

Aboriginal Housing Victoria

# ANNUAL REPORT 2016-2017



Aboriginal Housing Victoria

## The design and symbolic meaning behind the Artwork

In 2016, to commemorate the historic transfer of ownership of properties from the Victorian Government to Aboriginal Housing Victoria, with the generous support of PricewaterhouseCoopers, AHV commissioned a piece of artwork by young artist Josh Muir. A Yorta Yorta, Gunditjmara and Barkinji man, Josh is the grandson of AHV Board Member and artist Myrtle Muir.

### Artist | Josh Muir

*'Home is Where the Heart is,'* portrays the elements Josh sees important in making a strong foundation that support healthy households: fire, air, water and earth.

He drew on the Yin and Yang for inspiration. *'The good with the bad and the bad with the good.'*

Josh sees housing providing people with a platform to build responsibility and healthy lives. *'Maintaining a household, making it your own, helps to create something that our people can feel a sense of pride in.'*



*Throughout this document the term 'Aboriginal' is used to refer to both Aboriginal and/or Torres Strait Islander peoples. Unless noted otherwise, the term should be considered inclusive of both Aboriginal and Torres Strait Islander peoples.*

*Aboriginal Housing Victoria (AHV) would like to acknowledge and pay respect to the traditional custodians of the lands throughout Victoria. We pay our respect to the elders past, present and emerging, for they hold the memories, the traditions, the culture and hopes of Aboriginal Australia. We acknowledge that Aboriginal and Torres Strait Islander Peoples continue to live in spiritual and sacred relationships with this country.*



## Vision

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

## Values

Aboriginal cultural values underpin AHV's values. Our values provide an ethical framework within which all decisions are made and our services are delivered. Our values guide how we relate to our clients, each other and to the Aboriginal and non-Aboriginal community.

- 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.



# Contents

<b>Values and Vision</b>	<b>3</b>
<b>Chairperson's Report</b>	<b>6</b>
<b>CEO's Report</b>	<b>7</b>
<b>About Us</b>	<b>8</b>
<b>Organisation Chart</b>	<b>9</b>
<b>35 years towards self determination</b>	<b>10</b>
<b>Progress towards Strategic Priorities</b>	<b>11</b>
<b>At a Glance</b>	<b>24</b>
<b>Our portfolio and waitlist</b>	<b>26</b>
<b>Our performance</b>	<b>29</b>
<b>Governance</b>	<b>30</b>
<b>Financial Report</b>	<b>34</b>
<b>Our Supporters</b>	<b>55</b>



# Chairperson's Report

I am proud to present to you the Aboriginal Housing Victoria (AHV) Annual Report for 2016-17.

It has been another momentous year with the continuation of title transfer. We maintained the confidence of the Housing Registrar and the Director of Housing and a further 474 properties transferred on 1 July 2017. We now own 1,075 properties in Melbourne, the Loddon Mallee and Hume regions. When the final 463 properties transfer in July 2018 ownership of 1,448 properties will have transferred to AHV.

This is the largest stock transfer to any single housing agency in Victorian history and when completed AHV will be the largest owner of Aboriginal community housing in Australia. My fellow Board Directors and I feel privileged and enormously proud to oversee this significant achievement. We know a debt of gratitude is owed to Elders and community members who fought for Aboriginal people to be treated with dignity and respect in housing and who held strong to the vision of housing self determination. It is now our responsibility to ensure that the legacy of Aboriginal community ownership of housing improves the lives of future generations of Aboriginal Victorians as they anticipated it would.

We have taken on the responsibilities of ownership and have commenced asset management. We are selling houses in poor condition, building new units and renewing houses where it is cost effective. Over time these programs will improve the condition of houses and better align housing to Aboriginal community needs.

We increased the total number of houses we own and manage, largely thanks to spot purchases funded under the Victorian Government's Rapid Housing Assistance Fund to house applicants experiencing homelessness and family violence. We will continue to work to access these and other funding opportunities to increase the number of houses available to meet the ever growing demand for affordable Aboriginal housing.

I would like to thank the Andrews Government for their commitment to self determination for Victoria's Aboriginal people. I also acknowledge the continued support and commitment to title transfer from the Minister for Housing, Martin Foley MP and the Minister for Aboriginal Affairs, Natalie Hutchins MP, together with the Director of Housing, Nick Foa and the Acting Housing Registrar, Bernard Gastin.

We have actively contributed to planning family violence responses for Aboriginal households arising from the Victorian Royal Commission into Family Violence and look forward to similarly influencing delivery of Government's housing affordability strategy, *Homes for Victorians*.

I would like to thank my fellow Board Directors Ian Hamm, Mark Lipson, Rob Leslie, Owen Donald, Karen Milward and Abigail Burchill and our asset management adviser to the Finance, Audit and Risk Committee, Alan Herrman, for their support, diligence and commitment throughout 2016-17. I would like to acknowledge the contribution of my fellow Directors who resigned throughout the year Karen Milward, Abigail Burchill and finally Dr Owen Donald who served for six years over two periods.

I must also acknowledge the important legacy of AHV's former CEO Jenny Samms. Jenny's strong leadership and professionalism were significant in turning the aspiration of title transfer into a reality. Jenny is most definitely a "hard act to follow" but I am very pleased to report that our new CEO, Darren Smith is proving to be up to the challenge.



**Tim Chatfield**  
Chair

# CEO's Report

I am proud and delighted to present my first Annual Report as Chief Executive Officer of AHV.

I have been appointed to the CEO position at a time of significant change, as AHV transitions from a tenancy manager to an owner of a large and diverse property portfolio valued at almost five hundred million dollars. This transition will be complex and difficult at times. It is important while we work through this period of change to maintain our focus on our clients, and the benefits our tenants receive from safe, secure and affordable housing.

AHV continues to investigate ways to improve our tenancy and housing services. Last year we reviewed our tenancy services and this year we focused on improving our management of service delivery. During early 2017 the Operations group was reviewed and as a result we have three regional teams led by a Senior Housing Officer. These teams improve oversight of performance and regional coordination, and improve our ability to address local issues. The teams will consciously strengthen local and regional service delivery partnerships with Aboriginal and mainstream service providers

We have continued to strengthen our tenant wellbeing initiatives, including the More Than A Landlord pilot project in the City of Whittlesea, and the Life Skills Program. We know many vulnerable Aboriginal households experience multiple disadvantage and are at serious risk of further episodes of housing insecurity and homelessness. We will continue to investigate how affordable, secure housing can be leveraged to not only sustain vulnerable tenancies but allow them to improve their life circumstances.

With ownership and control of its properties, AHV is now well placed to work in partnership with the Aboriginal community, to grow housing within a context of Aboriginal needs and aspirations. Tenants' voices will be central to this process. A Melbourne Tenant Reference Group is now in place and has provided practical suggestions on improvements to services and how AHV might contribute to meeting the aspirations of tenants and their families. We would like to establish Tenant Reference Groups in regional areas to give regional tenants the same opportunity as the second and third tranches of title transfer progress.

I commend the Victorian Government's self determination agenda and its recognition that self determination is an essential platform for the design and delivery of housing and health services that support sustained, positive outcomes for Aboriginal people. We will continue to build support in the Aboriginal community and in government for holistic housing actions from homelessness to home ownership to address acute housing issues in the Aboriginal community.

I would like to acknowledge the support and guidance during my first year as CEO from the Board's Chair, Tim Chatfield, other AHV Board Directors and my executive team and staff. I would also like to thank my predecessor, Jenny Samms. Jenny has been a great support and mentor to me, and she remains an important "friend of Aboriginal Housing Victoria".

I am confident that AHV is well placed to meet our current and future challenges. With the dedication and expertise of AHV Board members and staff, and the goodwill and support of our clients and the Aboriginal community we will continue to make progress and improve housing outcomes for Aboriginal Victorians.



**Darren Smith**  
CEO

# About Us

## Who we are:

AHV is proud of the history and culture of the Aboriginal people of Victoria it serves. We are a not-for-profit registered Housing Association and the largest non-government Aboriginal housing organisation in Australia.

Our 1,533 housing units provide affordable housing to 3,725 low income Aboriginal 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.

## What we do:

We aim to maintain and sustain tenancies to break 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. A high percentage – 88.4% – of our tenancies are maintained, which is exceptional given the unique and complex disadvantage experienced by many of 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. AHV continues to hold community meetings and participate in community events, so that we can hear first hand from our tenants about ways we can work to improve our services.
- We partner with service providers across the sector to ensure our tenants are linked into the services they need.
- 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.

## Our Staff:

AHV's organisation structure reflects our commitment to provide:

- culturally appropriate, consistent client centred service delivery which seeks to sustain tenancies;
- management of assets in a way which supports the long term sustainability of our housing portfolio and ensures housing assets remain relevant to the needs of Aboriginal Victorians;
- policy leadership and advocacy on Aboriginal housing issues in Victoria; and
- good governance with a systematic approach to financial management and integration of risk management into all aspects of the organisation's operations.

The structure is comprised of the Operations team, the Strategy and Performance team, the Finance team and Corporate Services. Operations include client services, tenancy and maintenance which provide the front line services to our tenants. The majority of AHV staff are employed in operations and are located in Melbourne with a number of staff located in regional offices across Victoria.

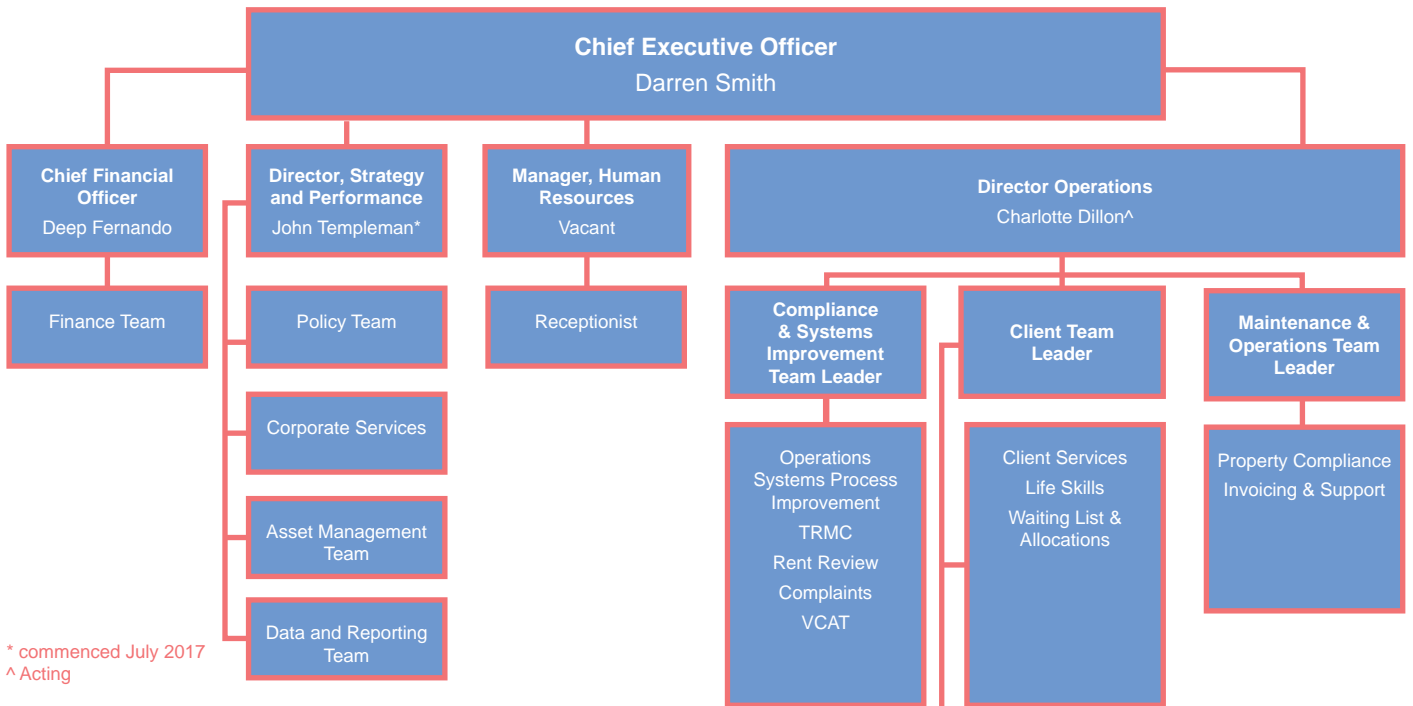
The Strategy and Performance team ensures we meet our reporting and compliance obligations, manage our assets strategically, lead policy and strategy development and business planning, and manage the advocacy function. The Finance team focuses on governance, managing the budget, finance and risk management strategies. Corporate Services provides a range of support services including human resources and organisational development functions.

Aboriginal staff represent 54% of all staff in AHV, reflecting a focus on ensuring we recruit staff who fit with AHV values and better position AHV to deliver on its commitment to provide culturally safe services.





# Organisation Chart



# 35 years towards self determination

A home is more than a house. A house provides physical shelter and a place to eat and sleep. A home is a place of safety and security. A place where dreams are nurtured, success is bred and set free on the wider world.

The founding elders of Aboriginal Housing Victoria understood the importance of self determination.

Victorian Aboriginal leaders knew all too well the discrimination endured by Aboriginal people and that too many were denied the right to adequate housing. Aboriginal families fortunate enough to secure public housing encountered difficulties in maintaining their housing, living with poor maintenance and the constant threat of rental arrears and eviction. Aboriginal leaders pursued the Ministry of Housing advocating for change, for better access and better treatment of Aboriginal tenants in public housing. At the same time they had the foresight to look to the future.

As Aunty Pat Ockwell recounted *Aboriginal community members from around the state came together as a team and met over a two-year period to establish an organisation that not only manage housing, but would eventually obtain ownership of that housing*<sup>1</sup>.

The founding Elders understood that access to housing was not only a short term measure to ameliorate poverty but the means to escape it. They also understood that this vision would never be achieved until Aboriginal people owned the properties and controlled how housing services are delivered. Only then can discrimination be overcome and Aboriginal tenants receive culturally appropriate housing services.

Our vision is that Aboriginal Victorians secure appropriate, affordable housing as a pathway to better lives and stronger communities. We are loyal today to the belief that housing and self determination will create better lives for Aboriginal people.

<sup>1</sup> *Speech to commemorate AHBV's 20th anniversary cited in Cahir, S. 2005, More Bees with Honey: A History of The Aboriginal Housing Board of Victoria 1981 – 2004, Aboriginal Housing Board Victoria, Fitzroy, pg 11.*



**1978**

First State Aboriginal Housing meeting held

**1981**

Inaugural meeting of the Aboriginal Housing Board of Victoria (AHBV) and office established in Collingwood

**1982**

First Annual General Meeting held in Northcote

**1987**

AHBV office moves to Gertrude Street, Fitzroy

**1988**

Feasibility study on Future Ownership of the Aboriginal Housing Program

**1993**

AHBV receives ownership of 4 rental properties purchased out of ATSIC funds

# Progress towards Strategic Priorities

Throughout the last 12 months our focus has been on the continuing transfer of ownership of the Director of Housing houses we have been managing, establishing our asset management programs to grow the number and improve the quality of houses and improving support to tenants and their families.

The *Strategic Plan 2014-2025* sets out our priorities as follows:

- Priority 1** Growing our housing supply through acquisitions, disposals and development of our asset base to ensure AHV has a viable, growing social housing portfolio that increases in value and quantity
- Priority 2** Strengthening governance, probity and viability to manage the more complex business of a Housing Association and property owner
- Priority 3** Improving organisational capability to manage and maintain a viable growing social housing portfolio
- Priority 4** Improving the quality of services delivered by Aboriginal Housing Victoria and operational responsiveness to strategic issues
- Priority 5** Building better relationships with our Aboriginal clients and Victorian Aboriginal communities
- Priority 6** Strengthening partnerships with government, the housing and community sector and corporate bodies



**1995**

AHBV transfers to new office premises at Narrandjeri House in North Fitzroy

**2009**

Aboriginal Housing Victoria (AHV) registered as a Housing Provider

**2010**

AHV becomes landlord for Aboriginal public housing tenants who choose to transfer AHV

**2016**

AHV becomes a Housing Association. The first transfer of 511 metropolitan properties complete

**2017**

The second transfer of 474 properties from the Victorian Government to AHV in the Loddon Hume region

## Growing our housing supply through acquisitions, disposals and development of our asset base to ensure AHV has a viable, growing social housing portfolio that increases in value and quantity



### Ownership transfers continued and we established our asset programs

We are conscious that we need to grow the number of properties in our portfolio. Demand for social housing from the Aboriginal community is high and continues to increase with high population growth. This year we exceeded our growth target of 1 additional property by increasing the number of owned and managed properties by 14, from 1523 to 1537.

The additional growth was due to 14 spot purchases funded by the Victorian Government under the Rapid Housing Assistance Fund. AHV was able to house an additional 6 tenants and their families experiencing family violence, and, in the second round an additional 8 tenants experiencing homelessness. As a registered housing association, AHV was the only Aboriginal organisation eligible to receive this funding.

In late July 2016 the agreement was formalised to transfer ownership of the 1,448 Director of Housing owned properties managed by AHV to AHV. The first 511 properties in Melbourne transferred immediately and on 1 July 2017, a further 474 properties in the Loddon and Hume regions transferred. The final 463 properties in Grampians, Barwon and Gippsland will transfer subject to AHV continuing to demonstrate our capability to meet the standards required of a registered housing association.

Ownership of a property portfolio of significant scale provides the potential for growth but also carries financial risks related to maintaining ageing and deteriorating properties. To understand these risks better we commenced a program of property inspections to collect detailed condition information that can be used to predict future operational maintenance and renewals and associated costs. During the year, with the assistance of tenants, 77% of planned property condition assessments (804 of 1040) were completed. The property condition and cost information collected in property inspections informs the delivery of AHV's Asset Management Plan which sets out how we manage the portfolio of properties.

AHV's asset management is based on asset recycling. The future viability of the portfolio is assured by reducing the number of uneconomic properties and replacing them with newly built properties with low maintenance costs. We sold 6 uneconomic properties requiring costly repairs and upgrades. Proceeds have been set aside to fund the purchase and building of new properties. Our development program commenced with 2 units under construction in northern Melbourne and with 5 units in town planning in western Melbourne, Barwon South-West and the Loddon Mallee. The cultural design principles developed by Jefa Greenaway have been incorporated into the design of all our new units. Built properties are also designed to better suit tenants needs, are more durable and are better quality.

## Werribee Project

In 2016-17 we took the cultural design principles, the *7 Guiding Design Principles*, and incorporated them into the design of units we are building in Werribee. The Principles ensure that the units create a culturally safe, homely and comfortable environment that promotes pride and a sense of ownership.

The project is due to be completed in 2018 and consists of three, two bedroom units and communal gathering space for tenants and their families. The site is located on Wathaurong Country in the City of Wyndham and in close proximity to *The Gathering Place Health Service*, which offers a variety of health and support services to the local Aboriginal community. The site is also close to public transport, which includes the Werribee Train Station and several bus routes that run to the main shopping district and Werribee Plaza.

The communal gathering space will provide an opportunity to strengthen culture and social connectedness for tenants and their families. The outdoor spaces have been designed to complement the interior spaces.

The design builds in flexibility within the spaces, creating suitability for a range of housing needs. The design promotes equality and inclusion through the provision of adaptable dwellings to suit a wide range

of accessibility needs of tenants and their visitors. Additional parking has been incorporated for visitors to minimise potential issues that can be created by limited parking options. The use of natural materials where possible will be used to create warmth, comfort and a healing environment. As tenants will be living on Wathaurong Country, the incorporation of traditional language and patterns will be used to strengthen their connection to place.

The landscaping has been designed to include native plants, indigenous to the area which have traditional Aboriginal uses for food, fibre or healing. Internally the properties will incorporate quality materials that are robust and durable with inherent longevity. Materials that are not easy to maintain such as carpets and tiles will be avoided and replaced with easy to clean surfaces.

Passive design principles have been employed to increase comfort for tenants and reduce reliance on artificial heating and cooling. All living areas will be orientated to the north to maximise full sun penetration in winter. The units will incorporate energy efficient features for lighting, cooking, heating, cooling and hot water to reduce power costs for tenants.

The units will achieve Gold Standard as per the Liveable Housing Guidelines.



Werribee project site plan

## Strengthening governance, probity and viability to manage the more complex business of a Housing Association and property owner

### We continue to strengthen our governance capabilities to meet the challenges of managing an increasingly diverse property portfolio

Now that we are an owner of a large property portfolio our business operations have become significantly more complex. In preparation for this increased complexity, over the last two years we have strengthened our governance, management structure, risk management and business systems.

We continue to review and strengthen management reporting processes and financial activities including budgeting, record keeping, measuring of actual performance against budget, planning and decision making and projection of future performance. The Finance Audit and Risk Committee of the Board routinely reviews the risk register we operate to identify, analyse and prioritise risks.

While the Australian Institute of Company Directors' review of Board governance and processes found that our governance is strong, the Board continues to act on recommendations for development and continuous improvement. In particular we are strengthening succession planning, strengthening Board and director performance assessment processes and linking assessment outcomes to development processes to build the capability and experience of directors.

The increased complexity of our business is also reflected in compliance requirements as a registered housing association under the *Housing Act 1983 (Vic)*. Each year we are required to demonstrate to the Housing Registrar's satisfaction that we will remain financially viable and that we meet the performance standards of a registered housing association. This involves submitting to the Housing Registrar

- An annual five year Business Plan;
- An annual report against the (13) Key Performance Measures established by the Housing Registrar for all Housing Associations;
- An annual report against objectives and targets in the Annual business plan of the previous year;
- An annual report demonstrating how we have met the performance standards;
- Providing half yearly financial reporting including financial statements that covers balance sheet, profit and loss statement, Cash Flow Statement along with commentary and variance analysis; and
- An annual financial performance report showing five years of historical data and fifteen years of financial projections.



AHV Staff member Laurie with community member

AHV Staff member Anthony  
with community member



## Performance standards of a registered housing agency

### 1. Tenant and housing services:

- managing eligibility, allocation, rents and termination of housing assistance;
- support tenancing engagement;
- setting housing service standards and maintaining satisfaction with overall quality of services; and
- managing complaints and appeals relating to housing services.

### 2. Housing assets:

- asset management planning and decision making to meet changing housing needs;
- setting and meeting property condition standards; and
- planning and delivering responsive, cyclical and life-cycle maintenance to maintain properties.

### 3. Community engagement:

- promoting community housing to local organisations that work with AHV clients; and
- working in partnership with local agencies to support social inclusion.

### 4. Governance:

- effective planning to manage strategic, operational and financial risks;
- transparent and accountable arrangements and controls in place to support effective decision making;
- complying with legal requirements and government policies; and
- a governing body (Board of Directors) that has appropriate experience.

### 5. Probity:

- codes of conduct for staff, Board directors and contractors;
- system of employment and appointment checks; and
- systems to prevent, identify and act on fraud, corruption and criminal conduct.

### 6. Management:

- Effective use of assets and funding to meet business goals; and
- implementing management structure, systems, policies and processes that meet business requirements.

### 7. Financial viability:

- ensuring a viable capital structure;
- maintaining financial performance; and
- managing financial risk exposure.

## Improving organisational capability to manage and maintain a viable growing social housing portfolio

### We are building our capability so that our houses and services meet tenants needs

Ownership means AHV has the ability to think creatively to ensure that we meet the needs of the Aboriginal community. We are thinking differently about how we manage properties and how we improve the standard of housing and quality of life for our tenants.

AHV has embraced the significant responsibilities associated with custodianship of a large portfolio of properties. Ownership provides the practical means to better align our housing portfolio with the changing and growing needs of current and future tenants. However, this means significant change for AHV, as the organisation grows in size, complexity, asset value and scale of risk. We understand that to meet our responsibilities and to be able to take advantage of the opportunities that arise, a continuing focus on improving organisational performance and capability is required.

In early 2017 the Operations area of AHV, responsible for tenancy management and maintenance, was reviewed to improve operational performance. The review recommended realigning the management structure, staff responsibilities, authority and resources to delivery of key performance indicators. Specific resources dedicated

to reporting, monitoring and analysis of operational performance and process and system improvement were recommended. The new structure took effect on 1 July 2017 and work is continuing into 2017-18 to strengthen operational management and systems and process improvement.

AHV recognises that family violence has a significant impact in the Aboriginal community and in the work places of Aboriginal organisations. In April 2017, White Ribbon announced that Aboriginal Housing Victoria had successfully been accredited as a 'White Ribbon Workplace' for demonstrating effective leadership, resource allocation, communication, Human Resources policy development and training to create a safer and more respectful workplace. AHV is one of only four Aboriginal organisations nationally to receive this accreditation.

We have also focused on building our capability to improve the quality of houses in our portfolio to ensure they meet the amenity requirements and needs of Aboriginal tenants. We commenced our cyclical maintenance program with contractors checking safety of gas heaters and smoke detectors in all houses. We publicly tendered repairs and maintenance services to improve performance including time taken by contractors to complete works. New contractors were appointed in early 2017-18. We worked with the Director of Housing (DoH) to identify and scope major works delivered by DoH to refurbish 31 properties under their final upgrade program. AHV's major works and capital works programs commenced with refurbishment of 7 vacant units which required extensive works to bring them to an appropriate standard. We used our property refurbishments to trial new materials and finishes that may become the new standardised fittings in AHV houses in the future. These include timber look vinyl floors; stone benchtops; split system air conditioning; LED lighting; and high quality energy efficient cooking appliances.



White Ribbon Ambassador and AHV Board Director, Ian Hamm





AHV tenant Frank Scerri next to one of the nine trees planted at his property, to provide shade and keep his house cool.

### Cooling Communities Project

Funded through the Victorian Government Department of Environment, Land, Water and Planning, the Cooling Communities Project is a partnership between AHV, Moreland Energy Foundation Limited (MEFL) and Moreland City Council.

Moreland's suburbs are particularly vulnerable to the Urban Heat Island Effect (UHIE) due to lack of green infrastructure, large impervious areas and lack of water bodies. Thermal imaging continues to identify that extreme vulnerability to the UHIE also correlates within areas of social housing.

The project aims to create a set of recommendations that promote UHIE resilience in social housing areas, for use by local Government, social housing providers and residents across Victoria. The focus of the project was to support those most at risk in the hotter months. Retrofits were carried out on ten (10) social housing properties in Moreland City Council. Three AHV Elders were approached to participate in the program. A pre-works survey was carried out

with the tenants to assess their perception of the dwellings and to engage them in discussions about the scope of works that would best suit their needs.

Some of the works undertaken included improved insulation, draft proofing, installation of external shading devices, installation of a rainwater tanks to provide irrigation for new green infrastructure, and cooling combined with solar panels. The properties were monitored by MEFL to measure the success of the changes. Tenants were interviewed before and after the works to see if tenant's comfort levels over the summer months had improved.

One of our tenants to receive the fitout, Frank Scerri said, "It has made such a big difference to my life, without a doubt, I can sleep now." Another tenant to receive the retrofit, Diana Travis, said: "I've always hated the humidity and it has been uplifting to have had these improvements. It has made it much better."



## Improving the quality of services delivered by Aboriginal Housing Victoria and operational responsiveness to strategic issues

### We continue to strive to deliver culturally safe and high quality services

The majority of AHV's tenants require little assistance to sustain their tenancies. From time to time some tenants require assistance for a short time to help them get back on track. A smaller number again are vulnerable and have multiple and complex needs requiring more intensive support. It is our aim to deliver high quality tenancy management for all our tenants and to better integrate with support services for those tenants who require additional assistance.

We commenced the Life Skills program in metropolitan Melbourne in 2015 to better support at risk tenancies. The program provides tailored intensive support to tenants with complex needs, including early needs/risk identification and intervention to minimise the impact of the issues that can lead to tenancy breakdown, and potentially homelessness. Through a case management framework, including linking to services and support organisations, the program builds the skills and abilities necessary to establish and maintain an independent tenancy. Participation in the program is voluntary.

This year we evaluated our Life Skills Program against its aim to assist tenants to establish and sustain their tenancies. The evaluation will help to better understand the impact on tenants and how we can improve the support we provide.

The formative evaluation found the program is having positive outcomes in sustaining tenancies for a number of AHV's most vulnerable tenants. While the program did deliver prevention and early intervention activities, it had predominantly focused on crisis intervention. As a result, the program should continue to focus on support for vulnerable tenants and early intervention learnings should be consolidated and embedded in tenancy management practice.

We are currently considering how the evaluation findings and recommendations can be implemented.

We have also been thinking about how stable housing contributes to efforts to improve outcomes for Aboriginal people. We came up with a concept that was funded in 2016 by the Department of Health and Human Services under *Koolin Balit*. The More Than A Landlord (MTAL) pilot project in the City of Whittlesea aims to:

- better understand the aspirations, characteristics and health and wellbeing needs of Aboriginal social housing tenants and their families;
- improve the coordination and integration of service delivery to Aboriginal tenants; and
- encourage, motivate and increase the uptake of positive behaviours by Aboriginal household members that lead to improved life circumstances.





*'This logo represents a family and their journey to getting a house to live in and the elements required for a healthy and happy home life. You have a Mum and Daughter one side and Father and Son the other side.'* - Sharyn Lovett

### 'More Than A Landlord' – Peer Researchers

Not only does MTAL seek to direct tenants into culturally appropriate services, but aims to create genuine pathways and skill development opportunities.

From March to June 2017, a cohort of enthusiastic tenants seized the chance to participate in a training and development opportunity, offered by the University of Melbourne and AHV, to gain an accreditation as a Peer Researcher.

After successfully completing the course, Peer Researchers were employed by AHV for an intensive eight weeks of field work, successfully acting as the primary conduit between AHV and tenants residing in the local community. Each Peer Researcher played a key role in supporting access and reach of the project into the community.

Many of the tenants who participated were at the time seeking employment or underemployed, looking to re-enter the workforce or find new/additional employment opportunities. Tenants were able to use this opportunity to add experience to their resumes, and to gain new skills and referees to assist in securing further employment. Post project support included resume building, job searching and networking and the potential for further employment opportunities with AHV.

### More Than A Landlord (MTAL) – Pilot in the City of Whittlesea

More Than A Landlord was launched in mid 2016 to integrate and coordinate tenancy support with support services from a household or family lens which is more consistent with Aboriginal cultural values.

A better understanding of tenant and household members needs, characteristics and aspirations was achieved through a survey designed and delivered by The University of Melbourne. A total of 41 of the 80 AHV households (51.3%) were surveyed and 40 household and 64 individual surveys were completed. Survey results inform how we work with tenants and household members.

The project builds on our LifeSkills program and uses life coaches in a unique way to strengthen service coordination and engagement.

Community engagement events and activities are used to provide information on living healthy lifestyles and to promote positive wellbeing to household members. Interested tenants and household members have the opportunity to work with a life coach. The coach guides and assists tenants and household members to form aspirations and encourages and motivates them to work on achieving their aspirations. The coaches also work with family members to overcome challenges and coordinate with services to broker assistance where it is needed. The approach is 180 degrees as opposed to conventional needs based service delivery approaches and seeks to empower households to drive service engagement, coordination whilst also improving uptake of positive life behaviours.

Peer Researchers - Ketia Ahwang, Lucinda Jackson, Sharyn Lovett, Christine Kardum and Alisha Warden



## Building better relationships with our Aboriginal clients and Victorian Aboriginal communities

### We are committed to engaging with our tenants and giving them a voice on matters important to them

Throughout the year we spent more time with tenants and community members listening to what really matters. We actively increased our engagement in the broader community through state-wide community and stakeholder gatherings, attending and hosting community events and participating in a number of other activities. In total, AHV hosted or co-hosted over 50 events, reaching an estimated audience of 5,370 people.



Some of our major activities during the year included:

- our annual NAIDOC Family Day on the Farm in July 2016 with just over 1,000 people coming along to celebrate a fun filled free day of cultural and community celebrations;
- establishing our metropolitan Tenant Reference Group in November 2016 with seven tenants as members telling us how we can improve our housing services;
- providing Christmas toys to over 125 families and over 400 children through our Christmas Toy Drive in December 2016, engaging with nearly 500 people from the local community, businesses and schools;
- three health and nutrition events through our More Than A Landlord project in the City of Whittlesea with over 330 people attending;



- participation in the One Million Stars to End Violence project, connecting with over 20 community groups, schools and organisations, reaching at least 800 people; and,
- Further participation in Sisters Day Out events, Elders awareness forums, events and expos reaching an estimated 1,000 people.

We have continued to increase our media presence, including social media, in order to raise our profile and visibility. This increase in profile assists us to advocate more effectively for increased housing and support services for Aboriginal people, and enhances our capacity to influence Government. During 2016-17, AHV's media efforts focused on successfully announcing title transfer through positive stories in the Guardian, The Age, on NITV and SBS and a number of radio stations.

AHV is committed to creating platforms for tenants to have their thoughts, suggestions and concerns heard. Maintaining a strong focus on community engagement allows us to connect with our tenants, clients and the broader community. This approach has enabled us to know that for many of our tenants owning their own home is a key aspiration. While this may take time, we remain committed to working with government, community agencies and banks to develop pathways to assist tenants make the aspiration a reality.

## Tenant Reference Group – Melbourne

(Established November 2016)

The purpose of the Tenant Reference Group is to provide a consultative forum within which a range of options, opportunities, ideas and issues can be discussed in an open and constructive way, to inform further AHV policy development and/or improve service delivery.

We are confident that the ownership of properties will help AHV to deliver on our goal for Aboriginal Victorians to prosper and create better lives and stronger communities through safe affordable housing.

The role of the Tenant Reference Group is to provide advice on:

- Ideas and opportunities that arise from AHV’s ownership of housing properties;
- How AHV’s housing services might be improved;
- How to improve broader outcomes for AHV clients and tenants;
- How ideas and opportunities might be delivered as projects or initiatives;
- Emerging issues that may inform how housing services are delivered.

Over the past year members of the Melbourne Tenant Reference Group have identified the following key priorities:

- Pathways to home ownership for existing tenants;
- Exploring sustainable and affordable housing models to enable AHV to house more Aboriginal people; and
- Strengthening partnerships between AHV and other Aboriginal organisations to better support tenants.

AHV is looking to introduce additional Tenant Reference Groups throughout Victoria’s regional centres to enable all tenants to have their voice heard on issues important to their tenancies and to them.



Uncle Colin Hunter gave a warm Welcome to Country and Robbie Bamblett performed on the didgeridoo.

## Reconciliation on the Rooftop

AHV co hosted a Reconciliation on the Rooftop event with the Secretariat of the National Aboriginal Islander Child Care and Yarra Libraries at the recently opened new North Fitzroy hub space “Bargoonga Nganjin” (which means gather everybody in Woiwurrung language). The event provided an opportunity to celebrate Aboriginal culture with over 100 interested community members including the Yarra City Council Mayor, Councillor Amanda Stone, and many of our supporters and sponsors.

Speakers at the event, our AHV CEO, Darren Smith and Kerry Arabena, Director Indigenous Health Equity Unit at the University of Melbourne, spoke on similar themes. Participants were reminded that this year marked the anniversary of important milestones toward reconciliation: 25 years since the High Court’s recognition of native title in the Mabo decision and 50 years since the 1967 referendum. Participants were also reminded that true reconciliation benefits all Australians but Aboriginal people see much yet to be done. Aboriginal leaders passed on constitutional recognition in favour of self determination and Treaty from which equity flows for Aboriginal people.

## Strengthening partnerships with government, the housing and community sector and corporate bodies

### We continue to strengthen and expand our partnerships with the government, community and corporate sectors.

As a custodian of housing assets for the Aboriginal community AHV has a responsibility to advance the housing interests of Aboriginal tenants, applicants and community members. As a registered housing agency and the largest Aboriginal housing agency in Australia we are in a strong position to influence government and key stakeholders and the development and delivery of policy.

We have actively strengthened our profile by presenting at various state, national and international conferences and forums on a range of issues including:

- Self determination and title transfer at the National Maori Housing Conference in New Zealand ;
- Self determination and title transfer and culturally responsive housing design principles at the Australian Housing Industry Aboriginal masterclasses and housing sector conferences; and,
- Our unique tenant wellbeing project *More Than A Landlord* at the 15th World Congress on Public Health in Melbourne in April 2017.

We actively participate in government-community forums to improve policy and programs and advance service delivery responses for Aboriginal housing applicants, tenants and community members.

We formally lodged submissions to the Victorian Governments' review of the *Residential Tenancies Act 1997* and the Productivity Commission's preliminary findings report, *Introducing competition and informed user choice in human services: identifying sectors for reform*.

We actively advocated for culturally appropriate responses to family violence for Aboriginal victims and perpetrators through membership on the Family Violence Housing Assistance Implementation Taskforce established by the Victorian Housing Minister, Martin Foley MP.

We were invited to join the Aboriginal Justice Forum and Koori Caucus in early 2017. Our CEO, Darren Smith, brought a housing lens to justice issues and has participated in the forums development work to embed self-determination in the fourth Aboriginal Justice Agreement (AJA4).

We worked with the Department of Health and Human Services to include housing policy in the *Aboriginal Health Wellbeing and Safety Strategic Plan 2017-2027*. We argued for funding reform that provides genuine opportunities for Aboriginal community participation in service design and delivery

The Victorian Government's *Homes for Victorians* policy includes significant commitments to affordable and social housing. AHV is seeking to influence the design and delivery of *Homes for Victorians* initiatives, to increase access to opportunities for Aboriginal people, including increased access to home ownership initiatives. We are also working with DHHS to unlock opportunities to grow our portfolio, including in partnership with local Aboriginal Cooperatives.

AHV's CEO is a member of the Victorian Housing Register (VHR) Leadership Group. Key Operations staff actively participate in planning and working groups to ensure that the design of the VHR will be culturally sensitive and will support improved access to social housing opportunities for Aboriginal people.

We have also participated in discussions to raise the profile of Aboriginal housing nationally through the National Congress of Australia's First Peoples and with inter-state Aboriginal housing agencies and advocates.



Community meeting at the Koori Hub in Ballarat

## Community engagement

AHV partnered with the Victorian Aboriginal Legal Service, Victorian Legal Aid, the Tenants Union of Victoria and the Victorian Civil and Administrative Tribunal, to deliver sessions on tenants' rights and responsibilities, for AHV tenants and other interested Aboriginal tenants in 12 communities across Victoria.

The community meetings sought to raise awareness of respective tenant and landlord rights and responsibilities, provide contact information for a range of housing support and legal agencies and give immediate access to legal advice for tenants experiencing tenancy issues. It also provided AHV an opportunity to raise awareness around title transfer and how that informs our desire to better engage with tenants, clients and Aboriginal communities. Tenants were particularly interested in AHV's business priorities and our discussion of constraints on AHV and how that impacts on our approach to tenancy management.

The tenant meetings provided an opportunity to engage more broadly and strengthen local relationships.

Senior and regional AHV staff engaged in positive and productive discussions with staff from local Aboriginal Cooperatives and tenancy and support agencies. The meetings provided an opportunity to better understand local housing issues for Aboriginal people, to explore how to strengthen support services for vulnerable tenants and opportunities to work collaboratively to grow social housing.

Senior and regional AHV staff also had positive discussions with staff from local government authorities. Discussions ranged from understanding Council's engagement with the local Aboriginal community and the focus of Council's Reconciliation Action Plans. General issues were discussed regarding the practical assistance Council can provide to tenants including tip vouchers and reduced fees, and increasing participation in culturally accessible council services and community activities. The meetings provided an important opportunity to discuss possible options to address barriers and increase the supply of social housing in the local area.

# 2016-17 at a Glance

## Transfer ownership of properties

- ✓ 474 properties were transferred in the Loddon and Hume regions bringing the total to 1,075 houses currently owned by AHV.

## Growing our housing portfolio and improving housing quality

- ✓ Our sales program started with 6 properties sold. The funds from these sales will be utilised to redevelop existing sites and to purchase new properties.
- ✓ Our building program started with 2 houses under construction in Northern Melbourne and 5 sites with existing housing in town planning stage in Western Melbourne, Barwon South West and Loddon Mallee – these houses will be demolished and multiple new units built on site.
- ✓ Major refurbishments of 4 houses completed under our major works program in addition to 31 upgrades under DHHS's final program for AHV.
- ✓ All of the 14 allocated new houses have been purchased, and a further 4 units to be built by December 2017 funded from the Rapid Housing Assistance Fund for family violence and homelessness.
- ✓ Houses have been architecturally designed to improve the standard of living offered in AHV properties and increase energy and thermal efficiency and to reduce costs to our tenants.

## Improving our housing services

- ✓ We expect maintenance and repairs to houses to be completed more quickly as new contractors have been appointed and are up and running across Victoria.

## Improving outcomes for tenants

- ✓ We will continue to work to improve how we support vulnerable tenants in difficult circumstances through delivery of our Life Skills program focusing on prevention of tenancy issues and early intervention if problems arise.
- ✓ We will also continue to trial novel approaches to supporting tenants and household members to improve their life circumstances like the More Than A Landlord project in Whittlesea.
- ✓ We delivered our bi-annual tenant satisfaction survey in early 2017 which provides an opportunity for tenants to provide us with feedback on service delivery. All current households were invited to participate in the survey, and a response rate of 27% was achieved, similar to the 2015 response rate of 28%.

## Housing for the future

- ✓ Through the establishment of the Melbourne Tenant reference Group, we continue to work with tenants on options to achieve home ownership.

## Community engagement

- ✓ Hosted or co-hosted over 50 community gatherings throughout Victoria.
- ✓ Delivered the Annual Aboriginal Family Day held during NAIDOC week at the Collingwood Children's Farm.

## White Ribbon Accreditation

- ✓ In April 2017, White Ribbon announced that Aboriginal Housing Victoria had successfully been accredited as a 'White Ribbon Workplace'. AHV is 1 of only 4 Aboriginal organisations to receive this accreditation.







### Tenant Profile

Pamela Jackson is a well respected elder in her community. Aunty Pam is a Yorta Yorta woman who moved to Melbourne from Shepparton in September 2016, to be closer to her family. She has five children of her own and has fostered 72 kids over the past 48 years.

Pam is a very generous and caring person and her family tell her she has the patience of a saint. Every Mother's Day she receives lots of phone calls and texts messages from all of the kids that call her mum.

As part of the agreement to transfer ownership of houses managed by AHV, DHHS upgraded a selected number of properties, including the major upgrade before Aunty Pam moved in. She is very happy with her new home with AHV, and has created a lovely little garden out the side of the house.

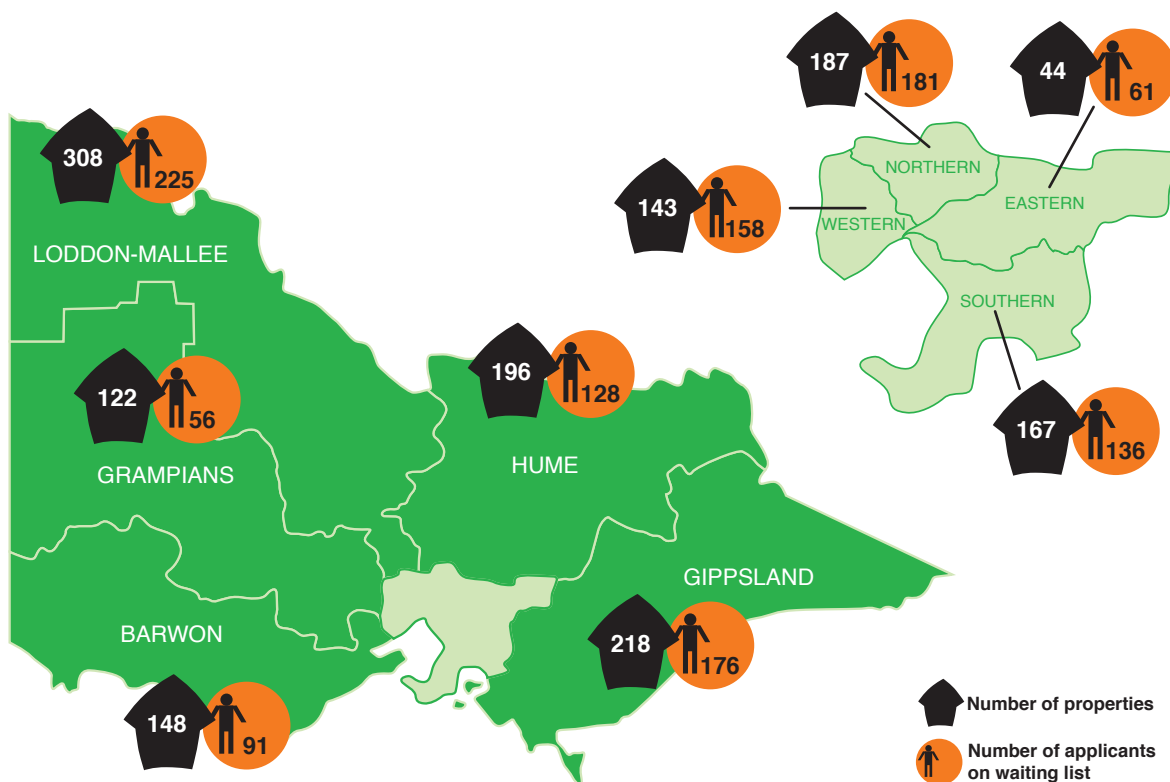
The Minister of Housing, Ageing and Disability, Martin Foley MP and local member for Dandenong, Gabrielle Williams MP both visited Aunty Pam in early 2017 in her new home. The Minister asked Aunty Pam the secret of raising so many kids, to which she replied "patience".



One Million Stars to End Violence Project



# Our portfolio and waitlist



## Our Portfolio (1,533)

AHV is the largest Aboriginal housing organisation in Victoria. Unlike most Victorian community housing agencies, AHV provides housing services throughout metropolitan and regional Victoria. One third of our properties are in metropolitan Melbourne and two thirds in regional Victoria.

### Increasing supply and stock type

We increased the size of our portfolio by 16 units, primarily through spot purchases for applicants experiencing family violence and homelessness.

## Our wait list (1,212)

As at 30 June 2017, 1,212 individuals were waiting for housing.

Waiting lists for our housing continue to grow as other forms of housing tenure, including private rental become less affordable for low-income Aboriginal people.

While we created 172 new tenancies in 2016-17, 34 of these were transfers or swaps and we were only able to house 138 applicants in the year.

### Demand overwhelming supply

The waitlist and demand for homes vastly exceeds the number of AHV vacancies that occur each year.

### Demand greatest in Melbourne

Most of our properties are in regional areas but the demand for housing in metropolitan Melbourne continues to grow at a greater rate, consistent with the movement of Aboriginal people from rural and regional locations to Melbourne.

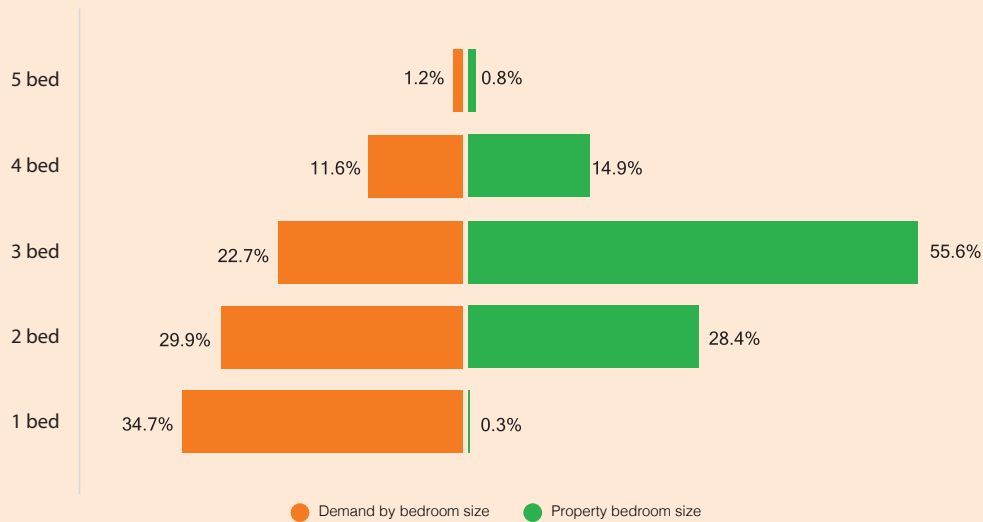
### Our Portfolio (1,533)

AHV predominantly provides larger family accommodation units, due to the kinship nature of the Aboriginal community resulting in larger households.

### Our wait list (1,212)

At the end of the 2016-17 financial year, 35% of applicants requested 1 bedroom units and 30% requested 2 bedroom properties.

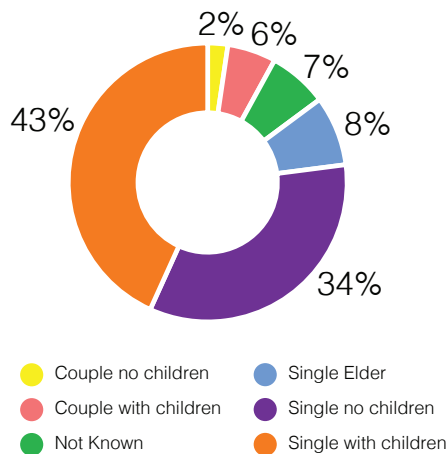
### Demand and portfolio



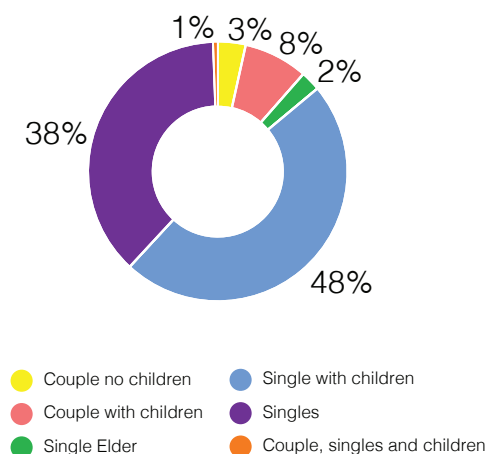
### Mismatch of supply and demand

Most AHV properties are 3 bedroom houses. By analysis, our applications confirm the biggest demand is for 1 and 2 bedroom houses.

### Who are our tenants (1,455)



### Who is applying for housing (1,212)



### Misalignment of household types and stock

The types of families on our wait list is very similar to the types of households in our properties. However, the types of families is not well matched to the property portfolio we manage which has more larger properties.

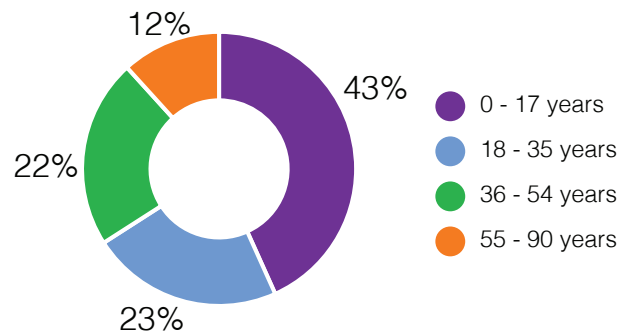
### Our tenants (1,455)

AHV's housing services are targeted to Aboriginal households in need of support who have been unable to secure appropriate and affordable housing through the private market. AHV's mix of tenants encompasses all age groups and family types, with growing demand from smaller households including young singles, single Elders, and single parents with one or two children.

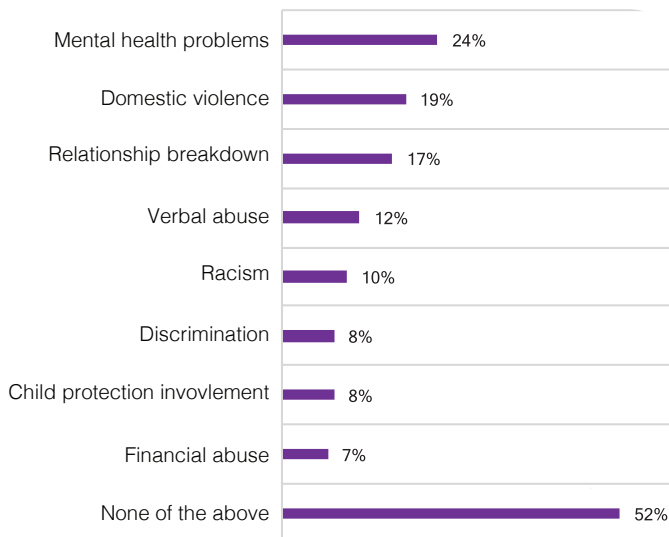
### Our residents (3,725)

While there is a mix of age groups within AHV households, the majority of household members are children and young people 17 year and under. This reflects the Victorian Aboriginal population more broadly, which is generally younger and growing more rapidly than the general population.

#### How old are our residents?



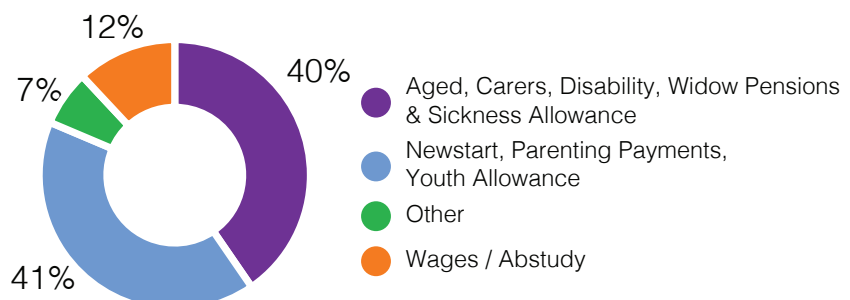
#### Issues impacting on our tenant's ability to sustain their tenancies



**\*390 tenants responded to the question in the Tenant Survey "Have you or a member of your household experienced issues that impact on your tenancy while being a tenant?"**

#### Our tenants income source

The vast majority of AHV tenants are partly or wholly dependant on income payments from Centrelink. Many are experiencing significant and chronic financial stress, together with other issues such as poor mental health and/or physical health and exposure to violence. Without appropriate support, these tenants may struggle to maintain their tenancies and will have limited opportunities to improve their life outcomes.

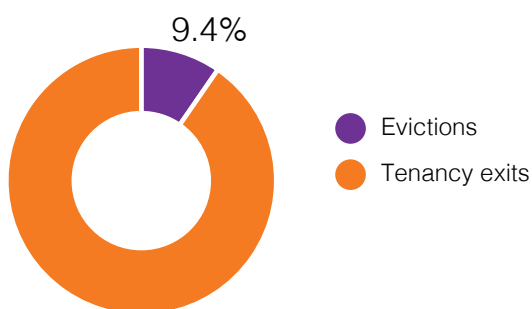


# Our performance

## Sustaining tenancies and new tenancies

- 88.4% of tenancies were sustained during 2016-17
- 172 new tenancies were created and 138 applicants were housed from our wait list

## Percentage of evictions



AHV significantly reduced the number of evictions in 2016-17, reflecting AHV's commitment to sustaining tenancies. The number of evictions during 2016-17 was only 13 or 9.4% of the 138 tenancy exits (not including transfers or swaps). The proportion of evictions has reduced year on year for the last five years.

## Tenant satisfaction

87% of respondents confirmed that it was important to them that their housing service is delivered by an Aboriginal organisation

60% stated that their life had improved since living in their AHV home

70% of respondents stated they received adequate support to maintain their tenancies.

Other survey results indicated that we need to continue to work to improve our services, particularly in relation to repairs and general condition of housing. In response to this feedback, AHV has initiated a range of actions to improve our overall services, with a strong emphasis on repairs and maintenance.

## Maintenance and Repairs

**\$1.614M** – tenant requested maintenance and repairs

**6,809** – work orders requested

**6,551** – work orders completed \*

**\$1.623M** – vacant units and tenant damage repairs

**\$0.703M** – committed to capital works and planned maintenance

**\$2.908M** – council and water rates for houses

## Rent

**\$14.699M** – rent charged

**\$0.459M** – rental arrears (3.1%)

**\$1,115** – average tenant rental arrears

\* Not all work orders raised during the year have been completed. The difference being that when an order is raised, AHV must wait for the invoice to be received, checked and then entered onto the SDM database to close the order.

# Governance

## AHV Board Charter and Company Directors

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 a 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.

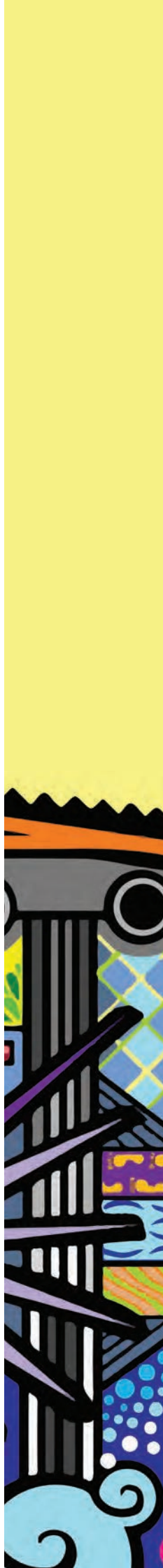
### Performance and Teamwork

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 of 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 Human Resources Manager 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.



# Financial Report

## for the year ended 30 June 2017

### 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 2017 and the Independent Audit Report thereon.

#### Company details

The following persons were Directors of Aboriginal Housing Victoria during the 2016-17 financial year.

#### Tim Chatfield



#### Chairperson

Grad Diploma Governance (AICD)

A wide range of positions within the Aboriginal community including:

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  
Current Chairperson Martang Pty Ltd



#### Ian Hamm

#### Deputy Chairperson

Fellow – Institute of Public Administration Australia  
Career public servant for Commonwealth and State governments  
Connecting Home Ltd (Chair)  
Koori Heritage Trust (Chair)  
First Nations Foundation

(Chair)

Director Economic Inclusion – DEDJTR (Victorian Government)  
Swinburne University – Chair Aboriginal Reconciliation Advisory Steering Group  
Member (Ministerial appointment) - Camps Committee, Sport and Recreation Victoria  
Former President and Board member – Western Region Football League  
Defence Reserves Support Council  
Board member - Australian Red Cross  
Board member - The National Trust of Australia (Vic) and Chair National Trust Aboriginal Advisory Committee  
Board member - Institute of Public Administration Australia (Vic)  
Ex officio member - Victorian Aboriginal Economic Board

#### Abigail Burchill

#### Director (Appointed 24 November 2016)



Bachelor of Laws/Bachelor of Arts, University of Melbourne  
Abigail is a Barrister and Solicitor of the Supreme Court of Victoria with over 20 years of professional experience. She has been in the development of reconciliation Action Plans for

the Australian Government Solicitor's Office, the Commonwealth Director of Public Prosecutions and the Victorian Bar.

Deputy Chair, Indigenous Lawyers Committee  
Member, Victorian Bar Indigenous Justice Committee  
Member, Dja Dja Wurrung Aboriginal Corporation



**Owen Donald**

Director, Chair of Governance Committee (Resigned 31 December 2016)

BA (Hons 1), Monash University 1974; PhD, Australian National University 1977, Graduate of Australian Institute of Company Directors 2011, Company director and

self-employed consultant on housing policy & management.

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.

Formerly non-executive director of Housing Choices Australia Limited (2014-2016)

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 and Community Building, for State of Victoria (2004-2008),

CEO, Australian Housing & Urban Research Institute (AHURI) Limited (2000-2004)

**Robert Leslie**

Director



Bachelor of Veterinary Science (Hons), Melbourne University  
Churchill Fellow

GAICD (Graduate of Australian Institute of Company Directors)  
Chief Executive Officer at Yarra Community Housing 2000 - 2015

Extensive community housing and development experience

within the Victorian housing sector

Member of the Refugee Council of Australia

Member of Oxfam



**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 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



**Karen Milward**

Director (Resigned 20 May 2017)

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, community services, education and training around Aboriginal issues Chairperson, Mullum Mullum Indigenous

Gathering Place, EMR, Victoria Chairperson, Boorndawan William Aboriginal Healing

Service, EMR, Victoria Chairperson, Kinaway – Victorian Aboriginal Chamber of

Commerce Co-Chairperson, Indigenous Community Volunteers – National

Co-Chairperson, Victorian Aboriginal Economic Board

Deputy Chairperson, First Nations Foundation – National

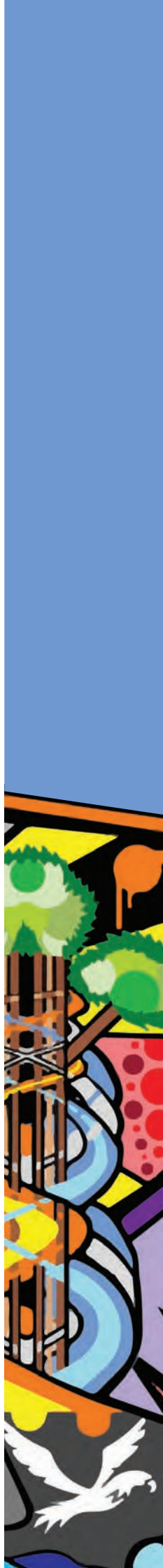
Director, Ganbina Ltd

**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 ten 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).

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

	Board	FAR	Gov	Total
<b>Total planned</b>	<b>10</b>	<b>10</b>	<b>3</b>	<b>23</b>
Tim Chatfield	10	10	3	23
Ian Hamm	10	-	-	10
Mark Lipson	10	10	-	20
Owen Donald*	5	5	2	12
Robert Leslie	10	5	3	18
Karen Milward^	8	-	-	8
Abigail Burchill~	5	-	1	6

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

	Board	FAR	Gov	Total
<b>Tim Chatfield</b>	<b>9</b>	<b>10</b>	<b>3</b>	<b>22</b>
Ian Hamm	10	-	-	10
Mark Lipson	7	8	-	15
Owen Donald*	3	3	2	8
Rob Leslie	10	4	1	15
Karen Milward^	7	-	-	7
Abigail Burchill~	5	-	1	6

\* Resigned - 31 December, 2016

^ Resigned - 20 May, 2017

~ Appointed - 24 November, 2016

### 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 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$250 (2016: \$300).

### Auditor's Independence Declaration

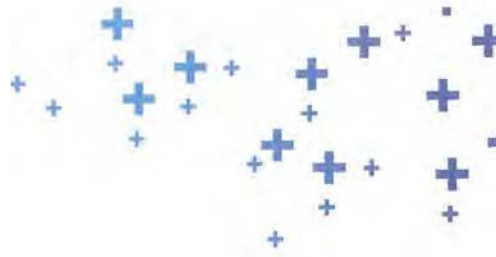
The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 37 of the financial report.

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

Director

  
Tim Chatfield

Dated 05 October 2017



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

In accordance with the requirements of section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012* for the audit of Aboriginal Housing Victoria Limited for the year ended 30 June 2017, 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 Profits 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

Sripathy Sarma

Principal

Date: 05 October 2017



CHARTERED ACCOUNTANTS  
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approved under Professional  
Standards Legislation, other than  
for the acts or omissions  
of financial services licensees.



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

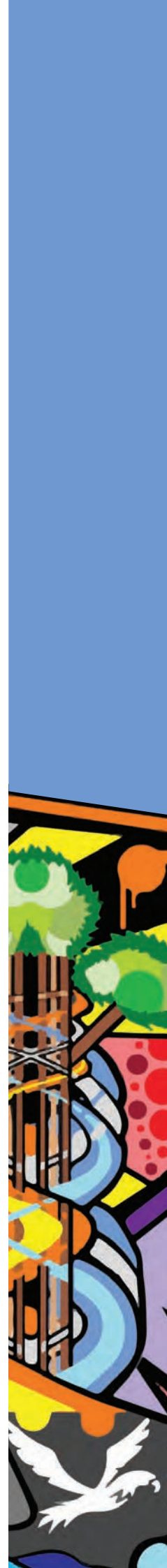
	Note	2017 \$	2016 \$
<b>Revenue</b>			
Rental revenue	2	14,699,198	14,698,245
Other revenue	2	210,261,175	1,167,281
<b>Total revenue</b>		<b>224,960,373</b>	<b>15,865,526</b>
<b>Expenses</b>			
Depreciation and amortisation expenses		1,069,643	294,398
Employee benefit expenses		4,253,262	4,006,276
Housing program expenses		7,459,198	8,505,714
Administration expenses		1,804,165	1,299,470
Other expenses		186,745	603,790
<b>Total expenses</b>		<b>14,773,013</b>	<b>14,709,648</b>
<b>Surplus before income tax</b>		<b>210,187,360</b>	<b>1,155,878</b>
Income tax expense	1h	-	-
<b>Surplus for the year</b>	<b>3</b>	<b>210,187,360</b>	<b>1,155,878</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	-	434,361
<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>-</b>	<b>434,361</b>
<b>Total comprehensive income for the year</b>		<b>210,187,360</b>	<b>1,590,239</b>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	3,262,985	2,794,657
Term deposits	4	9,504,567	7,888,472
Trade and other receivables	5	554,115	385,544
Other current assets	6	2,646,925	494,454
Total current assets		15,968,592	11,563,127
<b>Non-current assets</b>			
Office property	7	2,490,149	2,498,592
Rental property	7	232,180,564	24,228,855
Office furniture and equipment	7	350,437	429,638
Total non-current assets		235,021,150	27,157,085
<b>Total assets</b>		<b>250,989,742</b>	<b>38,720,212</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	3,400,256	1,783,855
Short-term provisions	9	315,971	365,035
Deferred grant income	10	853,148	346,029
Total current liabilities		4,569,375	2,494,919
<b>Non-current liabilities</b>			
Long-term provisions	9	33,480	25,766
Total non-current liabilities		33,480	25,766
<b>Total liabilities</b>		<b>4,602,855</b>	<b>2,520,685</b>
<b>Net assets</b>		<b>246,386,887</b>	<b>36,199,527</b>
<b>EQUITY</b>			
Retained earnings		237,511,640	27,324,280
Reserves	16	8,875,247	8,875,247
<b>Total equity</b>		<b>246,386,887</b>	<b>36,199,527</b>

The accompanying notes form part of these financial statements.



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Retained earnings	Revaluation surplus	Total
	\$	\$	\$
<b>Balance at 1 July 2015</b>	26,168,402	8,440,886	34,609,288
Surplus attributable to the company	1,155,878	434,361	1,590,239
<b>Balance at 30 June 2016</b>	<b>27,324,280</b>	<b>8,875,247</b>	<b>36,199,527</b>
Surplus attributable to the company	210,187,360	-	210,187,360
<b>Balance at 30 June 2017</b>	<b>237,511,640</b>	<b>8,875,247</b>	<b>246,386,887</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		\$	\$
<b>Cash flow from operating activities</b>			
Rentals received		14,524,349	14,666,907
Grants received		4,693,337	481,930
Other receipts		81,544	62,734
Payments to suppliers and employees		(12,291,778)	(13,282,941)
Interest received		207,824	191,538
Net cash generated from operating activities	15b	7,215,276	2,120,168
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		114,584	257,127
Payments into term deposits		(1,616,095)	(626,174)
Payment for property, plant and equipment		(5,245,437)	(784,161)
Net cash used in investing activities		(6,746,948)	(1,153,208)
<b>Cash flow from financing activities</b>			
Net cash used in financing activities		-	-
<b>Net increase in cash held</b>		<b>468,328</b>	<b>966,960</b>
Cash and cash equivalents at beginning of the financial year		2,794,657	1,827,697
<b>Cash and cash equivalents at the end of the financial year</b>	<b>15a</b>	<b>3,262,985</b>	<b>2,794,657</b>

The accompanying notes form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 05 October 2017 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 reciprocal and non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. Depending on the nature of the contribution received, these assets may be 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 when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial asset.

Rent revenue is recognised when the right to receive the revenue has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Other revenue is recognised when the right to receive the revenue has been established

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

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

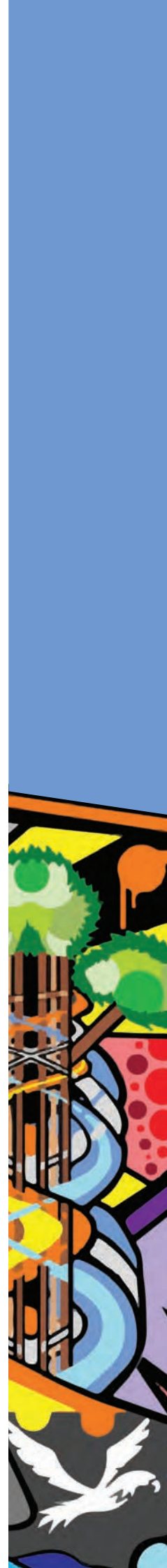
Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

#### 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.

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 (if any) 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 by non government entities at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired. Freehold rental properties that have been contributed by government agencies at no cost, or for nominal cost are taken at the Valuer-General certified book value at the time of transfer.

#### 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.

#### 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

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

### 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 2017

	2017	2016
<b>Note 2. Revenue</b>	<b>\$</b>	<b>\$</b>
<b>Rental revenue</b>		
<i>Operating activities</i>		
<b>Rental revenue</b>	<b>14,699,198</b>	<b>14,698,245</b>
<b>Other revenue</b>		
Interest income	211,023	201,912
Profit/(loss) on sale of property, plant and equipment	(43,449)	(2,365)
Revenue from contributed rental property assets	206,377,056	905,000
Other revenue	3,716,545	62,734
<b>Total other revenue</b>	<b>210,261,175</b>	<b>1,167,281</b>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

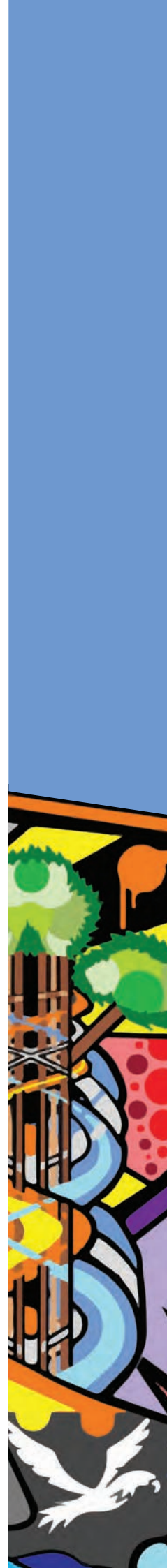
	2017	2016
	\$	\$
<b>Note 3. Surplus for the year</b>		
<b>Expenses</b>		
Depreciation and amortisation		
Office buildings	8,444	11,940
Rental buildings	961,827	173,430
Office furniture and equipment	99,372	109,028
Total depreciation and amortisation	<u>1,069,643</u>	<u>294,398</u>
Impairments to rental properties held-for-sale	83,913	-
Bad and doubtful debts expense	114,043	125,891
Rental expense on operating leases		
Housing Provider Framework	378,669	5,061,010
Office equipment and motor vehicles	180,952	138,055
Auditor remuneration		
Audit services	25,000	25,000
(Over)/Under provision of audit fees in respect of prior year	(8,334)	-
Other services – FBT Compliance	2,700	9,852
Total auditor remuneration	<u>19,366</u>	<u>34,852</u>

**Note 4. Cash and cash equivalents**

Cash at bank and in hand	3,262,985	2,794,657
Short-term term deposits	9,504,567	7,888,472
<b>Total cash and cash equivalents</b>	<b><u>12,767,552</u></b>	<b><u>10,683,129</u></b>

**Note 5. Trade and other receivables**

Rental receivables	662,268	500,143
Provision for impairment	(425,366)	(291,006)
	<u>236,902</u>	<u>209,137</u>
Other receivables	317,213	176,407
<b>Total current trade and other receivables</b>	<b><u>554,115</u></b>	<b><u>385,544</u></b>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
<b>Note 6. Other current assets</b>		
Prepayments	235,679	441,519
Accrued income	23,871	20,671
Assets under construction	237,960	32,264
Held-for-sale rental properties	2,149,415	-
<b>Total other current assets</b>	<b>2,646,925</b>	<b>494,454</b>

**Note 7. Property, plant and equipment**

**Office property**

Freehold land at fair value		
Independent valuation at 30 April 2016	2,130,000	2,130,000
Buildings at fair value		
Independent valuation at 30 April 2016	370,000	370,000
Less accumulated depreciation	(9,851)	(1,408)
Total buildings	360,149	368,592
<b>Total office property</b>	<b>2,490,149</b>	<b>2,498,592</b>

**Rental property**

Freehold land		
At fair value	159,575,381	14,006,729
Buildings		
At fair value	73,730,694	10,395,413
Less accumulated depreciation	(1,125,511)	(173,287)
Total buildings	72,605,183	10,222,126
<b>Total rental property</b>	<b>232,180,564</b>	<b>24,228,855</b>

**Office furniture and equipment**

Office furniture and equipment		
At cost	819,744	799,574
Less accumulated depreciation	(469,307)	(369,936)
<b>Total office furniture and equipment</b>	<b>350,437</b>	<b>429,638</b>

<b>Total property, plant and equipment</b>	<b>235,021,150</b>	<b>27,157,085</b>
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**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>2016</b>				
Carrying amount at 1 July 2015	2,136,804	22,922,500	528,147	25,587,451
Additions at cost	-	1,678,643	10,519	1,689,162
Disposals	-	(259,491)	-	(259,491)
Depreciation expense	(11,940)	(173,430)	(109,028)	(294,398)
Revaluation	373,728	60,633	-	434,361
<b>Carrying amount at 30 June 2016</b>	<b>2,498,592</b>	<b>24,228,855</b>	<b>429,638</b>	<b>27,157,085</b>
<b>2017</b>				
Carrying amount at 1 July 2016	2,498,592	24,228,855	429,638	27,157,085
Additions at cost	-	211,396,627	20,171	211,416,798
Disposals	-	(2,483,090)	-	(2,483,090)
Depreciation expense*	(8,443)	(961,828)	(99,372)	(1,069,643)
Revaluation	-	-	-	-
<b>Carrying amount at 30 June 2017</b>	<b>2,490,149</b>	<b>232,180,564</b>	<b>350,437</b>	<b>235,021,150</b>

\* Includes the depreciation on disposal assets

**Asset revaluations**

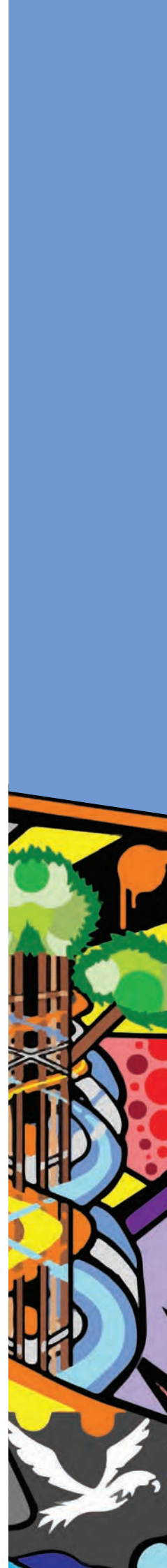
The office property was independently valued at 30 April 2016 by WBP Property Group. The valuation was based on the fair value. The valuation resulted in a revaluation increment of \$373,728 being recognised in the revaluation surplus for the year ended 30 June 2016.

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 that are contributed by the Director of Housing (DOH) or acquired by utilising DOH grant funds. Aboriginal Housing Victoria Limited cannot dispose of, use as security for borrowings, or otherwise transact using these rental properties without the prior consent of the Director of Housing.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

<b>Note 8. Trade and other payables</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Trade payables	829,138	257,256
Rental payments in advance	824,663	722,632
Other current payables	1,719,188	774,960
Employee benefits	27,267	29,007
<b>Total trade and other payables</b>	<b>3,400,256</b>	<b>1,783,855</b>

### Note 9. Provisions

#### Analysis of total provisions

Current	315,971	365,035
Non-current	33,480	25,766
<b>Total provisions</b>	<b>349,451</b>	<b>390,801</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

NAIDOC funding	6,183	7,915
Research and care management funding	178,838	200,000
NPARIH 2 funding	65,345	101,750
Community Service funding	7,604	36,364
Asset upgrade funding	300,000	-
Koolin Balit project	3,297	-
AFL Life skills contribution	35,147	-
AOD Awareness funding	256,734	-
<b>Total deferred grant income</b>	<b>853,148</b>	<b>346,029</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### Note 11. Capital and leasing commitments

	2017	2016
	\$	\$
<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	283,638	143,924
between one and five years	132,195	210,440
after five years	-	-
	<u>415,833</u>	<u>354,364</u>

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 2017.

Minimum lease payments under the Housing Provider Framework, payable:

within one year	-	393,145
between one and five years	-	-
after five years	-	-
	<u>-</u>	<u>393,145</u>

The Housing Provider Framework Lease expired 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 2017.

### Note 13. Contingent liabilities and assets

At the reporting date, there were no contingent liabilities.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$

### Note 14. Related party transactions

The Entity's related parties include its key management personnel as described on note 14.1 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 non executive members of the Aboriginal Housing Victoria Board. Key Personnel remuneration includes the following expenses:

Short term employee benefits	88,077	61,242
Long term employee benefits	-	-
	<u>88,077</u>	<u>61,242</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
<b>Note 15. Cash flow information</b>		
<b>a. Reconciliation of cash</b>		
Cash at bank and in hand	3,262,985	2,794,657
<b>b. Reconciliation of surplus after income tax to cash flow from operating activities</b>		
Surplus after income tax	210,187,360	1,155,878
Non cash flows		
Depreciation and amortisation	1,069,643	294,398
Impairment of property, plant and equipment	175,641	-
Contributed assets	(206,377,056)	(905,000)
Loss on sale of Property, plant and equipment	43,449	2,365
Changes in assets and liabilities		
(Increase) / Decrease in receivables	(168,571)	1,771,464
(Increase) / Decrease in prepayments and accrued income	202,640	(386,208)
Increase / (Decrease) in payables	1,616,401	(191,999)
Increase / (Decrease) in deferred provisions	(41,350)	45,241
Increase / (Decrease) in grants carried forward	507,119	334,029
<b>Cash flow from operating activities</b>	<b>7,215,276</b>	<b>2,120,168</b>

### Note 16. Reserves

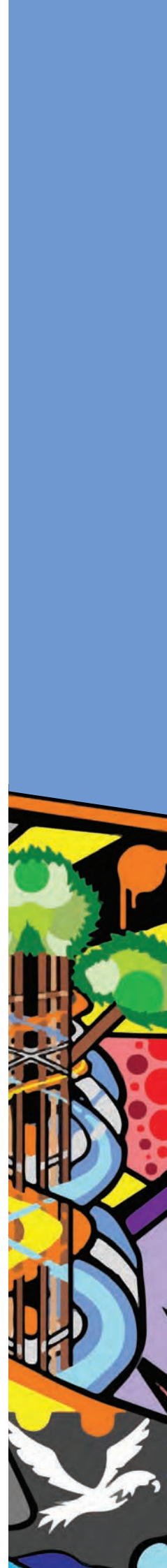
The revaluation surplus records the revaluation of the office property. At 30 April 2016 the office property was revalued to its fair value of \$2,500,000 giving rise to a revaluation increment of \$373,728.

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 \$8,875,247.

### Note 17. Company details

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

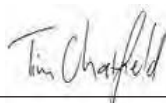
Aboriginal Housing Victoria Limited  
 125-127 Scotchmer Street  
 North Fitzroy VIC 3068



## DIRECTOR'S DECLARATION

1. The financial statements and notes, as set out on pages 38 to 51, 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 2017 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.

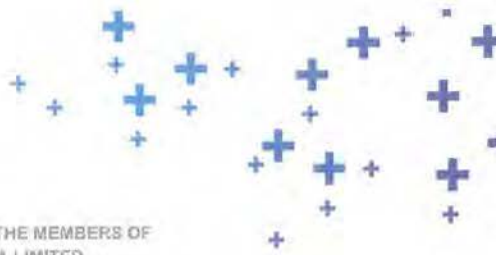
Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



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Tim Chatfield (Director)

Dated 05 October 2017



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

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report Aboriginal Housing Victoria Limited, which comprises the statement of financial position as at 30 June 2017, the statement of profit or 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.

In our opinion, the accompanying financial report of Aboriginal Housing Victoria Limited is in accordance with Division 60 of the *Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and complying with Division 60 of the *Charities and Not-for-profits Regulation 2013*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Responsibilities of the Directors for the Financial Report**

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the registered entity's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit



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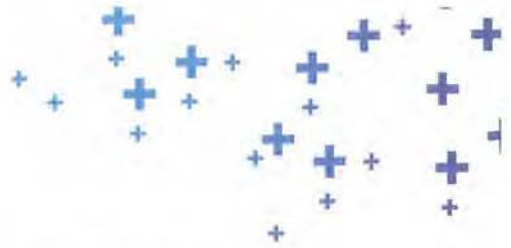
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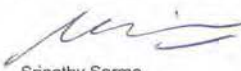
conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
LBW Chartered Accountants

  
Sripathy Sarma

Principal

Date: 05 October 2017



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# Our Supporters Thank You!

We would like to thank all of our generous supporters that have contributed to our work this year, particularly the very generous support we receive for our annual Christmas Toy Drive and our Reconciliation and NAIDOC Week events. We could not have done it without you!

## List of Supporters

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Melbourne Polytechnic	Wild Things
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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)