



Aboriginal Housing Victoria

# ANNUAL REPORT

2019-2020

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## Acknowledgement

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/or Torres Strait Islander Peoples continue to live in spiritual and sacred relationships with this country.

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.

Thank you to the community members and staff who volunteered and gave permission for their photographs to be published.

## Artwork Details

Tarryn Love. "Peeneeyt" Translation: Strength. Acrylic on canvas.

The central theme of this artwork expresses the idea of various different Indigenous Nations coming together to a central meeting place to co-exist and co-operate with unity, therefore creating a strong diverse community. The large circular shape in the centre recognises all the Indigenous voices contributing to this community and represents the sovereignty and self-determination of each of those individuals.

The design that dominates the movement of the artwork, characterises the waterways that act as bloodlines across country. Rivers are so vital in connecting Nations and the symbols inside the river emphasize the large amount of different Nations that exist across Australia. The contouring lines in the artwork are a direct link to country and its physical landscape. This symbolism signifies Indigenous people's strong relationship not only physically but spiritually to the land. Overall this artwork is a reminder of the importance and strength that Indigenous people source from place, while also coming together to support this connection.

## ABOUT AHV

Aboriginal Housing Victoria (AHV) is an Aboriginal community organisation responsible for managing over 1,500 rental properties for Aboriginal people living in Victoria. AHV's vision is to ensure that Aboriginal Victorians secure appropriate and affordable housing as a pathway to better lives and stronger communities.

In addition to being the largest Aboriginal Registered Housing Agency in Australia, AHV is the lead agency for Victoria's Aboriginal housing and homelessness policy, *Mana-na worn-tyeen maar-takoort (Every Aboriginal Person has a Home)*. As the housing and homelessness policy lead in the Aboriginal community, AHV has dual roles to hold the Government to account in securing the resources and reforms to implement the policy, while we support sector development to empower Victoria's Aboriginal community to determine its own chosen housing future.

## OUR TEAM

AHV's organisational structure is designed to help us meet our strategic priorities and objectives.

Our **Operations Team** provides front line services to our clients, including client services, tenancy services, compliance and systems improvement, and management of property maintenance. A number of our Operations staff are based in regional Victoria; 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; leads policy and strategy development and business planning; and manages the advocacy function. Corporate services, AHV Wellbeing programs, governance support, communications and community engagement functions also form part of this team.

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

Our **Human Resources and Organisational Development Team** ensures we have the people capability to meet our objectives and coordinates training opportunities for staff in culturally appropriate practice and support functions. Our staff are trained to competently and sensitively deliver housing services to our tenants, their families and the Aboriginal community.

## CHAIRPERSON REPORT

**It is with great pride that I present the Aboriginal Housing Victoria 2019-20 Annual Report. It is difficult to recall a year that had more unforeseen challenges. Together we faced devastating bushfires, floods and we continue to manage within a global pandemic that represents an ongoing threat to the safety of our tenants and every Victorian.**

During these enormous threats, Aboriginal Housing Victoria (AHV) continued to deliver for tenants and to grow our policy reach. In February 2020 the first comprehensive Aboriginal housing and homelessness policy framework in our state's history was presented to and accepted by the Victorian Government. It was the result of an 18-month project led by AHV. The Framework *Mana-na woorn-tyeen maar-takoort (Every Aboriginal Person has a Home)* was shaped by Aboriginal people for Aboriginal people, with self-determination at its core. The Framework is already shifting thinking within senior levels of Government by bringing Aboriginal housing and homelessness aspirations into critical focus in state policy.

The COVID-19 outbreak has stretched our organisation as we work to achieve all of the levels of service previously delivered from remote working arrangements. The COVID-19 outbreak has presented opportunities as well as challenges. In another first for our organisation, AHV led a collaborative process with 20 Aboriginal Community Controlled Organisations, Traditional owner groups and Aboriginal Trusts to develop the \$35m Aboriginal Rapid Housing Response Program proposal to deliver repairs and upgrades to Aboriginal community housing across Victoria. The proposal will contribute to the Victorian wide economic stimulus agenda.

During the challenges of 2019-2020, we have worked more closely than ever before with the State Government. I thank Premier Andrews and his Ministers for their confidence in AHV and for their trust in our policy leadership and our abilities as a major Aboriginal housing provider. By continuing to work in partnership with Victoria's Aboriginal leadership and the state, with self-determination as our guiding principle, together we can build the housing opportunities needed.

As always, I would like to thank my fellow Board Directors: Daphne Yarram, Ian Hamm, Mark Lipson, Rob Leslie, Bevan Mailman and Alan Herrman. I would also like to thank our first Associate Director, Duean White for her contribution during the year. The Board has once again demonstrated great commitment, vision and diligence in 2019-2020. I thank them for their support. I would also like to acknowledge the outstanding efforts of AHV's management and staff during 2019-20. During a period of intense demands and growing responsibilities, we once again improved operational performance and business systems.



Finally, I would like to thank our tenants. It is the Aboriginal community that gives purpose and meaning to our organisation. We exist to serve you, and you are the beating heart of Aboriginal Housing Victoria.

Tim Chatfield, Chairperson

## CEO REPORT

### **As I reflect on the last twelve months, it is has been very much a year of "two halves".**

In July 2019, around 2,200 people attended AHV's NAIDOC event at the Collingwood Children's Farm, marking 20 years since the first AHV event was held there. AHV staff participated in a range of community events including hosting Community BBQs with tenants in Bendigo, Mildura and Robinvale over the September 2019 school holidays.

I was extremely proud of the way AHV staff collaborated with Aboriginal communities, Aboriginal and mainstream housing organisations and specialist homelessness and support organisations to inform the Framework, *Mana-na woorn-tyeen maar-takoort (Every Aboriginal Person has a Home)*. We delivered a policy framework in February that reflects the voices and lived experience of First Nations Peoples while outlining a roadmap for greater self-determination and housing independence.

In another major achievement the refurbishment of Aboriginal housing's home, Narrandjeri House in Scotchmer Street, North Fitzroy, was completed in December last year and Melbourne based staff started moving back in in February. Narrandjeri House has been AHV's central base for several decades and refurbishment provided the opportunity to modernise the office and show case Victoria's culturally rich Aboriginal art and design.

Unfortunately, we are yet to complete our move back to Narrandjeri House. From March 2020, the COVID-19 outbreak changed the way people live, work and interact around the globe. I am very proud of the way AHV staff adapted to the rapid and significant changes needed to continue to deliver our activities and services safely.

I also want to acknowledge the resilience of AHV tenants. I commend the responsible way tenants reacted to the pandemic despite many overwhelming challenges by keeping safe, looking after their families and communities and sustaining their tenancies. Isolating from family and kinship groups goes against the core values of Aboriginal culture. Still, we have done so to protect our Elders and the most vulnerable members of our communities.

The pandemic in Victoria has raised broader community awareness of the inequities within our society and has been a catalyst for social change. We welcomed Government responses to issues previously considered too challenging to resolve. JobSeeker allowance was increased to a level more consistent with a "living wage". Hotel accommodation and support were provided to rough sleepers. Further, the Black Lives Matter movement gained global mainstream momentum. Victoria's Aboriginal communities have banded together and managed to avoid the most devastating health and economic impacts of COVID-19 that in other countries have weighed most heavily on the poor, and marginalised peoples.



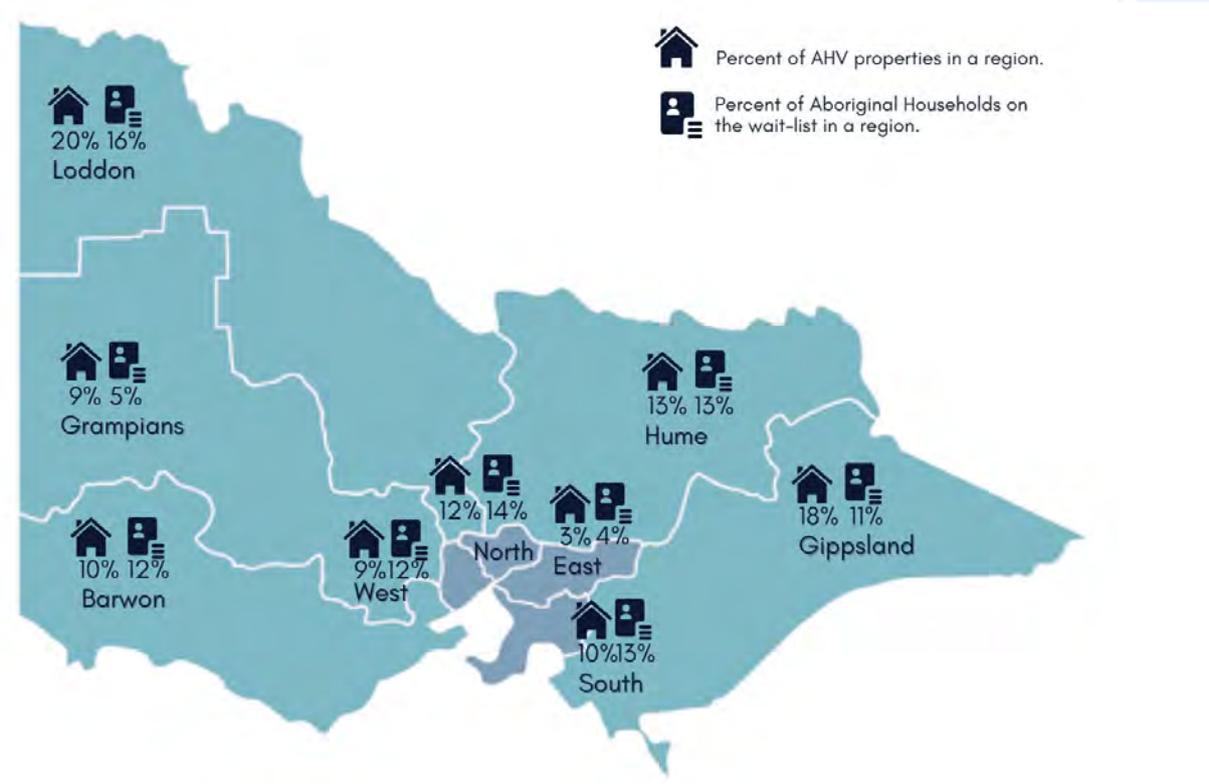
AHV is committed to working with all Aboriginal communities, mainstream organisations and Government to build on the momentum for change. We want to see better outcomes for Aboriginal Victorians, through the Federal and State Government's economic stimulus programs.

To our community, continue to stay safe and strong during these challenging times. AHV's Board, Executive Team and staff are committed to working with, and on behalf of you, our tenants and the Victorian Aboriginal community more broadly. Our resilience, cultural strengths and ability work together and support each other will ensure we emerge from this crisis stronger and more committed.

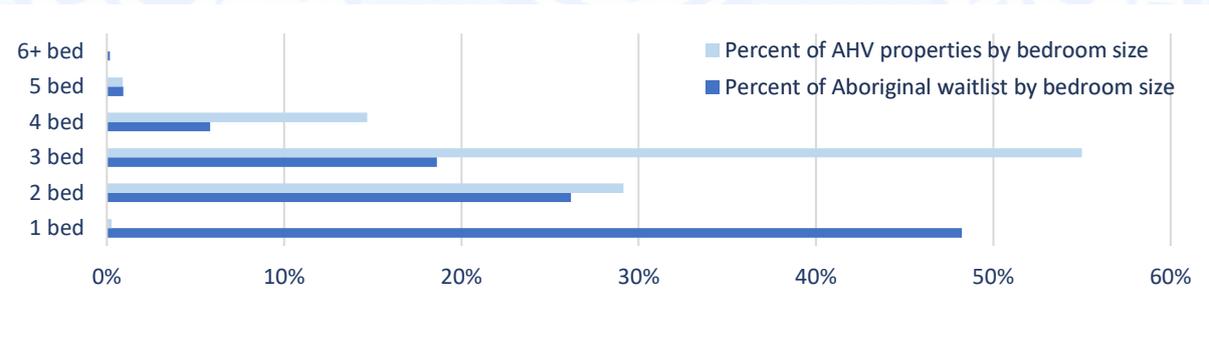
Darren Smith, CEO

# HOUSING PORTFOLIO AND DEMAND

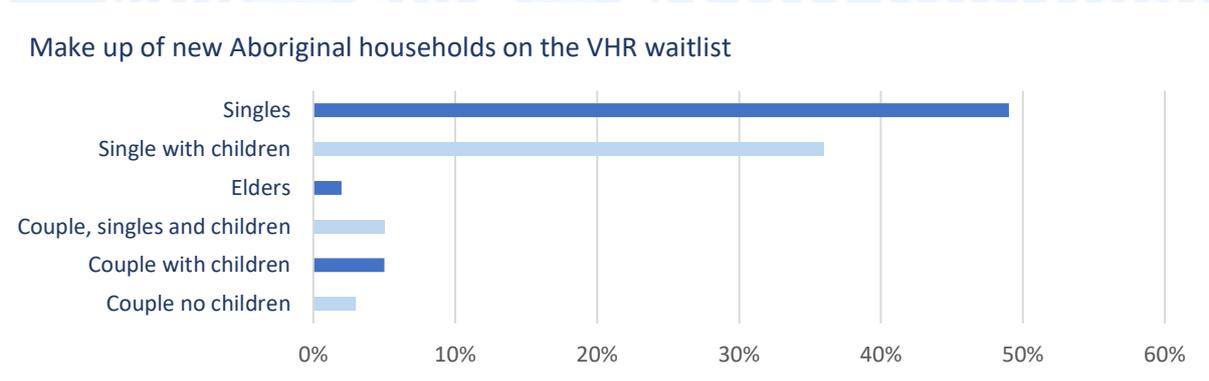
AHV provide homes in metro and regional areas across Victoria.



The Aboriginal community have a growing demand for 1-bedroom properties.

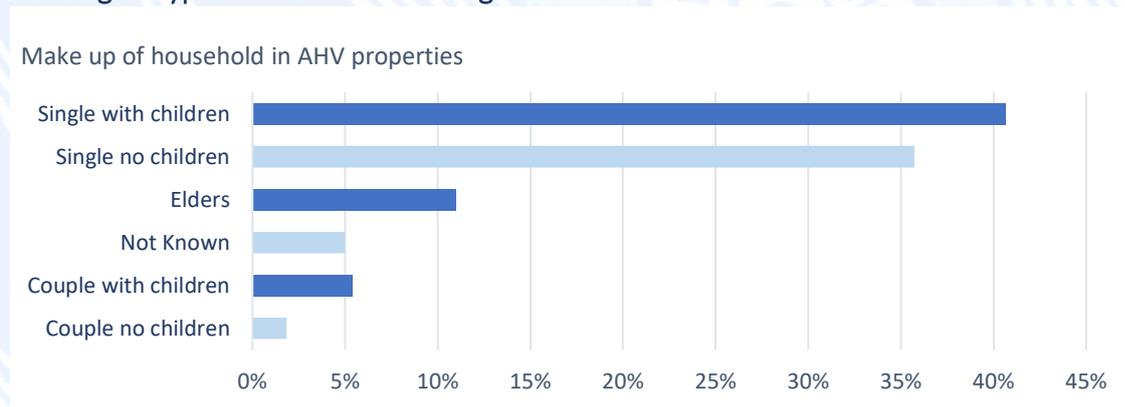


The highest demand for housing comes from 'Single' households followed by 'Singles with Children' households.



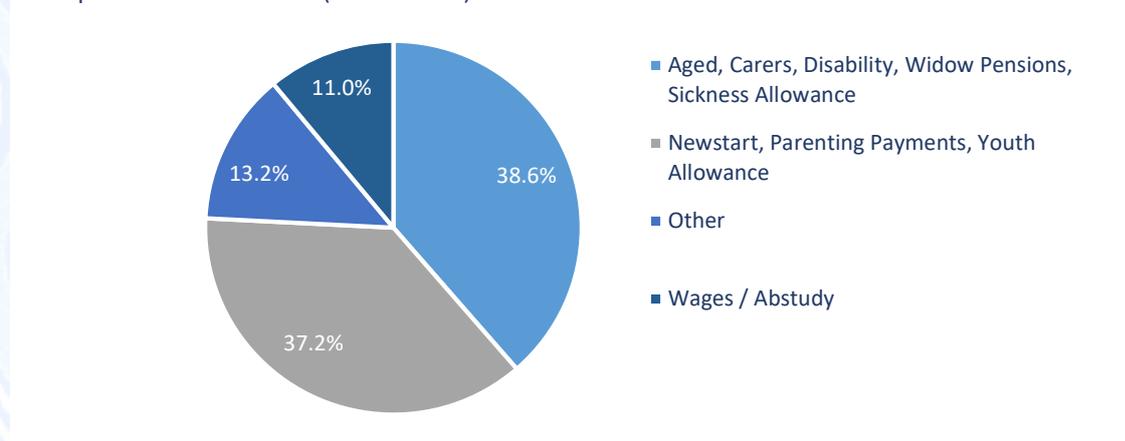
## AHV TENANTS

The largest type of households is 'Single with Children'.



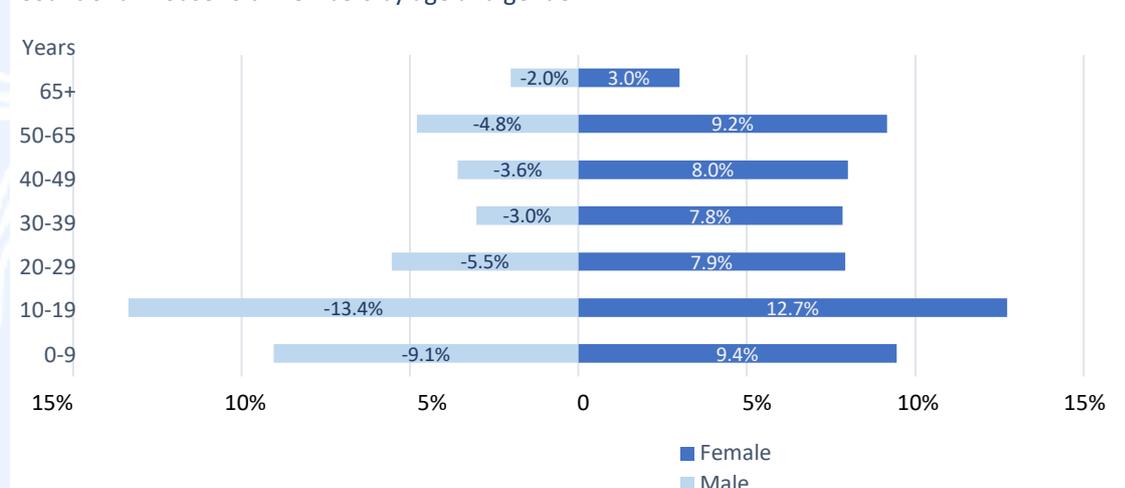
## AHV tenant incomes and rental assistance statistics.

Principle sources of income (main tenant)



## The largest age group in AHV housing is youth aged 10-19.

Count of all household members by age and gender



**Priority 1: Growing our housing stock** 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.

**2019-2020 Highlights:**

- **Providing homes to 4,000+ residents in 1,558 properties.**
- **41 housing units in the pipeline to build more homes.**
- **\$4.33M secured in grant funding for housing projects.**

The title transfer to AHV in 2018 transformed AHV from a housing provider to custodian of affordable housing on behalf of Victoria's Aboriginal communities. As was intended by AHV's founding Elders and community members, ownership and control imparts responsibility to not only manage housing for existing tenants but to grow the portfolio to meet the needs of future generations. We are committed to maximising opportunities as they arise so that more Aboriginal Victorians are able to access affordable and secure housing services.

Over the next few years, we will build an additional 41 houses to add to the 1,558 AHV owned or managed houses, at 30 June 2020.

Housing that is no longer economic to repair, or is located in relatively isolated areas where there is limited demand for housing, is sold. The process of disposing of uneconomic properties provides opportunities to better align the AHV portfolio with our tenants' current and future needs.

Wherever possible, we look to incorporate our *Culturally Informed Design Principles (2016)* in our new housing developments.



*Metro townhouse development completed March 2020. Image credit: Schored Architects. Photographer: Anka Boychev.*

Portfolio growth cannot be achieved through a sales program alone. During 2019-2020, we successfully secured funding from grant applications and made submissions for further funding.

**\$70k from Home for Homes helps create new properties in Shepparton.**

**\$1.26m from the Victorian Property Fund helps deliver nine properties in the Bendigo district.**

**\$3m from the Social Housing Growth Fund and AHV saw first tenants housed under the fund.**

*AHV tenant Leslie (Gunaikurnai) said, "having a new secure home feels like we are on a permanent holiday. I feel refreshed, less stressed and healthier." -*



*AHV staff attended the launch of the Homes for Homes funding with grant recipients and the Federal Minister for Housing and Assistant Treasurer (the Hon Michael Sukkar MP).*



*AHV staff visit a new and operational transitional housing development with other service providers and Minister for Corrections (the Hon. Ben Carroll).*

**Priority 2: Strengthening governance**, probity and viability to manage the more complex business of a housing association and property owner.

AHV's principal objectives are to develop, manage, maintain, hold, re-furbish, upgrade, acquire, sell, dispose, lease properties and collect rent in relation to affordable, secure housing for Aboriginal people in Victoria that is adequate to meet their social, cultural and economic needs.

The following persons were Board Members of Aboriginal Housing Victoria during the 2019-2020 financial year:

### **Tim Chatfield Director and Chairperson**



Tim Chatfield has extensive experience as an executive and non-executive Director and Chairperson within the Aboriginal community housing sector. This includes positions of leadership, strategy, corporate governance, business management and the development of culturally appropriate policies and processes.

Additionally he holds the positions of CEO of Budja Budja Aboriginal Cooperative and Chairperson of Martang Pty Ltd. Tim is also an independent Director of the industry superannuation fund, First Super, and is a shareholder of the Framlingham Aboriginal Trust. Throughout his career, Tim has held a range of membership positions on high level Aboriginal advisory councils and taskforces. Former roles include membership of the Aboriginal Cultural Heritage Council Victoria, Chairperson of Tumbukka, ATSIC membership, Ministerially appointed Taskforce membership, Victorian Indigenous Family Violence Strategy, and membership of the Premier's Aboriginal Advisory Council.

Tim is a continuing AHV Board Director who was re-appointed at in 2017.

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### **Daphne Yarram Director, Deputy Chairperson and Chair of Governance Committee**



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.

Further to this, she has held the following distinguished positions, Binjirru Chairperson, Chair of the Aboriginal Family Violence Taskforce and numerous positions on the ATSIC board. More recently Daphne has reduced her participation on a range of Boards and Committees, to focus her attention on supporting the establishment of Yoowinna Wurnalung Aboriginal Healing Service, a Specialist Aboriginal Family Violence Service.

Daphne is committed to supporting the Aboriginal communities in Wellington and East Gippsland Shire in bushfire recovery, health and wellbeing and to work with community to support community led responses to family violence. Daphne is a Respected Person on the Koorie Magistrates Court and Gippsland Regional Aboriginal Justice Advisory Committee, and the Indigenous Family Violence Partnership Forum and other regional committees that support the aspirations and self-determination of Aboriginal people. In 2006, Daphne was appointed as the second Fellow for the Fellowship for Indigenous Leadership.

Daphne was appointed to the Board in October 2018.

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### **Mark Lipson Director and Chair Finance, Audit and Risk Committee**



Mark is a Forensic Accountant with over 25 years of expertise in professional account practice and family law matters and is a member of the Institute of Chartered Accountants in Australia, the Institute of Chartered Accountants in Australia Professional Conduct Tribunal, CPA Australia and Forensic Accountants Special Interest Group. He is also an Associate Member of the Institute of Arbitrators and Mediators in Australia and former part-time ordinary member of VCAT in the legal practice list. Mark is currently Forensics Director at Hall Chadwick.

Mark is a continuing Board Director who was re-appointed at in 2019.

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## Alan Herrman Director and Chair Asset Committee



Alan has extensive experience in property asset and investment management. He is currently a Partner in the Real Estate Advisory team at PwC. 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 the 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.

Alan was appointed to the AHV Board as a Casual Director in June 2018, prior to his appointment as a Board Director in October 2018.

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## Ian Hamm Director



A Yorta Yorta man, Ian has extensive government and community sector experience, particularly at executive and governance levels. Ian has overseen major policy and strategic reforms for government and community organisations. He works with people from a vast array of backgrounds; managing complex and sensitive relationships to achieve mutually beneficial outcomes. Ian was CEO of a major Aboriginal community organisation from January to August 2018. He is now devoting himself to improving the representation of Aboriginal people on boards and other high level governance, through strategic action, advocacy and mentoring.

Ian is a continuing Board Director who was re-appointed in 2019.

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## Robert Leslie Director



Rob was Chief Executive Officer of Yarra Community Housing from 2000-2015 and has extensive community housing and development experience within the Victorian housing sector. Rob is a Churchill Fellow, Member of the Refugee Council of Australia and Member of Oxfam. He currently works as a consultant in social housing and other non-government organisations.

Rob was appointed to the AHV Board as a casual Director in March 2015, and was reappointed to the AHV Board in October 2018.

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## Bevan Mailman Director



Bevan Mailman is a corporate lawyer with expertise in commercial transactions, corporate advisory, corporate structuring and business development having held positions with leading law firms and companies. He is currently Managing Director of Jaramer Legal.

Bevan has considerable experience in the not-for-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.

Bevan was appointed as a Board Director in 2017.

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## Duean White Associate Director



Duean joins the AHV Board as an Associate Director under AHV's participation in the Observership Program. Duean is Director of Career Steer, a Human Resources and workforce development consultancy and Lead Consultant at Converge International. Duean consults to one of Australia's largest providers of employee assistance programs, and is a mediator with the Victorian Small Business Commission. This year, Duean is undertaking a Graduate Certificate in Leadership and Coaching, on scholarship from the Lowitja Institute.

Duean commenced as an Associate Director in February 2020.

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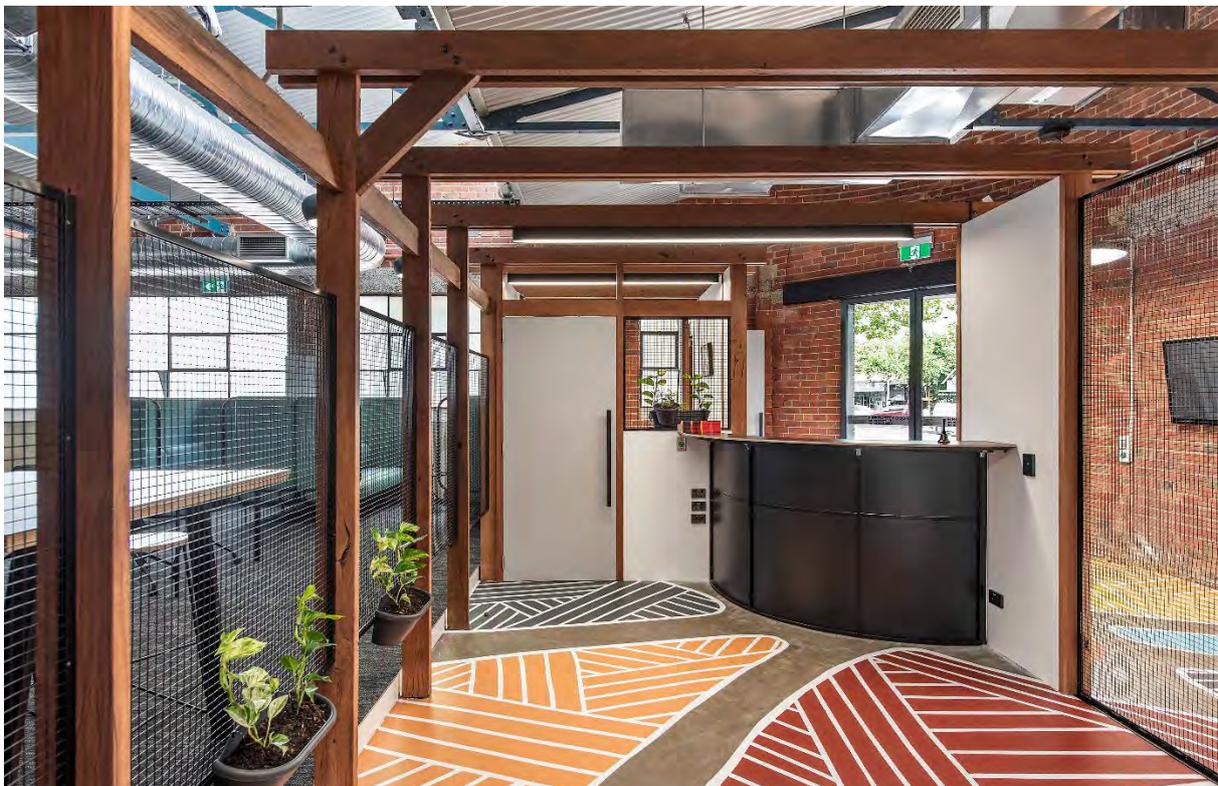
### Priority 3: Improving organisational capability to manage and maintain a viable growing social housing portfolio.

Since 1995, AHV has delivered its services and operations from Narrandjeri House in Scotchmer Street, North Fitzroy. Narrandjeri House is not only a well-known landmark in North Fitzroy; it also represents an important site for many Elders across Victorian Aboriginal communities, who worked tirelessly for many decades to achieve self-determination and improve housing outcomes for Victorian Aboriginal peoples.

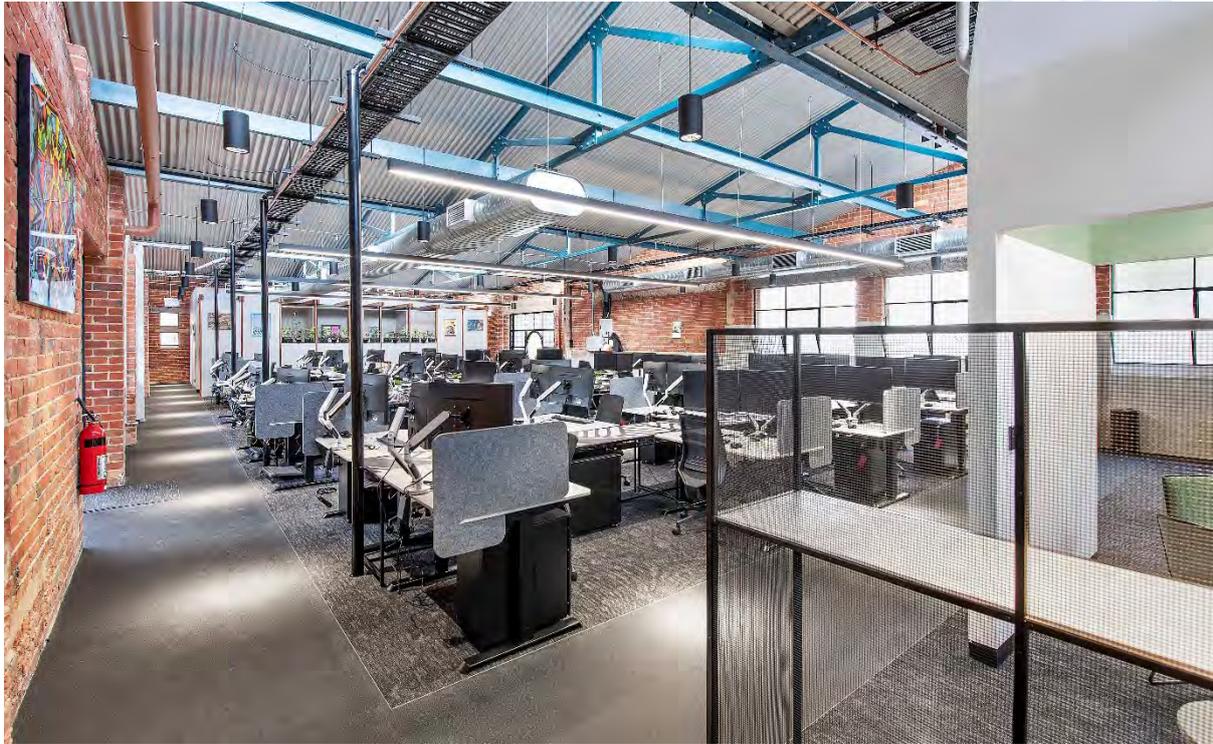
AHV has developed and extended its range of activities and services over the last 25 years, and the previous design of the building no longer met our needs. With funding from the Aboriginal Community Infrastructure Fund made available by the Department of Environment, Land, Water and Planning, Narrandjeri House was redesigned internally during 2019, to better support future growth and evolution of our organisation.

The project team included architecture by Public Realm Lab, construction by Intrec and landscaping by Kangaroo Paw Landscaping. The modern and clean design is brought to life by the art of Vicki Couzens, Tarryn Love and Uncle Kevin Atkinson. The interior design and artworks were produced with involvement of Aboriginal staff and community.

Thank you to all involved for bringing the Aboriginal community into the heart of this project. We look forward to being able to fully re-open Narrandjeri House, and to share and enjoy the culturally appropriate space, with our tenants and the Victorian Aboriginal community more broadly.



*Koori design welcomes you the moment you enter the building. Artwork by Vicki Couzens and Tarryn Love.*



*A modern open plan interior with increased capacity for tenant services, delivered thanks to grant funding from DELWP.*



*CEO Darren Smith with Philip Ward from Public Realm Lab pictured in front of a large weaving centrepiece featuring significant contributions from Susan Martin from Moogji Aboriginal Co-operative, Bronwyn Razem, Vicki's family and Donna Blackall.*

## Priority 4: Improving the quality of services delivered by Aboriginal Housing Victoria and operational responsiveness to strategic issues.

During 2019-20, AHV had a total of 111 new tenancies. We also achieved a tenable and untenable property turnaround time of 12.4 and 54.1 days respectively.

AHV opted into the Victorian Housing Register (VHR) in December 2018, which means that all applications, including transfer applications, are now registered through the VHR. Consequently, our applicants now have a broader range of housing options. AHV staff continue to work closely with the VHR.

AHV continued to achieve a high level of tenancies maintained (93.4%). This a true credit to AHV residents who value the security that affordable housing can provide.

During the January 2020 bushfires, 133 AHV properties were included in the 'state of disaster' zone. Thankfully, no AHV tenants lost their homes during the bushfires and affected tenants received appropriate rent relief.

In March 2020, AHV responded quickly to the pandemic and brought in changes to adopt remote working to ensure we continued to deliver our core services.

As part of the Government's COVID-19 response, a moratorium on evictions was introduced. AHV supported this initiative because no one should become homeless during a pandemic crisis. Our annual Rent Review process did not proceed for 2020.

AHV monitors and manages tenancy arrears recognising they are early indicator of crisis. Despite the challenges of COVID-19, AHV did not see a rise in rent arrears during 2019-20. In fact, a decrease of 36.98% in arrears was achieved for the financial year. This is the lowest number recorded in the past few years. These results could not have been achieved without the commitment, strength and resilience that our tenants demonstrated during the pandemic.

In response to COVID-19, our More Than a Landlord program (MTAL), with the assistance of donations, delivered 300 Elders Care Packs to AHV tenants aged 60 and over. To maintain engagement with tenants, Housing Officers conducted phone call check-ups, and we also developed a *Pandemic Policy and Emergency Management Plan* to ensure our business continuity.

MTAL continues to maximise opportunities for Aboriginal households to enjoy the benefits that secure housing can provide. During 2019-2020, the MTAL life skills and life coaching programs were delivered to tenants in the northern and western metropolitan areas of Melbourne.

Our Wellbeing team delivered Welcome Kits containing essential household items to new tenants across Victoria

During 2019-20, our teams delivered minor upgrades to 264 properties across AHV's portfolio, at a cost of \$1.26m. We also completed 93.0% and 96.5% of urgent and non-urgent maintenance work orders respectively on time. In July 2019, AHV revised the Maintenance Services Policy and developed a *Code of Conduct for Contractors*. This code outlines the standard of behaviour expected from contractors to treat AHV tenants and residents with respect at all times.

This year we revised and improved our complaints system. We have new processes for the monitoring and resolution of complaints. AHV received 26 complaints in total during 2019-20. Twelve of these were 12 received from tenants all of which were resolved within 30 days. AHV takes all complaints seriously and we welcome feedback to help us improve.



*Staff sorting Elders care packs, sent out to let them know we were thinking of them during the first lockdown*



*AHV staff having a yarn with tenants at a community BBQ in Mildura (2019).*

## Priority 5: Building better relationships with our Aboriginal clients and Victorian Aboriginal communities.

### 2019-20 highlights:

- **Attended 18 events with over 4,200+ people.**
- **Held our 20th NAIDOC event at the Collingwood Children's Farm.**
- **Produced 6 tenant newsletters and reached 2,800+ Facebook followers.**
- **Received 109 national media mentions and 25 state media mentions.**
- **Provided gifts to 800+ children and hampers to 300+ Elders at Christmas.**

To effectively communicate with and listen to tenants, we provide information in a variety of ways including bi-monthly newsletters, social media and online competitions, community gatherings, 6 monthly home visits and regular letters and phone calls.

In total, AHV participated in 18 events during 2019-2020 and of these AHV was the lead agency for 7. In all approximately 4,200 people participated in these events. The COVID-19 restrictions imposed from March 2020 put a temporary stop to all planned face-to-face events, and in response, AHV increased our print and online engagement.



*Wurundjeri Elder Uncle Dave performing a Smoking Ceremony at our NAIDOC celebrations (2019).*



*Deadly Hip Hop dancers entertain the crowd at our NAIDOC event (2019).*



*AHV staff with tenants at a community BBQ in Mildura (2019).*



*Volunteers from Indigenous Business Australia packing gifts.*



*Yorta Yorta artist DRMGNOW delivering a powerful online performance from Bargoonga Nganjin the North Fitzroy Library.*

## Priority 6: Strengthening partnerships with government, the housing and community sectors and corporate bodies



Steering Committee Chair, Prof Kerry Arabena, with Minister for Housing (Hon Richard Wynne MP) and then Minister for Aboriginal Affairs (Hon Gavin Jennings MLC).

### *Mana-na woorn-tyeen maar-takoort (Every Aboriginal Person has a Home).*

In February 2020, members of the Aboriginal community, Victorian Government and community housing sector came together to celebrate the official presentation of the *Mana-na woorn-tyeen maar-takoort (Every Aboriginal Person has a Home)*.

It is the first strategic Aboriginal housing and homelessness policy in Australia that is built on the principal of self-determination. AHV led the development of the strategy under the stewardship of a Self-Determining Steering Committee through consultations with AHV tenants, the wider Aboriginal community, Aboriginal organisations and key stakeholders. The policy offers detailed and practical solutions, with a 20-year agenda to address the Aboriginal homelessness crisis in Victoria. For more information visit: [www.vahhf.org.au](http://www.vahhf.org.au)

**ONE  
IN  
SIX** ABORIGINAL PEOPLE  
WILL SEEK HELP FROM A  
HOUSING SUPPORT  
SERVICE THIS YEAR



IF MAINSTREAM VICTORIA EXPERIENCED  
HOUSING CRISIS AT THE SAME RATE AS  
ABORIGINAL VICTORIANS

**ONE MILLION PEOPLE**  
WOULD BE SEEKING HOMELESSNESS  
ASSISTANCE EVERY YEAR

**HOMELESSNESS  
FOR ABORIGINAL  
VICTORIANS  
HAS GROWN  
IN FOUR YEARS**  **33%↑**

**WE NEED 27,000  
NEW ABORIGINAL  
HOUSEHOLDS  
BY 2036** 

## Advocating on issues that affect Aboriginal Victorians.

In 2019-2020, we made submission on the following issues:

- Royal Commission into Victoria's Mental Health System (RCVMHS)
- Parliamentary Inquiry into Homelessness
- Commission for Children and Young People's (CCYP)
- National Regulatory System for Community Housing (NRSCH).
- Collaborative sector-wide bid for \$35m in COVID stimulus funding.

## Establishing a voice for the Aboriginal Housing and Homelessness Sector

Leading implementation of the Framework has solidified AHV's role as a policy leader in the homelessness space. Immediate and rapid work has occurred following its launch to implement the Framework, and to continue Aboriginal community engagement, through the Aboriginal Housing and Homelessness Forum.

An Implementation Working Group has been established to drive future action on *Mana-na woorn-tyeen maar-takoort* with representatives from Aboriginal Community Controlled Organisations (ACCO's) and senior Government representatives. The Working Group is co-chaired by the Director of Housing, Ben Rimmer and AHV's CEO, Darren Smith.

## *Community Housing Aboriginal Cultural Safety Framework*

As a direct result of *Mana-na woorn-tyeen maar-takoort* the Community Housing Industry Association Victoria (CHIA Vic) developed the *Community Housing Aboriginal Cultural Safety Framework*, which aims to achieve structural and organisational change through deep understanding and awareness of Aboriginal cultural safety. It is a document tailored specifically for community housing organisations (CHOs) to help improve their Aboriginal cultural safety, accountability and monitoring in their organisations.

A copy of the Framework can be found at: [www.chiavic.com.au](http://www.chiavic.com.au)

## *HomesVic for Aboriginal Victorians Pilot*

The *HomesVic for Aboriginal Victorians* partnership with the Victorian Government provided a wealth of learnings around home ownership. This was drawn from over 120 Aboriginal Victorians who expressed an interest in the program. The program saw Aboriginal Victorians purchasing their own homes through the program.

The learnings from the program since its launch in March 2019 have enabled AHV to collate an evidenced-based picture of the home ownership aspirations of Aboriginal Victorians. These learnings will form the basis for future recommendations for the program.

## OUR PERFORMANCE

### 2019-2020 Highlights



**Completed 99%  
of work orders**



**Reduced arrears**



**Increased spend  
on repairs**



**Maintained 93%  
of tenancies**

### 2019-2020

Tenant requested maintenance and repairs	\$1,956,224
Work orders requested	5,377
Work orders completed (on time)	5,057
Vacant units and tenant damage repairs	\$1,353,013
Capital works and planned maintenance	\$4,726,155
Council and water rates for houses	\$3,234,921
Tenancies sustained	93.4%
Tenancies created	111
Total rent charged	\$16,440,209
Rental arrears	\$209,999
Average tenant rental arrears	\$592
Rent outstanding	1.28%

## GOVERNANCE

### AHV Board Charter and Company Directors

The 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.

### 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 CEO, 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 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.

## Board Structure and Meetings Continued.

**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 Board's 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 a regular 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 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 and one time-limited committee to support its deliberations and decision making; the Governance Committee and the Finance Audit and Risk Committee (FAR) and the Asset Committee. These committees are independent of, but accountable to the Board and comprise appropriately qualified Directors, Executive Directors and expert advisors/attendees as required.

**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.

**Asset Committee** - A time-limited Asset Committee was established during 2017-18, to advise, guide and direct the review of AHV's Asset Management Strategy, in order to ensure AHV's asset portfolio best meets service delivery needs in the future.

The committee structure and membership is reviewed on an annual basis. The Terms of Reference for the Finance Audit and Risk Committee, Governance Committee and Asset Committee outline the role, responsibilities and functions of the Committees.

All matters determined by the committees are submitted to the full Board as recommendations for Board ratification. Minutes of committee meetings are tabled at the ensuing Board meeting.

The Committees currently comprise the following members:

Finance, Audit and Risk	Mark Lipson (Chair) Tim Chatfield Robert Leslie Bevan Mailman
Governance	Daphne Yarram (Chair) Tim Chatfield Ian Hamm
Asset	Alan Herrman (Chair) Tim Chatfield Rob Leslie

## 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
- 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.

## FINANCIALS

### Director's 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 2020 and the Independent Audit Report thereon.

### Company details

The following persons were Directors of Aboriginal Housing Victoria during the 2019-2020 financial year:

- **Tim Chatfield** Director and Chairperson
- **Daphne Yarram** Director, Deputy Chairperson and Chair of Governance Committee
- **Mark Lipson** Director and Chair Finance, Audit and Risk Committee
- **Alan Herrman** Director and Chair Asset Committee
- **Ian Hamm** Director
- **Robert Leslie** Director
- **Bevan Mailman** Director
- **Duean White** Associate Director

### Principal activities

The principal activities of the company during the financial year was the provision of affordable social housing in the Aboriginal community in Victoria, and the development and completion of the comprehensive Aboriginal housing and homelessness policy framework, *Mana-na woorn-tyeen maar-takoort: Every Aboriginal Person Has A Home*.

The company's short-term objectives are to strengthen our asset management and development programs, to continuously improve the quality of housing service delivery, and to commence the implementation of *Mana-na woorn-tyeen maar-takoort*.

The company's long-term objectives are to grow the supply of affordable housing to meet the significant unmet demand for social and affordable housing in the Aboriginal community, and to achieve improved housing opportunities for Aboriginal Victorians across all housing tenures, including home ownership.

### Directors' meetings

During the 2019-20 financial year, 14 Board meetings were held (9 scheduled and 5 out of sessions as well as meetings for several Board committees). Most of the out of session meetings were held to approve major milestone payments for housing construction projects.

Board Directors sit on the Finance Audit and Risk Committee (FAR), the Governance Committee (Governance), and the time-limited Asset Committee (Asset).

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

	<b>Board</b>	<b>FAR</b>	<b>Gov</b>	<b>Asset</b>	<b>Total</b>
<b>Total meetings for 2019-20</b>	<b>14</b>	<b>10</b>	<b>4</b>	<b>5</b>	<b>33</b>
Tim Chatfield	14	10	4	5	33
Daphne Yarram	14	-	4	-	18
Mark Lipson	14	10	-	-	24
Alan Herrman	14	-	-	5	19
Ian Hamm	14	-	4	-	18
Rob Leslie	14	10	-	5	29
Bevan Mailman	14	10	-	-	24
Duean White*	5	-	-	-	5

\*Duean White has been appointed as an Associate Director, commencing February 2020.

The number of meetings that each Director attended during the year were:

	<b>Board</b>	<b>FAR</b>	<b>Gov</b>	<b>Asset</b>	<b>Total</b>
Tim Chatfield	14	10	2	5	31
Daphne Yarram	11	-	3	-	14
Mark Lipson	9	9	-	-	18
Alan Herrman	13	-	-	5	18
Ian Hamm	12	-	4	-	16
Rob Leslie	13	10	-	5	28
Bevan Mailman	12	7	-	-	19
Duean White	5	-	-	-	5

### **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 2020, the total amount that members of the company are liable to contribute if the company is wound up is \$350 (2019: \$350).

### **Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found in the financial report.

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

Director



Tim Chatfield



**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 2020, 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

Dated this day the 27th of November 2020

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Rental revenue	2	16,440,209	16,043,527
Other revenue	2	2,283,549	117,558,415
<b>Total revenue</b>		<b><u>18,723,758</u></b>	<b><u>133,601,942</u></b>
<b>Expenses</b>			
Depreciation and amortisation expenses		3,415,371	3,010,989
Employee benefit expenses		4,994,244	4,751,625
Housing program expenses		7,752,448	7,377,398
Administration expenses		1,095,164	1,511,980
<b>Total expenses</b>		<b><u>17,257,227</u></b>	<b><u>16,651,992</u></b>
<b>Surplus before income tax</b>		1,466,531	116,949,950
Income tax expense	1h	-	-
<b>Surplus for the year</b>	3	<b><u>1,466,531</u></b>	<b><u>116,949,950</u></b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Net gain/(loss) on revaluation of non-current assets	7b	111,655,124	(645,744)
<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><u>111,655,124</u></b>	<b><u>(645,744)</u></b>
<b>Total comprehensive income for the year</b>		<b><u>113,121,655</u></b>	<b><u>116,304,206</u></b>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	4,778,744	6,774,432
Term deposits		10,002,708	9,851,576
Trade and other receivables	5	462,904	441,059
Other current assets	6	1,435,127	1,755,590
<b>Total current assets</b>		<b>16,679,483</b>	<b>18,822,657</b>
<b>Non-current assets</b>			
Property, plant & equipment	7	556,493,207	440,725,626
<b>Total non-current assets</b>		<b>556,493,207</b>	<b>440,725,626</b>
<b>Total assets</b>		<b>573,172,690</b>	<b>459,548,283</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	2,394,025	2,564,764
Short-term provisions	9	696,801	514,332
Deferred grant income	10	1,517,446	1,496,581
Lease liabilities	11	263,364	-
<b>Total current liabilities</b>		<b>4,871,636</b>	<b>4,575,677</b>
<b>Non-current liabilities</b>			
Long-term provisions	9	39,462	43,446
Lease liabilities	11	210,777	-
<b>Total non-current liabilities</b>		<b>250,239</b>	<b>43,446</b>
<b>Total liabilities</b>		<b>5,121,875</b>	<b>4,619,123</b>
<b>Net assets</b>		<b>568,050,815</b>	<b>454,929,160</b>
<b>EQUITY</b>			
Retained earnings		449,012,821	447,546,290
Reserves	16	119,037,994	7,382,870
<b>Total equity</b>		<b>568,050,815</b>	<b>454,929,160</b>

The accompanying notes from part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Retained earnings	Revaluation surplus	Total
	\$	\$	\$
<b>Balance at 1 July 2018</b>	330,596,340	8,028,614	338,624,954
Surplus attributable to the company	116,949,950	-	116,949,950
Other comprehensive income	-	(645,744)	(645,744)
<b>Balance at 30 June 2019</b>	<b>447,546,290</b>	<b>7,382,870</b>	<b>454,929,160</b>
Surplus attributable to the company	1,466,531	-	1,466,531
Other comprehensive income	-	111,655,124	111,655,124
<b>Balance at 30 June 2020</b>	<b>449,012,821</b>	<b>119,037,994</b>	<b>568,050,815</b>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>Cash flow from operating activities</b>			
Rentals received		16,632,125	16,043,426
Grants received		1,890,056	1,535,320
Other receipts		195,886	493,618
Payments to suppliers and employees		(14,546,169)	(14,073,880)
Interest received		173,608	245,922
Net cash generated from operating activities	15b	4,345,506	4,244,406
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		215,614	1,603,691
Payments into term deposits		(151,133)	(224,391)
Payment for property, plant and equipment		(6,405,675)	(4,073,090)
Net cash used in investing activities		(6,341,194)	(2,693,790)
<b>Cash flow from financing activities</b>			
<b>Net cash used in financing activities</b>		-	-
<b>Net (decrease) / increase in cash held</b>		<b>(1,995,688)</b>	<b>1,550,616</b>
Cash and cash equivalents at beginning of the financial year		6,774,432	5,223,816
<b>Cash and cash equivalents at the end of the financial year</b>	<b>15a</b>	<b>4,778,744</b>	<b>6,774,432</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

#### Accounting policies

##### a. Revenue

###### Revenue recognition

The Entity has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

###### In the current year

###### Rental Revenue

The rental revenue is recognised on accrual basis when performance obligations included in the rental agreements are satisfied.

###### Operating Grants

When the entity received operating grant revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### **Interest Income**

Interest income is recognised using the effective interest method.

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

### **In the comparative period**

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

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Aboriginal Housing Victoria Limited receives non-reciprocal contributions of assets from the government and other parties for no or nominal value.

These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

### **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 valuations by external independent valuers at least every five years, 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 at fair value based on external independent valuation at least every 5 years.

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 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:

<b>Class of fixed asset</b>	<b>Depreciation Rate</b>
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

At inception of a contract, the company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the company where the company is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

### **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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### **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.

### **l. New and revised accounting standards effective at 30 June 2020 and new accounting policies adopted by the company**

The company has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including AASB 16 Leases (AASB 16), AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 15: Revenue from Contracts with Customers (AASB 15).

#### **AASB 16: Leases**

AASB 16 replaces AASB 117 Leases and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis.

The company has adopted AASB 16 Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

The company has recognised a lease liability and right-of-use asset for all leases (with the exception for short term and low value leases) recognised as operating leases under AASB 117 Leases where the company is the lessee.

There has been no significant change from prior year treatment for leases where the company is a lessor. The lease liabilities are measured at the present value of the remaining lease payments. The company's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right of use assets for the remaining leases were measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability, prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

The following practical expedients have been used by the company in applying AASB 16 for the first time

- for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied
- leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same way as short-term leases

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- The use of hindsight to determine lease terms on contracts that have options to extend or terminate
- applying AASB 16 to leases previously identified as leases under AASB 117: Leases and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

### **AASB 1058: Income for not-for-profit entities and AASB 15: Revenue from contracts with customers**

AASB 1058 replaces the income recognition requirements in AASB 1004: Contributions applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: Revenue from Contracts with Customers. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer (and therefore accounted for under AASB 15) if the agreement:

- (a) creates enforceable rights and obligations between the parties; and
- (b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer under AASB 15, the arrangement is accounted for in accordance with AASB 1058, which requires:

- (a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard, which in most circumstances requires the asset to be initially measured at its fair value;
- (b) any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions) to be accounted for in accordance with the applicable Australian Accounting Standard; and
- (c) any difference between the consideration given for the asset and its fair value, after recognising any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions), is recognised as income.

However, amending standard AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirement to right-of-use assets arising under leases with significantly below-market terms and conditions. This enables not-for-profit entities to elect to initially measure such right-of-use assets at cost rather than fair value, which has the corresponding effect of reducing the amount of income recognised under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

AASB 1058 also has specific recognition criteria in relation to transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity. The obligation to acquire or construct the non-financial asset is accounted for similarly to a performance obligation under AASB 15.

In accordance with the transition requirements of AASB 1058 and AASB 15, the company has elected to apply AASB 1058 and AASB 15 retrospectively, with the cumulative effect, if any, of initially applying the new standards recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The application of AASB 1058 and AASB 15 has not materially impacted the recognition and measurement of income or revenue from contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
<b>Note 2. Revenue</b>	<b>\$</b>	<b>\$</b>
<b>Rental revenue</b>		
<i>Operating activities</i>		
<b>Rental revenue</b>	<b>16,440,209</b>	<b>16,043,527</b>
<b>Other revenue</b>		
Interest income	161,959	245,375
Profit/(loss) on sale of property, plant and equipment	26,574	310,811
Revenue from contributed rental property assets	1,180,000	116,138,610
Other revenue	915,016	863,619
<b>Total other revenue</b>	<b>2,283,549</b>	<b>117,558,415</b>
<b>Note 3. Surplus for the year</b>		
<b>Expenses</b>		
Depreciation and amortisation		
Office buildings	8,444	8,444
Rental buildings	2,992,677	2,914,624
Office furniture and equipment	112,010	87,921
Right of use asset	302,240	-
Total depreciation and amortisation	3,415,371	3,010,989
Bad and doubtful debts expense	148,805	143,856
Rental expense on operating leases		
Office equipment and motor vehicles	-	130,837
Auditor remuneration		
Audit services	31,000	31,000
Other services – FBT compliance and other advisory services	5,950	18,576
Total auditor remuneration	36,950	49,576
<b>Note 4. Cash and cash equivalents</b>		
Cash at bank and in hand	4,778,744	6,774,432
<b>Total cash and cash equivalents</b>	<b>4,778,744</b>	<b>6,774,432</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

<b>Note 5. Trade and other receivables</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Rental receivables	315,409	527,791
Provision for impairment	(167,547)	(290,037)
	<u>147,862</u>	<u>237,754</u>
Other receivables	315,042	203,305
<b>Total current trade and other receivables</b>	<b><u>462,904</u></b>	<b><u>441,059</u></b>

**Note 6. Other current assets**

Prepayments	563,596	738,538
Accrued income	6,959	18,608
Assets under construction	624,572	809,563
Held-for-sale rental properties	240,000	188,881
<b>Total other current assets</b>	<b><u>1,435,127</u></b>	<b><u>1,755,590</u></b>

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

**Office property**

Freehold land at fair value		
Independent valuation at 30 June 2020	3,550,000	2,130,000
Buildings at fair value		
Independent valuation at 30 June 2020	650,000	370,000
Less accumulated depreciation	-	(26,738)
Total buildings	<u>650,000</u>	<u>343,262</u>
<b>Total office property</b>	<b><u>4,200,000</u></b>	<b><u>2,473,262</u></b>

**Rental property**

Freehold land		
At fair value	<u>349,255,009</u>	<u>251,454,282</u>
Buildings		
At fair value	202,421,498	192,520,673
Less accumulated depreciation	<u>(117,375)</u>	<u>(5,972,912)</u>
Total buildings	<u>202,304,123</u>	<u>186,547,761</u>
<b>Total rental property</b>	<b><u>551,559,132</u></b>	<b><u>438,002,043</u></b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>Note 7. Property, plant and equipment (continued...)</b>		
<b>Office furniture and equipment</b>		
Office furniture and equipment		
At cost	1,026,235	898,973
Less accumulated depreciation	(760,662)	(648,652)
<b>Total office furniture and equipment</b>	<b>265,573</b>	<b>250,321</b>
<b>Right of use asset</b>		
Right of use asset		
At cost	770,742	-
Less accumulated depreciation	(302,240)	-
<b>Total office furniture and equipment</b>	<b>468,502</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>556,493,207</b>	<b>440,725,626</b>

**Note 7a. 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	Right of use of assets	Total
	\$	\$	\$	\$	\$
<b>2019</b>					
Carrying amount at 1 July 2018	2,481,706	321,948,279	257,741	-	324,687,726
Additions at cost	-	119,803,012	80,501	-	119,883,513
Disposals	-	(834,624)	-	-	(834,624)
Depreciation expense*	(8,444)	(2,914,624)	(87,921)	-	(3,010,989)
Revaluation	-	-	-	-	-
<b>Carrying amount at 30 June 2019</b>	<b>2,473,262</b>	<b>438,002,043</b>	<b>250,321</b>	<b>-</b>	<b>440,725,626</b>
<b>2020</b>					
Carrying amount at 1 July 2019	2,473,262	438,002,043	250,321	-	440,725,626
Additions at cost	1,058,828	5,810,996	127,262	770,742	7,767,828
Disposals	-	(240,000)	-	-	(240,000)
Depreciation expense*	(8,444)	(2,992,677)	(112,010)	(302,240)	(3,415,371)
Revaluation	676,354	110,978,770	-	-	111,655,124
<b>Carrying amount at 30 June 2020</b>	<b>4,200,000</b>	<b>551,559,132</b>	<b>265,573</b>	<b>468,502</b>	<b>556,493,207</b>

\* Includes the depreciation on disposal assets

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

**Note 7. Property, plant and equipment (continued...)**

**Note 7b. Asset revaluations**

The office property was independently valued at 30 June 2020 by WBP Property Group. The valuation was based on the fair value. The valuation resulted in a revaluation increment of \$676,354 being recognised in the revaluation surplus for the year ended 30 June 2020.

The rental properties were independently valued at 30 June 2020 by WBP Property Group. The valuation was based on the fair value. The valuation resulted in a revaluation increment of \$110,978,770 being recognised in the revaluation surplus for the year ended 30 June 2020.

**Note 7c. 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.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Note 8. Trade and other payables</b>		
Trade payables	562,061	481,892
Rental payments in advance	1,074,578	889,617
Other current payables	700,915	1,159,180
Employee benefits	56,471	34,075
<b>Total trade and other payables</b>	<b>2,394,025</b>	<b>2,564,764</b>

**Note 9. Provisions**

**Analysis of total provisions**

Current	696,801	514,332
Non-current	39,462	43,446
<b>Total provisions</b>	<b>736,263</b>	<b>557,778</b>

**Provision for long-term employee benefits**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>Note 10. Deferred grant income</b>		
Capital grant funding	587,647	376,299
Operational grant funding	929,799	1,120,282
<b>Total deferred grant income</b>	<b>1,517,446</b>	<b>1,496,581</b>

**Note 11. Lease liabilities**

Current	263,364	-
Non-Current	210,777	-
	<b>474,141</b>	<b>-</b>

**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 2020.

**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.

**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:

	2020	2019
	\$	\$
Short term employee benefits	173,119	149,581
Long term employee benefits	-	-
	<b>173,119</b>	<b>149,581</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

<b>Note 15. Cash flow information</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>a. Reconciliation of cash</b>		
Cash at bank and in hand	<u>4,778,744</u>	<u>6,774,432</u>
<b>b. Reconciliation of surplus after income tax to cash flow from operating activities</b>		
Surplus after income tax	1,466,531	116,949,950
Non cash flows		
Depreciation and amortisation	3,415,371	3,010,989
Impairment of property, plant and equipment	-	-
Contributed assets	(1,180,000)	(116,138,610)
(Profit)/Loss on sale of property, plant and equipment	(26,574)	(310,811)
Changes in assets and liabilities		
(Increase) / Decrease in receivables	(21,845)	318,968
(Increase) / Decrease in prepayments and accrued income	189,271	(486,187)
Increase / (Decrease) in payables	303,403	256,264
Increase / (Decrease) in deferred provisions	178,485	100,242
Increase / (Decrease) in grants carried forward	20,864	543,601
<b>Cash flow from operating activities</b>	<u><b>4,345,506</b></u>	<u><b>4,244,406</b></u>

**Note 16. Reserves**

The revaluation surplus records the revaluation of the office property. At 30 June 2020 the office property was revalued to its fair value of \$4,200,000 giving rise to a revaluation increment of \$676,354.

The revaluation surplus records the revaluation of the rental property. At 30 June 2020 the rental properties were revalued to its fair value of \$551,676,507 giving rise to a revaluation increment of \$110,978,770. This along with prior year revaluations and the current year adjustments has resulted in the current revaluation surplus of \$119,037,994.

**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

## DIRECTORS' DECLARATION

1. The financial statements and notes, as set out on pages 6 to 20, 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 2020 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*.

A handwritten signature in black ink that reads "Tim Chatfield". The signature is written in a cursive, slightly slanted style.

Tim Chatfield (Director)

Dated 27 November 2020



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 2020, 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 2020 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Sripathy Sarma

Principal

Dated this 27<sup>th</sup> day of November 2020



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Controlled Health Organisation Inc.

Victoria State Government

Yarra City Council

Yarra Valley Water