,315
Short-term term deposits	7,262,298	3,082,785
<b>Total cash and cash equivalents</b>	<b>9,089,995</b>	<b>7,587,100</b>

### Note 5. Trade and other receivables

Rental receivables	450,893	511,411
Provision for impairment	(278,649)	(331,258)
	172,244	180,153
Other receivables	1,984,764	115,190
<b>Total current trade and other receivables</b>	<b>2,157,008</b>	<b>295,343</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<b>Note 6. Other current assets</b>		
Prepayments	65,685	61,759
Accrued income	10,298	8,534
Deposits paid for properties	-	-
Assets under construction	32,264	506,058
<b>Total other current assets</b>	<b>108,247</b>	<b>576,351</b>
<b>Note 7. Property, plant and equipment</b>		
<b>Office property</b>		
Freehold land at fair value		
Independent valuation at 30 June 2010	1,585,000	1,585,000
Buildings at fair value		
Independent valuation at 30 June 2010	615,000	615,000
Less accumulated depreciation	(63,196)	(50,557)
Total buildings	551,804	564,443
<b>Total office property</b>	<b>2,136,804</b>	<b>2,149,443</b>
<b>Rental property</b>		
Freehold land		
At fair value	12,822,000	7,119,443
Buildings		
At fair value	10,100,500	10,492,161
Less accumulated depreciation	-	(738,888)
Total buildings	10,100,500	9,573,273
<b>Total rental property</b>	<b>22,922,500</b>	<b>16,872,716</b>
<b>Office furniture and equipment</b>		
Office furniture and equipment		
At cost	789,054	303,453
Less accumulated depreciation	(260,907)	(191,460)
<b>Total office furniture and equipment</b>	<b>528,147</b>	<b>111,993</b>
<b>Total property, plant and equipment</b>	<b>25,587,451</b>	<b>19,134,152</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### Note 7. Property, plant and equipment

#### 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:

	Office property \$	Rental property \$	Office furniture and equipment \$	Total \$
<b>2014</b>				
Carrying amount at 1 July 2013	2,162,083	15,466,937	108,986	17,738,006
Additions at cost	-	1,549,262	43,861	1,593,123
Depreciation expense	(12,640)	(143,483)	(40,854)	(196,977)
<b>Carrying amount at 30 June 2014</b>	<b>2,149,443</b>	<b>16,872,716</b>	<b>111,993</b>	<b>19,134,152</b>
<b>2015</b>				
Carrying amount at 1 July 2014	2,149,443	16,872,716	111,993	19,134,152
Additions at cost	-	15,249	534,654	549,903
Disposals	-	(534,670)	-	(534,670)
Depreciation expense	(12,639)	(157,383)	(118,500)	(288,522)
Revaluation	-	6,726,588	-	6,726,588
<b>Carrying amount at 30 June 2015</b>	<b>2,136,804</b>	<b>22,922,500</b>	<b>528,147</b>	<b>25,587,451</b>

#### 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.

The rental properties were independently valued at 30 June 2015 by WBP Property Group. The valuation was based on the fair value. The valuation resulted in a revaluation increment of \$6,726,588 being recognised in the revaluation surplus for the year ended 30 June 2015.

#### 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 Limited.

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<b>Note 8. Trade and other payables</b>		
Trade payables	595,167	242,890
Rental payments in advance	558,052	465,942
Other current payables	796,273	772,855
Employee benefits	26,361	1,187
<b>Total trade and other payables</b>	<b>1,975,853</b>	<b>1,482,874</b>

### Note 9. Provisions

#### Analysis of total provisions

Current	328,028	318,020
Non-current	17,532	18,882
<b>Total provisions</b>	<b>345,560</b>	<b>336,902</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

City of Yarra – NAIDOC funding	12,000	8,000
<b>Total deferred grant income</b>	<b>12,000</b>	<b>8,000</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
<b>Note 11. Capital and leasing commitments</b>	<b>\$</b>	<b>\$</b>
<b>Operating lease commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
Minimum lease payments for office, motor vehicles and office equipment, payable:		
within one year	112,424	183,330
between one and five years	66,361	81,183
after five years	-	-
	178,785	264,513

The office lease commitments are non-cancellable operating leases contracted up to two years. The motor vehicle lease commitments are non-cancellable operating leases contracted up to three years. The office equipment lease commitments are non-cancellable operating leases contracted for a five year term. No capital commitments exist in regards to the lease commitments at the 30 June 2015.

Minimum lease payments under the Housing Provider Framework, payable:

within one year	5,053,129	2,210,629
between one and five years	-	-
after five years	-	-
	5,053,129	2,210,629

The Housing Provider Framework Lease expires on 30 June 2016.

### Note 12. Events after the reporting period

There were no significant events after the reporting date which requires disclosure in the financial statements at 30 June 2015.

### Note 13. Contingent liabilities and assets

There were no contingent liabilities or contingent assets at 30 June 2015.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**2015**                      **2014**  
\$                                      \$

**Note 14. Related party transactions**

The Entity's related parties include its key management personnel as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

**Note 14.1 Transactions with key management personnel**

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

Short term employee benefits	79,982	205,201
Long term employee benefits	-	-
	<b>79,982</b>	<b>205,201</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<b>Note 15. Cash flow information</b>		
<b>a. Reconciliation of cash</b>		
Cash at bank and in hand	1,827,697	4,504,315
<b>b. Reconciliation of surplus after income tax to cash flow from operating activities</b>		
Surplus after income tax	2,117,530	2,152,988
Non cash flows		
Depreciation and amortisation	288,522	196,977
Surplus on sale of held-for-sale properties	(1,146,042)	-
Changes in assets and liabilities		
(Increase) / Decrease in receivables	(1,861,665)	2,191
(Increase) / Decrease in prepayments and accrued income	(5,690)	24,752
Increase in payables	492,980	44,748
Increase in deferred provisions	8,658	15,266
Increase/(Decrease) in grants carried forward	4,000	(612)
<b>Cash flow from operating activities</b>	<b>(101,707)</b>	<b>2,436,310</b>

### Note 16. Reserves

The revaluation surplus records the revaluation 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 increment of \$1,175,087.

The revaluation surplus records the revaluation of the rental property. At 30 June 2015 the rental properties were revalued to its fair value of \$22,922,500 giving rise to a revaluation increment of \$6,726,588. This along with prior year revaluations has resulted in the current revaluation surplus of \$8,440,886.

### Note 17. Company details

The registered office and principal place of business of the company is:

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

## RESPONSIBLE PERSONS' DECLARATION

In the opinion of the Responsible Persons of Aboriginal Housing Victoria Limited:

1. The financial statements and notes, as set out on pages 6 to 19, are in accordance with the *Australian Charities and Not for Profits Commission Act 2012*, including:
  - a. Giving a true and fair view of its financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
  - b. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not for Profits Commission Regulation 2013*; and
2. There are reasonable grounds to believe that Aboriginal Housing Victoria Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



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*Tim Chatfield (Director)*

Dated 24 September 2015

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

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

In accordance with the requirements of section 80-40 of the Australian Charities and Not for Profit Commission Act 2012 for the audit of Aboriginal Housing Victoria Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

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

  
LBW Chartered Accountants

  
Seipathy Sanna  
Principal

20 September 2015



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# AHV Board Charter

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

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

It supports the Constitution and in the event of any inconsistency, the Constitution takes precedence.

## Responsibilities of the Board of Directors

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

## Incorporation and Governance

AHV is a not-for-profit public company, limited by guarantee registered under the Corporations Act 2001 (Commonwealth). A company limited by guarantee is a specialised public company designed for not-for-profit organisations which are formed for purposes beneficial to the community. AHV was formed to provide affordable housing and residential accommodation options for Aboriginal people in Victoria. This form of company is required to be managed by a constitution and is subject to relatively high standards of governance including financial audit and reporting requirements. As reflection of the high standards of governance Directors are required to comply with the same legal duties and obligations as Directors of a commercial company. Directors are prohibited from receiving dividends and under this structure any surplus is required to be reinvested into the beneficial purpose the company was established to achieve.

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



## Board Structure and Meetings

### Number of Directors

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

### Board skills and diversity

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

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

### Appointment of Directors

The appointment of a director must be approved by the Board and comprise a term of approximately 3 years commencing at the end of the annual general meeting at which they were appointed and expiring at the end of the third annual general meeting after their election, at which time they will retire.

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

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

### Meeting frequency

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

### Quorum

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

### Voting at meetings

The Board generally operates by consensus but where a consensus cannot be reached decisions are made using the voting provisions of the Constitution. Under the Constitution decisions are decided by the majority of votes, where each Director present is entitled to one vote.

### Agenda and Board papers

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

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

## **Role of Individual Directors**

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

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

## **Director's Code of Conduct**

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

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

## **Performance and Teamwork**

In performing their role Directors aspire to high governance standards which include principles derived from the AXS's Corporate Governance Council Principles of Good Governance. These principles include the requirement that Directors work as a team and meet on a regular basis.

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

## **Confidentiality**

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

## **Networking**

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

## **The role of the Chair**

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

### **Election of the chair**

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

## **The role of the Chief Executive Officer**

The CEO reports directly to the Board and is responsible for achieving AHV's objectives and vision for the future, in accordance with the strategies, budget and policies recommended and approved by the Board.

## **The role of the Company Secretary**

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

## **Board Committees**

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

The Board reserves the right to appoint other committees from time to time as deemed necessary. Each committee has its own Terms of Reference outlining its purpose, powers as delegated by the Board.

### **Governance Committee**

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

### **Finance Audit and Risk Committee**

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

## Risk Management

### External audit

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

The Auditor is entitled:

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

## Delegations of Authority

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

## Director Protection

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

### Directors and Officers insurance

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

## Code of Conduct

The Directors and Staff of AHV are bound by the AHV Code of Conduct (Attachment 1). In this respect all Directors must adhere to their overriding fiduciary duty to act in good faith and in the best interest of AHV, as well as their legal obligations.

## **Conflict of Interest**

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

## **Director Remuneration**

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

## **Stakeholder Interests and Communication**

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

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

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







**Aboriginal Housing Victoria**

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**More information including our tenancy policies and procedures can be found on our website [www.ahvic.org.au](http://www.ahvic.org.au)**