



Aboriginal Housing Victoria

Aboriginal Housing Victoria

ANNUAL REPORT **2017-2018**





Artist | Courtney Shaw

In early 2018 Aboriginal Housing Victoria (AHV) launched its Annual Report Artwork Competition. Young AHV household members were invited to submit their own artwork for the chance to feature on the front of the Annual Report for 2017-2018.

Year seven student and AHV household member, Courtney won this year's award with her piece inspired by the NAIDOC Week 2018 theme, 'Because of her, we can!' – celebrating the lessons passed down from Aboriginal women to their descendants.

The design and symbolic meaning behind the artwork

'Culturally women have always been the gatherers of certain foods. Women would walk and gather foods such as vegetables, fruits, nuts, honey and small animals. My painting shows one of my Yorta Yorta Elders out looking for foods, after the sun had set, to bring back to her family. This was something she would do on a daily basis.'

'These foods helped her family grow up strong and healthy. It also taught the girls in her family how to provide for their children when they become mothers.'

'This lesson of life and survival is why, because of her, we can.'

Annual Report designed by: Reanna Bono – Yakuwa Graphic Design

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.

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CHAIRPERSON'S REPORT



The 2017-18 financial year has been a particularly significant one for Aboriginal Housing Victoria (AHV) and the Victorian Aboriginal community.

The Victorian Government's focus on self determination and the movement towards a treaty with Aboriginal Victorians provide the setting for a positive future in which Aboriginal Victorians lead the discussions and decisions on issues that directly affect their lives and the lives of future Aboriginal generations. I am proud that AHV is at the forefront of self determination in action, through the title transfer of 1,448 properties to AHV from the Director of Housing. This process commenced on 1 July 2016, and with the final tranche of housing transferred to us on 1 July 2018 we are now the largest non-government Aboriginal Housing provider in Australia. As at 30 June, 2018 our net assets were valued at \$338.6 million; this increased to approximately \$450 million following the final tranche of transfer on 1 July.

The journey to title transfer and self determination could not have been achieved without the efforts of many people who have been committed to improving housing outcomes for Aboriginal Victorians. It is an achievement shared by many community members, Elders, Board members and staff (past and present), and AHV supporters, including the Victorian Government.

We recognise AHV's important responsibilities as the custodian of a significant asset portfolio on behalf of the Victorian Aboriginal community. We intend to take every opportunity to renew our housing stock and to grow AHV's housing portfolio in the years ahead, so that we can assist more Aboriginal Victorians to obtain secure and affordable housing.

We look forward to continuing to work with the Victorian Government to ensure the housing opportunities outlined in the *Homes for Victorians* initiatives are available to Aboriginal people. In particular, we will advocate for first home ownership initiatives that are culturally sensitive and accessible to Aboriginal Victorians, so they can enjoy the security and wealth generation opportunities of home ownership. We will also continue to work to establish and strengthen partnerships with local governments, particularly in relation to key urban renewal developments that align with AHV's asset management growth plans.

We are leading work with Aboriginal Cooperatives and other Aboriginal organisations across Victoria, to deliver a Victorian Aboriginal Housing and Homelessness Framework by mid-2019. This important work will provide the foundation for an alternative community-led approach to the design and delivery of programs and services that reduce homelessness, improve social housing provision, and ultimately close the gap in home ownership between Aboriginal and non-Aboriginal Victorians.

My closing message is to our tenants. The house you now live in is owned by you and other Aboriginal Victorians. It is incumbent upon all of us to value that asset and to look after it for future generations of Aboriginal Victorians.

Tim Chatfield, Chairperson

CEO'S REPORT



It's been another memorable year in AHV's ongoing story.

In 2018, we celebrated the final transfer of properties from the Victorian Government, as well as smaller transfers in Gippsland and northern Melbourne, following successful negotiations with the Commonwealth Government. I acknowledge and thank both governments for their demonstrated confidence in AHV's ability to own and manage housing on behalf of the Aboriginal community.

AHV's daily activities focus on the important delivery of secure and affordable housing services. During the last 12 months, AHV has:

- welcomed 150 new households;
- undertaken significant upgrades to 11 properties at a cost of more than \$600,000; and
- commenced construction on 21 new properties funded through the sale of properties that no longer meet the needs of current and future AHV households.

AHV continues to investigate ways in which we can work to improve life outcomes for our tenants and household members. During 2017-18, we extended the More Than A Landlord program to northern metropolitan Melbourne. The program focuses on working with tenants to reach their aspirations, achieve sustainable tenancies and improve their health and wellbeing outcomes. AHV now has a strong evidence base to demonstrate the program's effectiveness. Our medium to long term goal is to secure ongoing funding for this program so that it is potentially available across Victoria.

As the largest non-government Aboriginal landlord in Australia, AHV is increasingly called upon to share knowledge and provide leadership on Aboriginal housing issues. With the financial support of the Victorian Government, AHV is leading the development of a Victorian Aboriginal Housing and Homelessness Framework. The development of the Framework involves a 'rights-based' approach, placing Aboriginal people at the centre of housing and service policy design. We are also leading sector development work in cooperation with Aboriginal Cooperatives, to support high quality housing service delivery for Aboriginal people.

We will also be exploring with governments how we can use housing as a platform for engaging tenants in services that they need, as well as building on their strength and resilience so they can enjoy happy and productive lives.

Most importantly we will continue to listen to and respect the voices of Aboriginal Victorians as we continue our journey of self determination together.

Darren Smith, CEO

ABOUT US

Who we are

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

We are an independent Aboriginal community organisation that provides culturally safe, affordable and secure housing to approximately 4,000 low income Aboriginal Victorians in 1,555 housing units across the State.

AHV is a proud agency: proud of the history and culture of the Aboriginal peoples of Victoria, proud of the Aboriginal people of Victoria who we serve and proud of our heritage.

What we do

Through the provision of secure housing by an Aboriginal landlord, AHV helps strengthen Aboriginal communities and cultural ties and 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; ensuring they are linked into the services they need.

This is reflected in the high percentage of tenancies maintained (91.2 percent in 2017-18), which is exceptional given the unique and complex disadvantage experienced by many of our tenants.

AHV provides high quality, one-stop-shop service delivery to our tenants. A single point of contact takes clients directly to staff who are trained across tenancy, housing application and maintenance issues.

We continue to hold and participate in community meetings and events. The voices of our tenants inform the ways we seek to continue to improve our services.

VISION

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

VALUES

Respect and support for Aboriginal identity and culture, and for our tenants and stakeholders.

Striving for excellence through our leadership in Aboriginal housing and best practice service delivery.

Integrity, trust and honesty in all our business activities.

Collaborative relationships with our community, tenants, government and stakeholders

Kindness, compassion, courtesy and dignity in our relationships with our clients, stakeholders and each other.

OUR STAFF

AHV's organisational structure is designed to help us meet our commitment to partnering with our tenants and other stakeholders and improving housing for the Victorian Aboriginal community.

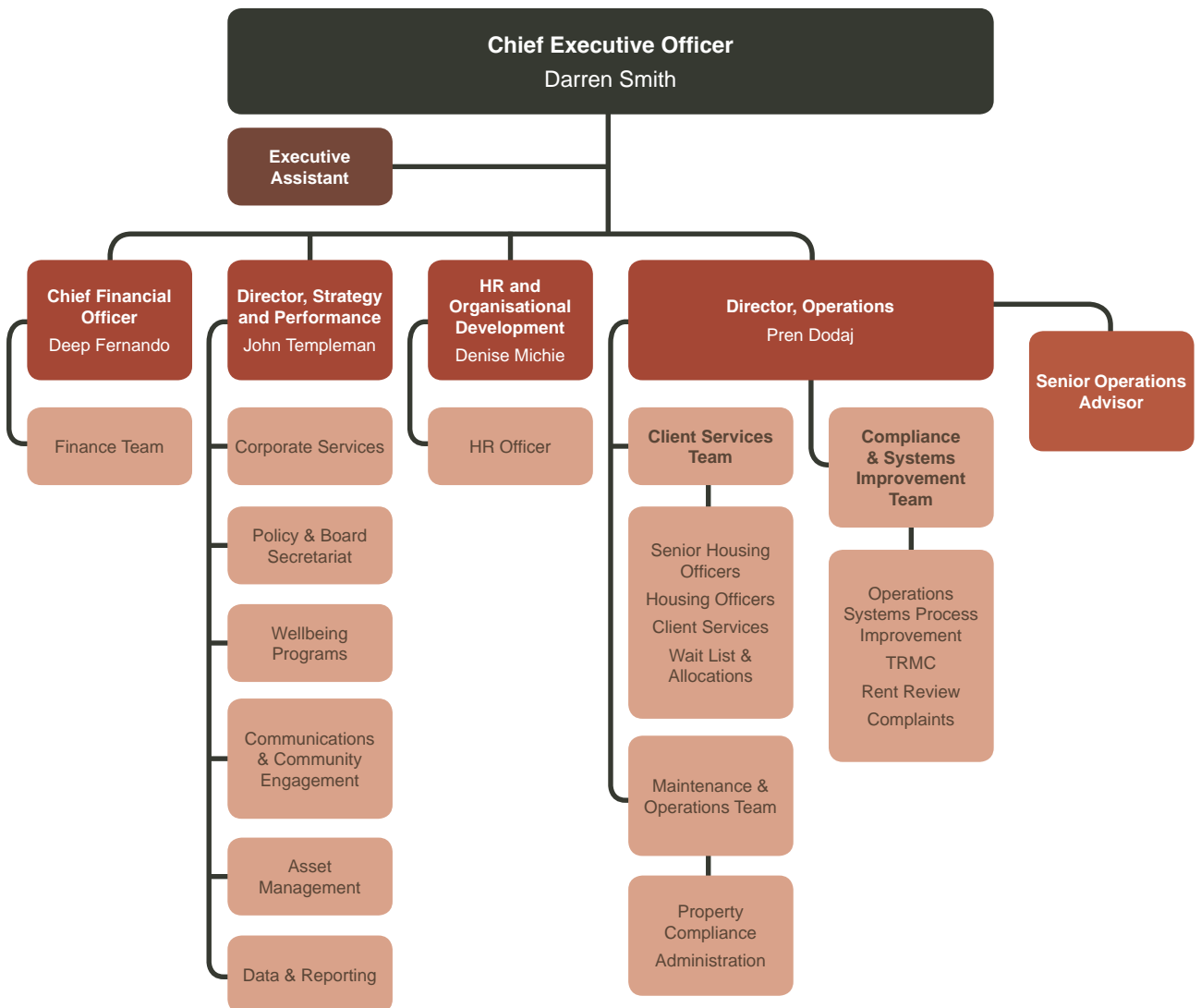
Our **Operations Team** provides front line services to our clients which encompasses - client services, tenancy services, compliance and systems improvement, and management of property maintenance. A number of our Operations staff are based in regional Victoria, located in Ballarat, Bairnsdale, Bendigo, Mildura, Morwell, Shepparton and Warrnambool. Our team of staff in North Fitzroy provide services to our clients in metropolitan Melbourne.

Our **Strategy and Performance Team** ensures we meet our reporting and compliance obligations, manages our assets strategically, leads policy and strategy development and business planning, and manages the advocacy function. Corporate services, AHV wellbeing programs, communications and community engagement functions also form part of this team.



Our **Finance Team** focuses on governance, managing the budget and finance, and risk management strategies.

Our **Human Resources and Organisational Development Team** ensures we have the people capability to meet our objectives and provides training opportunities to employees in culturally appropriate practice and support functions so that they can meet the needs of our tenants, their families and the community.



“It’s really important within community housing that we look at the families holistically and how we can help them sustain their tenancies, and achieve their goals and aspirations.”

Samantha French, AHV Wellbeing Program
Team Leader & Life Coach



“The number one reward is when you see your own people and their satisfaction, and how happy people are when they have their own place.”

Kevin Atkinson, AHV Housing Officer



“Self determination is making sure that not only our mob in Victoria, but our mob in Australia has a bright future. . . and that starts with a solid foundation in housing.”

Glenn Pellegrin, AHV Senior Housing Officer



STRATEGIC 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

We marked a milestone in our asset development program

The past year saw AHV realise its goal of self determination through property ownership, with the final tranche of the 1,448 previously-owned Director of Housing properties transferred to AHV.

This historical transfer, in addition to other acquisitions throughout the year, brings AHV's overall property portfolio to 1,569 properties¹. This includes properties transferred from the administration of the former Central Gippsland Aboriginal Health and Housing Co-operative.

AHV also has a number of properties currently under development which are due to come on line in the next 12 months, including those partially funded by the Rapid Housing initiative, and those internally funded by previous property disposals. In total, this will provide an additional 16 new properties that will be available for tenancy. A number of existing properties have also been identified for developments of different types, and AHV has commenced discussions with local, state and federal governments around sourcing new opportunities to increase housing stock for Aboriginal Victorians.

During the course of the year AHV also disposed of seven properties which were no longer sustainable. AHV will use the proceeds of these sales to fund current and future developments, to incrementally increase its housing stock. Disposing of properties that are no longer required or economically viable remains a key aspect of AHV's Asset Management Strategy.

AHV also completed its first property survey program which seeks to gather property condition information on each of AHV's properties on a three-year cycle. This information is pivotal to informing the actions AHV will take with regard to property renewals, disposals and acquisitions. At the close of the first program, AHV had collected property data on 70% of all of its stock (1082 houses) and will work with tenants throughout the year where access to carry out the survey was not able to be obtained. The next cycle of surveys will begin again in late 2018 for properties in the metropolitan regions which were surveyed during 2015-16, and will inform future versions of the AHV Asset Strategy and Plan, and will enable AHV to plan future upgrade works for tenanted properties throughout the state.

¹ This figure includes vacant land and AHV's Head Office.





STRATEGIC PRIORITY 2

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

We are working to maximise the opportunities available to a growing housing association

On 1 July 2018 the Director of Housing formally transferred to AHV the third and final tranche of properties as part of the Title Transfer process. The first tranche of properties commenced on 1 July 2016 (metropolitan Melbourne) followed by the second tranche on 1 July 2017 (Loddon and Hume regions). The final tranche comprised properties in Grampians, Barwon and Gippsland regions.

The journey to title transfer had its genesis in 1981 when Aboriginal community members from around the State came together to form the Aboriginal Housing Board of Victoria. Having managed properties on behalf of the Director of Housing for many years, AHV worked hard to improve our performance, build internal capacity, create strong external relationships and very importantly modernise our governance structure. In addition, AHV established an Asset Management Strategy underpinned by an Asset Management Plan that demonstrated our capacity and commitment to effective stewardship of these valuable assets. Following an exacting registration assessment process, AHV achieved Housing Association status in early 2016. We are the only Aboriginal housing organisation in Australia to achieve this level of accreditation.

With the completion of the title transfer, AHV has become the largest non-government provider of social housing to Aboriginal people in Australia, with 1,555 housing properties as at 30 June 2018. While AHV previously managed these properties on behalf of the Director of Housing, ownership of the portfolio offers important opportunities for AHV to grow its housing stock numbers and improve housing quality through:

- disposal of old, inefficient and “hard to let” properties and using sale proceeds for new housing that better reflects the current needs and locational preferences of our Aboriginal clients, including two bedroom units for smaller families, Elders and single people;
- redevelopment of larger blocks in Melbourne and regional Victoria that can yield an increase in the number of units on the site; particularly where sites are close to services and there is a high demand for housing; and
- upgrading existing properties to improve housing standards and amenity for tenants.

Housing Association registration established AHV’s credentials as an organisation with the capacity to successfully own and manage a significant property portfolio. The Victorian Government promptly honoured its commitment to title transfer, with the first tranche following within six months after AHV’s registration as a Housing Association.

“To have Aboriginal Housing Victoria running like it is, doing a job that is relevant to the Aboriginal people, is what’s important.”

Aunty Georgina Lovett-Williams
AHV Tenant and Board Member 1996-1998



“My interactions with the Housing Officers have been positive. They’re always willing to help and go that little extra step for me.”

Michael Hoye, AHV Tenant



“Our organisations are Aboriginal-controlled; they’re about ensuring that we as Aboriginal people have a say about what’s provided to us, and Aboriginal community organisations provide that.”

Bev Murray, AHV CEO 2000-2005



STRATEGIC PRIORITY 3

Improving organisational capability to manage a viable growing social housing portfolio

We are enhancing our technological and operational capabilities to provide more responsive services

AHV is consistently exploring ways to achieve best practice in all areas of the organisation, including information technology, operations, asset management and human resources.

During 2017-18 AHV finalised and started to implement AHV's Organisational Development Framework (ODF). The ODF articulates AHV's leadership style and organisational culture, centred around Aboriginal cultural values, and development goals to support AHV's aim of service delivery excellence. Implementation of the ODF in the coming year focuses on improved organisational culture; staff health and wellbeing; improved management and supervision of staff; improved development and training of staff; and improved probation processes.

Understanding statistical trends and being able to respond efficiently is vital to managing a growing housing portfolio. AHV's data reporting team has researched and reimagined ways to present data for internal and external stakeholders. By using leading data visualisation software Tableau, information from AHV's database can be readily presented in a dashboard format of clear and interactive graphs.

The software has been used to produce regular reports for AHV's Executive Management Group, Senior Housing Officers and Board Members. The software has also improved the quality of AHV's performance reports that are submitted to the Housing Registrar as part of AHV's compliance requirements for ongoing registration.

In seeking to fine tune AHV's operational and service delivery capacity, an organisational review was conducted in July 2017 that resulted in a realignment of operational roles. The realignment has resulted in the creation of three regional teams led by a Senior Housing Officer, reporting to the Team Leader Client Services.

The Senior Housing Officers are taking a lead role in driving service improvements at the local level, and in strengthening external relations particularly with other Aboriginal organisations, community organisations and with government networks and forums. They are also engaging with specialist providers, identifying regional tenancy and assets issues that require attention locally or at the state-wide level, and providing advice on the needs of complex clients. Senior Housing Officers also deliver an important mentoring and support role for local Housing Officers, many of whom are lone workers.

The strength of this model has enabled the development of a strong team-based approach, with improved alignment of linked functions.

During 2018-19, there will continue to be a focus on actions to deliver improved results against key performance measures, including arrears management and reduction in tenant related property damage. This includes improved processes for monitoring and reporting on performance against identified targets.



STRATEGIC PRIORITY 4

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

We are expanding our services to improve outcomes for tenants

AHV is working to strengthen its Life Skills and Life Coaching programs as well as improve organisational responsiveness to tenant wellbeing. This process has involved identifying tenant needs and goals, expanding existing support programs, and consolidating existing organisational resources so that they better meet the needs of our tenants.

In mid-2016, AHV launched the More Than A Landlord (MTAL) project, with funding from the Department of Health and Human Services *Koolin Balit* Aboriginal Health Strategy. The pilot program aims to coordinate tenancy management with support services, through a household/family lens, which is more consistent with Aboriginal cultural values. At its core, MTAL offers tenants the opportunity to engage with Life Coaches to set and work towards personal goals and aspirations. The pilot program initially commenced with 80 tenancies in the City of Whittlesea.

Backed by peer-led research and spearheaded by two AHV Life Coaches, the program expanded to 240 AHV households in the north-west metropolitan area of Victoria, encompassing around 650 tenants and household members. The extended program was made possible by an additional *Koolin Balit* funding allocation. Over 200 personal goals have been achieved by the 50 tenants who have signed up to the program.

Commensurate with this growth has been the strengthening of the workforce. AHV has recruited a new Life Skills Worker and Community Engagement Officer to its Wellbeing Team.

The Life Skills program provides tailored intensive support to tenants with immediate and complex needs as well as intervention to minimise the impact of issues that may lead to tenancy breakdown. Tenants have the option to move on to Life Coaching once immediate issues are addressed.

The Community Engagement Officer supports the Wellbeing Team in tenant communication, engagement and events management. AHV has also recruited its first male Life Coach to support the goals of male tenants and household members, in a culturally safe environment. The team collaborates with AHV Operations staff, to achieve early intervention when issues are identified, and to provide further support to tenants as needed.

MTAL hosted four major community events throughout the 2017-2018 financial year. These were our Community Cook Up, Christmas Gathering, Funfields Family Day Out and Movie Night. These events have provided an opportunity for tenant outreach, as well as the promotion of healthy living and access to information on community service providers. Over 350 tenants and their family members have attended these events.

The achievement of over 200 tenant goals is a key indication of the effectiveness of the MTAL approach. The way tenants view AHV and its role in their lives is being reframed. By being *more than a landlord*, AHV is building stronger relationships with its tenants based on trust, respect, patience and understanding. Through MTAL, we have been able to empower tenants to work to achieve their own personal goals and to enjoy improved health, social, employment, cultural and community outcomes, as a direct result of their own efforts.





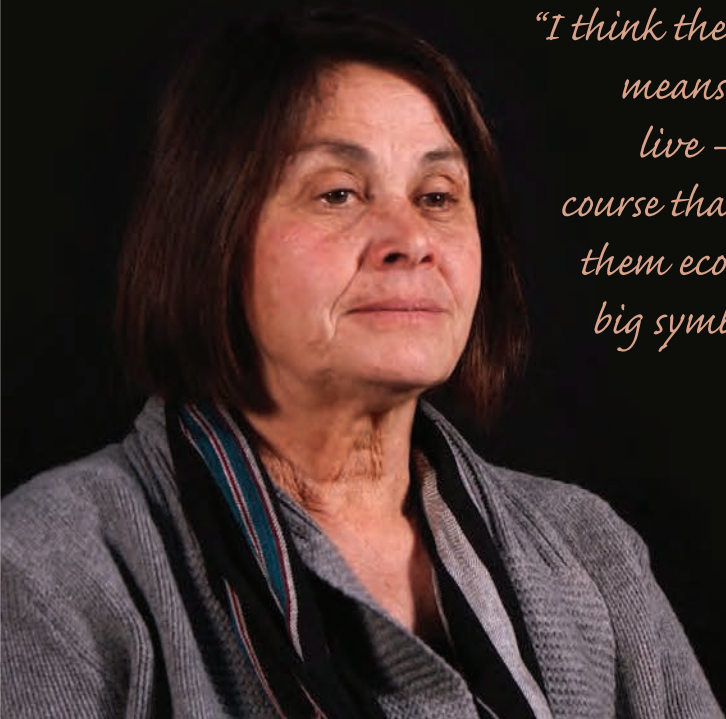
“Aboriginal Housing Victoria makes sure that things are done for our people the right way.”

Aunty Patricia Ockwell
AHV Tenant and Board Member 1989-1993
(Chairperson 1996-2004)



“Since joining the More Than A Landlord program I’ve got a lot more drive to actually get out in the community and do a lot more, instead of just with the groups I know. I can open some doors and meet some new people.”

Sharyn Lovett, AHV Tenant



“I think the very important thing is that self determination means that people are able to live the life they want to live – both individually and as a community. And of course that means not just giving people power, but giving them economic and social strength. I think there’s a very big symbolic importance of Aboriginal Housing Victoria. That sense of ownership, the sense of confidence that you can do it for yourself; it is really a very significant act of self determination.”

Jenny Samms, AHV CEO 2013-2017

STRATEGIC PRIORITY 5

Building better relationships with our Aboriginal clients and Victorian Aboriginal communities

We are strengthening tenant and community connections

We continue to work to engage tenants, foster community participation, and understand what can be done to improve outcomes for Aboriginal Victorians. Throughout the year we hosted and participated in 35 community engagement events and activities, reaching over 6,000 people and generating awareness about AHV's services.

The centrepiece of our event program was our 19th annual NAIDOC Family Day at the Farm, which was also a celebration of the final transfer of property titles from the Victorian Government to AHV. The event was our largest ever, with just over 2,000 visitors enjoying a fun-filled day of cultural activities and performances.

The day also saw the launch of *Self determination in action*, a special video AHV produced to celebrate the final transfers. The short documentary features reflections of AHV stakeholders about the impact of AHV in the community and the journey to where it is today.

A celebration of the second round of title transfers (Hume Loddon region) was also held in Shepparton in September 2017. The regional gathering was an opportunity to commemorate this important chapter in the overall transfer process and recognise the efforts of everyone who worked to make it a reality.

Community support has helped make all AHV initiatives a success, including our Christmas Toy Appeal. AHV's third annual Toy Appeal was launched in October 2017 and aimed to support our most vulnerable tenants by providing Christmas gifts for their children. Donations from individuals and organisations allowed us to provide gifts to more than 600 children across 200 families; a significant increase from the previous year. Housing Officers and Wellbeing staff from all AHV's regions visited tenants to personally deliver the gifts.

We have also strengthened our collaboration with partner organisations including Djirra. Female AHV staff participate in regular Djirra-hosted Sisters Day Out events, which offer well-being workshops and a chance to build relationships in a relaxed, culturally sensitive environment. Staff members represented AHV at 11 of Djirra's workshops during the financial year, engaging with hundreds of guests and other support services.

We have also participated in Aboriginal Community Elders Services, Dardi Munwurro Men's Gathering and Reconciliation Week events. This includes our co-hosting of the annual Reconciliation on the Rooftop, which was run in conjunction with SNAICC and Yarra City Council.

From July to September 2017, AHV delivered state-wide consultations on tenancy rights and responsibilities, in partnership with the Victorian Civil and Administrative Tribunal, Victorian Aboriginal Legal Service and the Tenants Union of Victoria. AHV tenants, Aboriginal communities and allied service providers from eight communities across Victoria participated in these consultations.

AHV's bimonthly *Mia Mia* newsletter has also maintained its important role in providing tenants with news about our organisation and community, as well as opportunities for greater participation in initiatives. This includes our gardening and Annual Report artwork competitions.





AHV has also expanded its social media presence and has increased its Facebook following to 2258 members. Over the course of the financial year 137 posts were made on the AHV Facebook page, reaching users' screens over 100,000 times. This strong engagement is a positive sign as AHV seeks to improve the ways to engage with our growing community.

AHV is continuing to explore the best approach to connecting with tenants and the wider community. We have begun building the foundations of a state-wide program of community engagement events that will seek to further strengthen ties between AHV staff, tenants and community organisations.

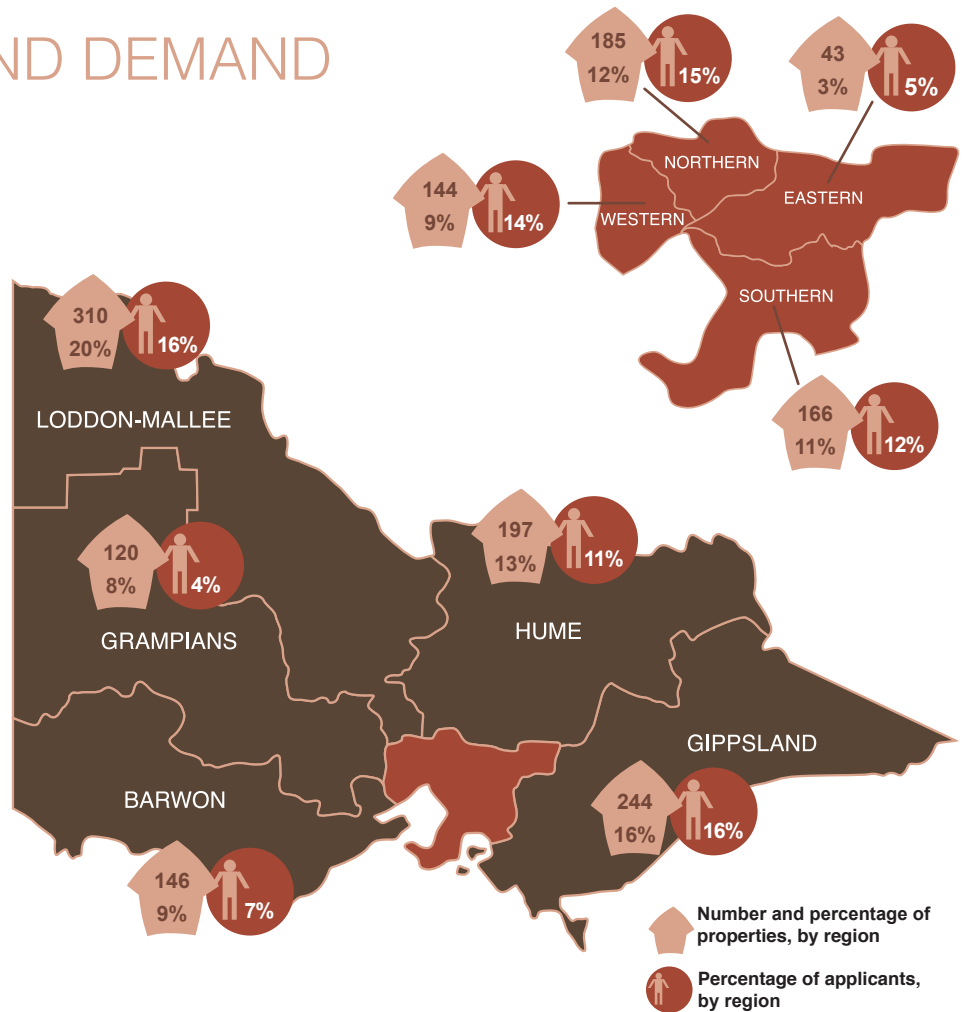
PORTFOLIO AND DEMAND

Portfolio

Unlike most Victorian community housing agencies, AHV provides housing services throughout metropolitan and regional Victoria to a discrete client group, with a total of 1,555 properties.

Demand

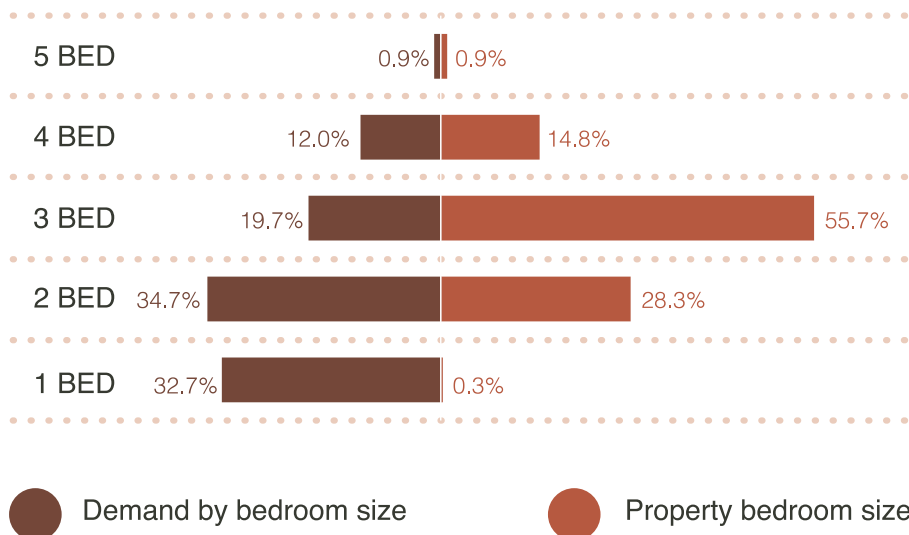
The demand for homes vastly exceeds the number of AHV vacancies that occur each year. The majority of AHV properties are in regional areas (65%), however demand for housing in metropolitan Melbourne continues to grow at greater rate.



Mismatch of supply and demand

AHV predominantly provides larger family accommodation units, due to the kinship nature of the Aboriginal community, resulting in larger households. However, analysis of our applications has confirmed a steady demand for smaller units amongst those on AHV's waiting lists.

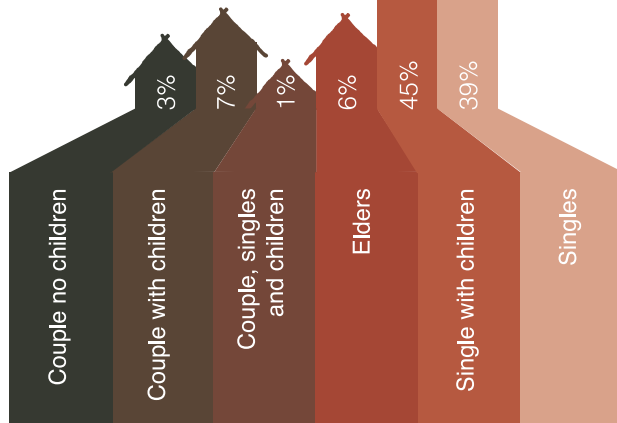
AHV aims to modify the profile of its existing housing stock, through redevelopment and acquisition of smaller accommodation to meet the increasing demand and to support tenants to downsize to more appropriate accommodation once they are no longer caring for children.



PEOPLE

Who is applying?

Generally, the profile of households on our wait list reflects the current types of households in our properties, with high proportions of singles and single-parent families with children.

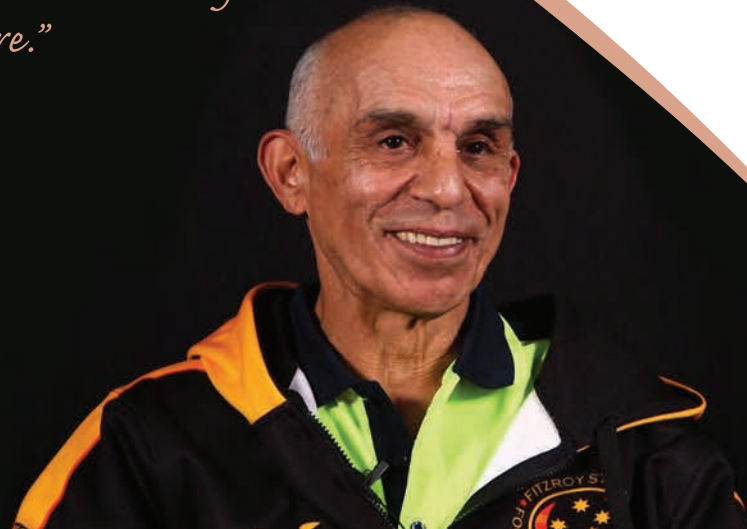


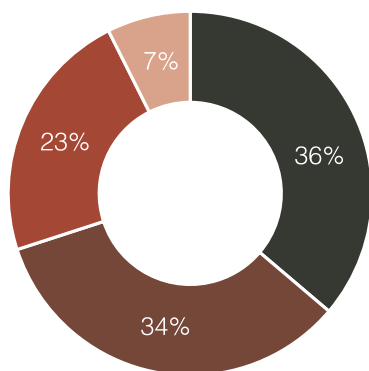
Who are our tenants?

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 rental market.

"Our lives have changed a fair bit since we became tenants of AHV. We're looking ahead for a better future."

Thorne Smith, AHV Tenant





- Aged, Carers, Disability, Widow Pensions, Sickness Allowance
- Newstart, Parenting Payments, Youth Allowance
- Other
- Wages, Abstudy

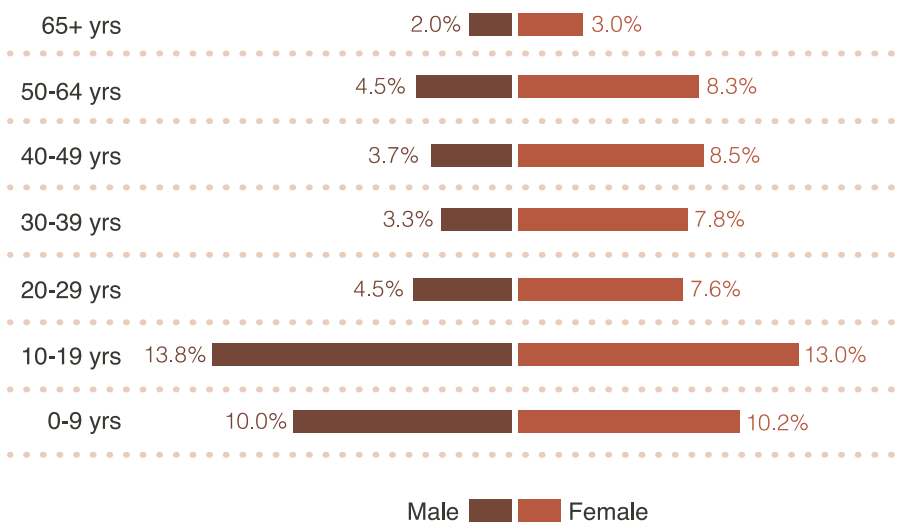
Our tenants income source

AHV tenants typically have low incomes relative to the broader population and most are wholly or partly dependant on income support payments from Centrelink.

Many AHV tenants 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 residents

While there is a mix of age groups within AHV households, the majority of household members are children and young people 17 years and under, with female members making up 58% of all AHV households.



PERFORMANCE

MAINTENANCE AND REPAIRS

\$1,647,863

TENANT REQUESTED MAINTENANCE AND REPAIRS

5,192

WORK ORDERS REQUESTED

5,187

WORK ORDERS COMPLETED *

\$971,586

VACANT UNITS AND TENANT DAMAGE REPAIRS

\$2,049,382

CAPITAL WORKS & PLANNED MAINTENANCE

\$3,391,121

COUNCIL & WATER RATES FOR HOUSES

* 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.

91.2%

TENANCIES SUSTAINED IN 2017-18

150

NEW TENANCIES CREATED

\$15,150,101

TOTAL RENT CHARGED

\$453,282

RENTAL ARREARS (2.9%)

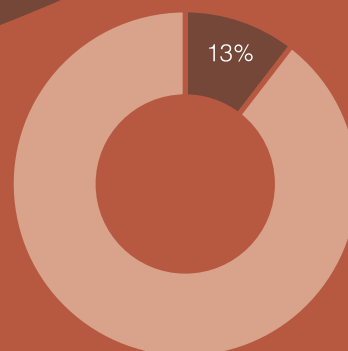
\$1,087

AVERAGE TENANT RENTAL ARREARS

Percentage of evictions

The percentage of evictions as exits are over inflated due to the low number of tenancy exits.

AHV continues to focus on sustaining tenancies, but evictions remain an action of last resort.



● Evictions
● Tenancy exits

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 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 the 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 ASX 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 AHV 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.

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 and 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 maintain high standards of governance. The scope of the Committee's role includes, but is not limited to, Board recruitment and training, performance and remuneration.

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

Risk Management

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

The Auditor is entitled to:

- attend any General Meeting;
- receive all notices of and other communications relating to any General Meeting which a Member is entitled to receive, and
- 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 responsibility, 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 directors 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. 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 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 attendance at meetings.

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 options to provide effective and regular communication.

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Aboriginal Housing Victoria Limited
ABN 38 006 210 546

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 2018 and the Independent Audit Report thereon.

Company details

The following persons were Directors of Aboriginal Housing Victoria during the 2017-18 financial year.



Tim Chatfield Director and Chairperson

Chairperson AHV, CEO of Budja Budja Aboriginal Cooperative, Current Member Aboriginal Cultural Heritage Council Victoria, Member, Framlingham Aboriginal Trust, former Tumbukka Chairperson, ATSIC and former Ministerially appointed Taskforce Member, Victorian Indigenous Family Violence Strategy. Current Chairperson Martang Pty Ltd and Member Sitting on the PAAC.



Ian Hamm Director and Deputy Chairperson

Deputy Chairperson of AHV, Chair of the Governance Committee, Career public servant for Commonwealth and State governments. Chair, Connecting Home, Chair, Koori Heritage Trust, First Nations Foundation (Chair), National Trust Chair, Swinburne University Reconciliation Advisory Steering Committee Chair, Former President and Board member Western Region Football League. Fellow – Institute of Public Administration Australia (Vic), Defence Reserves Support Council.



Mark Lipson Director

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



Robert Leslie Director

Robert Leslie was appointed to the AHV Board as a casual Director in March 2015. Robert was Chief Executive Officer of Yarra Community Housing from 2000-2015 and has extensive community housing and development experience within the Victorian housing sector. Churchill Fellow, Member of the Refugee Council of Australia and Member of Oxfam.



Bevan Mailman Director

Corporate lawyer with expertise in commercial transactions, corporate advisory, corporate structuring and business development having held positions with leading law firms and companies. Considerable experience in the not-profit/charities sector having held several directorships. Previous peak professional bodies include The Law Council of Australia and the Law Institute of Victoria advising on numerous issues including native title, sentencing, constitutional recognition, the Northern Territory's "National Emergency Response" and the United Nations Declaration on the Rights of Indigenous Peoples. Currently Managing Director, Mailman and Associates.



Daphne Yarram Director

Daphne has championed the cause of the Victorian Aboriginal community in voluntary, government and private sector roles for over 30 years. Daphne was a foundation member and elected to the National Congress of Australia's First Peoples Board for three terms and has undertaken leadership and governance roles which she currently holds on a number of Boards and committees, such as, Ramahyuck District Aboriginal Corporation, Victorian Aboriginal Community Controlled Health Organisation, Victorian Aboriginal & Islander Education Incorporation. Daphne is a Respected Person on the Koorie Magistrates Court and Gippsland Regional Aboriginal Justice Advisory Committee, and the Indigenous Family Violence Partnership Forum.

In 2006, Daphne was appointed as the second Fellow for the Fellowship for Indigenous Leadership. Currently Manager, YooWINna Wurnalung Healing Service.



Alan Herrman Director

Currently Fund Manager, Social Infrastructure Investments at Australian Unity, Alan brings with him extensive experience in property asset and investment management. A former Director in the Real Estate Advisory team at PwC and a current member of Property Council Australia's national roundtable on the "Build-to-Rent" sector, Alan has long been a passionate advocate of finding sustainable ways to secure appropriate and affordable housing for all members of the community. Previously a member of both Property Council of Australia and UDIA's Victorian infrastructure advisory committees, Alan joined Aboriginal Housing Victoria's Finance and Risk Committee as a specialist Asset Management Advisor in November 2015. He was appointed to the AHV Board as a Casual Director in June 2018.

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 strengthen our asset management and development programs and to continuously improve the quality of housing service delivery

The company's long-term objective is to grow the supply of affordable housing to meet the significant unmet demand for social and affordable housing in the Aboriginal community.

Director's meeting

During the financial year, nine board meetings were held as well as meetings for several board committees and sub-committees. Board members sit on the Finance Audit and Risk Committee (FAR) and the Governance Committee (Gov).

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

	Board	FAR	Gov	Total
Total planned	9	10	4	23
Tim Chatfield	9	10	4	23
Abigail Burchill*	1	-	1	2
Ian Hamm	9	-	4	13
Mark Lipson	9	10	-	19
Robert Leslie	9	10	-	19
Bevan Mailman^	6	6	-	12
Daphne Yarram~	6	-	2	8
Alan Herrman+	2	3	-	5
Meena Singh>	2	-	-	2

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

	Board	FAR	Gov	Total
Tim Chatfield	9	10	4	23
Abigail Burchill*	1	-	1	2
Ian Hamm	7	-	4	11
Mark Lipson	6	8	-	14
Robert Leslie	9	9	-	18
Bevan Mailman^	6	6	-	12
Daphne Yarram~	4	-	2	6
Alan Herrman+	2	3	-	5
Meena Singh>	0	-	-	0

* Resigned – 27 July 2017

^ Appointed – 26 October 2017

~ Appointed – 26 October 2017

+ Appointed – 26 April 2018

> Appointed – 27 July 2017 to a casual vacancy: did not re-nominate at AGM

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 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$350 (2017: \$250).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 26 of the financial report.

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



Director

Tim Chatfield

Dated 03 October 2018

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Revenue			
Rental revenue	2	15,150,101	14,699,198
Other revenue	2	93,894,958	210,261,175
Total revenue		109,045,059	224,960,373
Expenses			
Depreciation and amortisation expenses		2,093,806	1,069,643
Employee benefit expenses		4,447,041	4,253,262
Housing program expenses		7,575,078	7,459,198
Administration expenses		1,815,023	1,804,165
Other expenses		29,411	186,745
Total expenses		15,960,359	14,773,013
Surplus before income tax		93,084,700	210,187,360
Income tax expense	1h	-	-
Surplus for the year	3	93,084,700	210,187,360
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net gain/(loss) on revaluation of non-current assets		(846,633)	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Fair value gains on available-for-sale financial assets, net of tax		-	-
Total other comprehensive income for the year		(846,633)	-
Total comprehensive income for the year		92,238,067	210,187,360

The accompanying notes form part of these financial statements.



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 2018, I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.



Sripathy Sarma
Principal
Date: 03 October 2018

LBW Chartered Accountants



**CHARTERED ACCOUNTANTS
AUSTRALIA - NEW ZEALAND**

Liability limited by a scheme approved under Professional Standards for the acts or omissions of financial services licensees.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	5,223,816	3,262,985
Term deposits	4	9,627,185	9,504,567
Trade and other receivables	5	760,027	554,115
Other current assets	6	2,045,216	2,646,925
Total current assets		17,656,244	15,968,592
Non-current assets			
Office property	7	2,481,706	2,490,149
Rental property	7	321,948,279	232,180,564
Office furniture and equipment	7	257,741	350,437
Total non-current assets		324,687,726	235,021,150
Total assets		342,343,970	250,989,742
LIABILITIES			
Current liabilities			
Trade and other payables	8	2,308,500	3,400,256
Short-term provisions	9	425,141	315,971
Deferred grant income	10	952,980	853,148
Total current liabilities		3,686,621	4,569,375
Non-current liabilities			
Long-term provisions	9	32,395	33,480
Total non-current liabilities		32,395	33,480
Total liabilities		3,719,016	4,602,855
Net assets		338,624,954	246,386,887
EQUITY			
Retained earnings	16	330,596,340	237,511,640
Reserves		8,028,614	8,875,247
Total equity		338,624,954	246,386,887

The accompanying notes form part of these financial statements.

	Retained earnings	Revaluation surplus	Total
Balance at 1 July 2016	\$ 27,324,280	\$ 8,875,247	\$ 36,199,527
Surplus attributable to the company	210,187,360	-	210,187,360
Balance at 30 June 2017	237,511,640	8,875,247	246,386,887
Surplus attributable to the company	93,084,700	(846,633)	92,238,067
Balance at 30 June 2018	330,596,340	8,028,614	338,624,954

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Cash flow from operating activities			
Rentals received		15,005,740	14,524,349
Grants received		613,693	4,693,337
Other receipts		81,362	81,544
Payments to suppliers and employees		(15,441,760)	(12,291,778)
Interest received		225,461	207,824
Net cash generated from operating activities	15b	484,496	7,215,276
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		2,868,945	114,584
Payments into term deposits		(122,618)	(1,616,095)
Payment for property, plant and equipment		(1,269,992)	(5,245,437)
Net cash used in investing activities		1,476,335	(6,746,948)
Cash flow from financing activities			
Net cash used in financing activities		-	-
Net increase in cash held		1,960,831	468,328
Cash and cash equivalents at beginning of the financial year		3,262,985	2,794,657
Cash and cash equivalents at the end of the financial year	15a	5,223,816	3,262,985

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 25 October 2018 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Class of fixed asset	Depreciation Rate
Office buildings	1.5%
Rental buildings	1.5%
Office furniture and equipment	7.5 – 33.3%
Rental building fixtures	10%

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.

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 to 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 2018

Note 2. Revenue

	2018	2017
	\$	\$
Rental revenue	15,150,101	14,699,198
<i>Operating activities</i>		
Rental revenue		
Interest income	220,746	211,023
Profit/(loss) on sale of property, plant and equipment	454,530	(43,449)
Revenue from contributed rental property assets	93,138,320	206,377,056
Other revenue	81,362	3,716,545
Total other revenue	93,894,958	210,261,175

Note 4. Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank and in hand	5,223,816	3,262,985
Short-term term deposits	9,627,185	9,504,567
Total cash and cash equivalents	14,851,001	12,767,552

Other revenue

Interest income	220,746	211,023
Profit/(loss) on sale of property, plant and equipment	454,530	(43,449)
Revenue from contributed rental property assets	93,138,320	206,377,056
Other revenue	81,362	3,716,545
Total other revenue	93,894,958	210,261,175

Note 5. Trade and other receivables

Rental receivables	613,532	662,268
Provision for impairment	(361,532)	(425,366)
	252,000	236,902
Other receivables	508,027	317,213
Total current trade and other receivables	760,027	554,115

Note 3. Surplus for the year

Expenses

Depreciation and amortisation		
Office buildings	8,443	8,444
Rental buildings	1,991,576	961,827
Office furniture and equipment	93,787	99,372
Total depreciation and amortisation	2,093,806	1,069,643
Impairments to rental properties held-for-sale	-	83,913
Bad and doubtful debts expense	173,973	114,043
Rental expense on operating leases		
Housing Provider Framework	-	378,669
Office equipment and motor vehicles	154,313	180,952
Auditor remuneration		
Audit services	25,000	25,000
(Over)/Under provision of audit fees in respect of prior year	3,999	(8,334)
Other services – FBT Compliance	7,960	2,700
Total auditor remuneration	36,959	19,366

Note 6. Other current assets

Prepayments	251,806	235,679
Accrued income	19,155	23,871
Assets under construction	481,376	237,960
Held-for-sale rental properties	1,292,879	2,149,415
Total other current assets	2,045,216	2,646,925

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 7. Property, plant and equipment

	2018 \$	2017 \$
Office property		
Freehold land at fair value	2,130,000	2,130,000
Buildings at fair value		
Independent valuation at 30 April 2016	370,000	370,000
Less accumulated depreciation	(18,294)	(9,851)
Total buildings	351,706	360,149
Total office property	2,481,706	2,490,149
Rental property		
Freehold land	194,523,564	159,575,381
Buildings		
At fair value	130,511,059	73,730,694
Less accumulated depreciation	(3,086,344)	(1,125,511)
Total buildings	127,424,715	72,605,183
Total rental property	321,948,279	232,180,564
Office furniture and equipment		
Office furniture and equipment	818,472	819,744
At cost	(560,731)	(469,307)
Less accumulated depreciation	257,741	350,437
Total office furniture and equipment	324,687,726	235,021,150

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 \$
2017				
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	-	-	-	-
Carrying amount at 30 June 2017	2,490,149	232,180,564	350,437	235,021,150
2018				
Carrying amount at 1 July 2017	2,490,149	232,180,564	350,437	235,021,150
Additions at cost	-	94,163,804	1,091	94,164,895
Disposals	-	(2,404,513)	-	(2,404,513)
Depreciation expense*	(8,443)	(1,991,576)	(93,787)	(2,093,806)
Revaluation	-	-	-	-
Carrying amount at 30 June 2018	2,481,706	321,948,279	257,741	324,687,726

* 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 2018

Note 8. Trade and other payables

	2018	2017
	\$	\$
Trade payables	665,526	829,138
Rental payments in advance	827,068	824,663
Other current payables	785,595	1,719,188
Employee benefits	30,311	27,267
Total trade and other payables	2,308,500	3,400,256

Note 9. Provisions

Analysis of total provisions

Current	425,141	315,971
Non-current	32,395	33,480
Total provisions	457,536	349,451

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

	2018	2017
	\$	\$
Capital grant funding	273,647	300,000
Operational grant funding	679,333	553,148
Total deferred grant income	952,980	853,148

Note 11. Capital and leasing commitments

Operating lease commitments

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	210,229	283,638
between one and five years	86,026	132,195
after five years	-	-
	296,255	415,833

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 2018.

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 2018.

Note 13. Contingent liabilities and assets

At the reporting date, there were no contingent liabilities.

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	81,809	88,077
Long term employee benefits	-	-
	81,809	88,077

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

DIRECTOR'S DECLARATION

Note 15. Cash flow information

	2018	2017
	\$	\$
a. Reconciliation of cash		
Cash at bank and in hand	5,223,816	3,262,985
b. Reconciliation of surplus after income tax to cash flow from operating activities		
Surplus after income tax	93,084,700	210,187,360
Non cash flows		
Depreciation and amortisation	2,093,807	1,069,643
Impairment of property, plant and equipment	-	175,641
Contributed assets	(93,138,320)	(206,377,056)
(Profit)/Loss on sale of Property, plant and equipment	(454,530)	43,449
Changes in assets and liabilities		
(Increase) / Decrease in receivables	(205,912)	(168,571)
(Increase) / Decrease in prepayments and accrued income	(11,410)	202,640
Increase / (Decrease) in payables	(1,091,756)	1,616,401
Increase / (Decrease) in deferred provisions	108,085	(41,350)
Increase / (Decrease) in grants carried forward	99,832	507,119
Cash flow from operating activities	484,496	7,215,276

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 and the current year adjustments has resulted in the current revaluation surplus of \$8,028,614.

Note 17. Company details

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

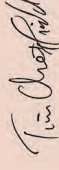
Aboriginal Housing Victoria Limited
125-127 Scotchmer Street
North Fitzroy VIC 3068

1. The financial statements and notes, as set out on pages 26 to 33, 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 2018 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*.



Tim Chatfield (Director)

Dated 03 October 2018

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 2018, 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 2018 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

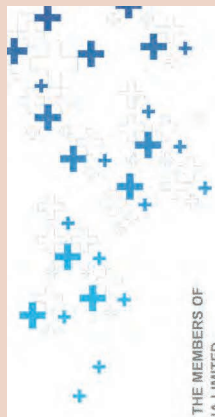
The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine 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




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

Sripalthy Sarma
Principal

Date: 03 October 2018

OUR SUPPORTERS

AFL SportsReady
Bakers Delight, Clifton Hill & Bundoora
Chemist Warehouse – Preston
City of Darebin
City of Whittlesea
City of Yarra
Collingwood Children's Farm
Curves Fitness
John Sands
Kmart – Barkly Square & Reservoir
Management Advantage
Merri Creek Primary School
National Australia Bank
Officeworks – Preston

Quakers
Share The Dignity
The Walt Disney Company
Toy Networkx
Woolworths – Fitzroy & Barkly Square
Aborigines Advancement League
VAHS
North Fitzroy community members
The University of Melbourne
VACCHO
AON Insurance
Bargoonga Nganjin North Fitzroy Library
Clifton Hill Pharmacy
Coles – Barkly Square

Convent Bakery
Holden Street Neighbourhood House
Kawada Pty Ltd
Lush
Melbourne Museum
Modular Wine Racks
North Fitzroy Primary School
Piedimonte's Supermarket
RTR Productions
SNAICC
Toot Toot Toys
Victorian Government
3KND
Youthworx
Funfields



"We're very proud and very honoured to be able to set up an organisation such as Aboriginal Housing Victoria with a lot of other people over many years, to be able to be a service provider for our Aboriginal community members."

Tim Chatfield, Current AHV Chairperson

"Aboriginal Housing Victoria can provide a platform for the Aboriginal community to move forward. I think there's a real opportunity to work with our tenants and empower them. One of our great aspirations is that we can actually support and assist tenants to move into home ownership."

Darren Smith, Current AHV CEO





Aboriginal Housing Victoria

Narrandjeri House
125-127 Scotchmer Street
North Fitzroy VIC 3068

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More information including our tenancy policies and procedures
can be found on our website www.ahvic.org.au