



Vision and Objectives

In April 2014 the Board adopted a new vision, values and objectives to take AHV into the future. These grew out of consultative sessions involving all AHV staff and included our analysis of data on Victoria’s Aboriginal population and their needs, as well as feedback from tenants and the broader Aboriginal community. The vision recognises the importance of stable housing as a pathway to improved social and economic outcomes for Aboriginal people.

Our Vision

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

Our Values

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

Our Objectives

- be independent and financially viable,
- provide efficient and effective housing services for Aboriginal people,
- manage our housing stock to ensure quality and affordability,
- leverage our housing assets to maximise housing opportunities for Aboriginal people,
- invest in a culturally and socially responsible manner,
- develop constructive and mutually beneficial partnerships and relationships within the housing and community sector,
- develop best practice community and tenancy engagement,
- advocate for, influence and deliver improvements in Aboriginal housing and other outcomes, and
- maintain high standards of accountability, probity and transparency to tenants, clients, the Aboriginal community, Government and the public.

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Chairperson's Overview

Tim Chatfield Chairperson

“We are committed to achieving transfer of title on all the houses we manage and also leveraging our housing assets to maximise housing opportunities for our communities into the future.”

In 2013-14 Aboriginal Housing Victoria developed a new vision and supporting strategic objectives which will guide our organisation into the future.

We know that appropriate, secure and affordable housing is fundamental to our people's ability to better their lives and strengthen their communities. The right to housing is recognised in a number of international human rights statutes because it is integral to the right of an adequate standard of living.

Without stable, secure and appropriate housing it is difficult for children to participate in education, for people to find and retain work, live a healthy life and avoid negative contact with the criminal justice system. Some of our most intractable problems such as child neglect and abuse and family violence are almost impossible to address in the absence of adequate housing.

Housing is AHV's core business. We were established in 1981 when Aboriginal leaders and communities were frustrated by the lack of services for our people. It is through their hard work that we now have Aboriginal organisations that meet the legal, health, housing and child care needs of Aboriginal Victorians.

As well as advocating for better housing for Aboriginal Victorians our founders also aimed to manage housing independently and one day to own it too. Today we are an independent not-for-profit company that manages tenancies in over 1500 houses. We directly own 73 of these houses and manage the other 1449 on behalf of the Department of Human Services (DHS).

We are committed to achieving transfer of title on all the houses we manage and also leveraging our housing assets to maximise housing opportunities for our communities into the future. Our objective over time, is to expand our housing stock to facilitate and support home ownership for our communities, as well as providing rental accommodation for those in immediate need. This is because we realise that home ownership can provide a very important step towards wealth creation and wealth provides economic security and opportunities for our current and future generations.

To achieve these ambitions we need to continue to work towards achieving registration as a Housing Association. Fulfilling this important accreditation will enable us to expand our stock of housing through construction, purchase and acquisitions.

This year we have supplemented our Board membership to ensure that the Board has the skills and experience to provide the necessary governance and leadership to take us into the future.

I welcome the return of Dr Owen Donald and Mr Mark Lipson to the AHV Board and wish to thank them for joining with our other members – Ms Jacki Turfrey, Mr Graeme 'Wilkie' Austin and Mr Ian Hamm, in providing a highly skilled and innovative Board that above all else gives greatest priority to meeting the interests and needs of our community.

I would like to thank the management and staff of AHV. This year we have undertaken a major internal restructure and introduced a new management team to ensure we can meet our forthcoming challenges. Through these changes our staff have continued to deliver a high standard of service and shown the usual dedication to our clients. The Board greatly appreciates their efforts.

Thank you also to the Ministers for Housing and Aboriginal Affairs, the Department of Human Services and the Registrar of Housing who have supported us through our transition and shared our aspirations for better housing for Aboriginal Victorians.

Lastly I would like to thank our tenants and our communities for their support.

Tim Chatfield
Chairperson

Chief Executive **Officer's** Report

Jenny Samms Chief Executive Officer

“We believe the real strength of Aboriginal organisations lies in their connection to their communities.”

I am very proud to join Aboriginal Housing Victoria at this exciting and challenging stage in its journey towards self determination.

Aboriginal Housing Victoria was established because our founders refused to accept the inadequate and poor housing conditions experienced by many Aboriginal Victorians. Their fight for recognition and their advocacy for Aboriginal Victorians continue to be reflected in AHV's vision and values today. The way our organisation does business needs to honour the work of those who set up and developed the original Aboriginal Housing Board of Victoria.

Our tenants, our people on our waiting list and other Aboriginal Victorians needing housing support are the reason we are here. To meet their needs effectively we must be connected to our people and communities and we must understand the issues they are facing.

Aboriginal culture and our shared commitment to self determination underpin all that we do.

We are facing the immediate dual challenges of moving to a general lease arrangement with the Victorian Government and achieving Housing Association status. For some years now we have had tenancy and maintenance responsibilities for the housing we manage. Under general lease arrangements our responsibilities for maintenance and upgrades will grow further. This process will put into place the prerequisites to attain registration as a Housing Association, in turn providing AHV with the capabilities to expand and redevelop our housing stock.

To meet our community needs now and into the future AHV needs people with the right skills and experience. For this reason we have undertaken a major re-organisation within AHV and introduced a new executive management structure.

As well as the CEO, the executive management team now consists of Deep Fernando, Chief Financial Officer; Darren Smith, Director of Executive Co-Ordination; Ari Spierings, Director of Human Resources and Organisational Development; and Des Rogers, Director of Operations. Together this team will strengthen the quality of advice and support we provide to the Board, lift our policy development capacity, improve our communication with stakeholders and community, provide us with the capacity to enter into financial agreements and partnerships and take on commercial developments, and better align our asset maintenance and tenancy services. We are also creating team-based structures within AHV and have already appointed Tracey Winmar and Charlotte Dillon as team leaders with responsibility for tenancy and client services respectively. Further details of our organisational structure are laid out on page 19.

It has become increasingly apparent that many Aboriginal people are experiencing excessive hardship in the current social and economic environment.

Our waiting list has increased by around 20% in the last 6 months. Not only do we not have enough housing, but often the size and location of our properties do not meet tenants' needs. Unfortunately, we are also experiencing an increase in major property damage by some tenants. While this level of damage is only incurred by a very small proportion, the cost has a major impact on our ability to meet housing maintenance requirements for the rest of our tenants. We understand and recognise that more often than not, those tenants that cause major damage are experiencing a range of complex social issues that require sophisticated service system responses. We call on government to work closely with us to better support those among our tenants who are most vulnerable.

The real strength of Aboriginal organisations lies in their connection to their communities. Therefore we greatly appreciate the support received from our communities and the willingness of other Aboriginal and non-Aboriginal organisations to work with us to achieve better and lasting outcomes for all Aboriginal Victorians.

Like our Chair, I would like to sincerely thank our Board and our staff for their professionalism, hard work and commitment over the past 12 months, and would also like to thank the Department of Human Services and the Registrar of Housing for their continued support.

I look forward to working with them all in the coming year.

Jenny Samms
Chief Executive Officer

2013-14 In Review

Our Houses

AHV fully manages 1,522 properties across Victoria. Of these, 73 are owned by AHV, with the remainder managed on behalf of the Department of Human Services (DHS).

Our houses are throughout metropolitan Melbourne and regional Victoria, with the heaviest concentration of properties in the Loddon Mallee (302), Gippsland (219) and Hume (198) regions. Within the metropolitan area we have 43 properties in the Eastern region, 141 in the Western Region, 185 in the Northern region and 166 in the Southern region.

Our Tenants

AHV has 1,501 tenants and our properties house at least 3,967 people, representing 8% of the population of Aboriginal Victorians. To ensure we are able to meet the needs of our tenants right across the state, AHV has Housing Officers located in Warrnambool, Ballarat, Mildura, Bendigo, Shepparton, Bairnsdale, Morwell and metropolitan Melbourne.

People Waiting for Houses

Demand for our properties is high. Over and above existing tenants we have 906 approved applicants ready to be allocated houses as they become available. A further 266 applicants are currently part way through the application process. The Northern Melbourne metropolitan and Loddon areas show the highest numbers seeking housing. In terms of property type, we are seeing an increasing number of requests for one and two-bedroom homes.



This is the breakdown of 25 suburbs with highest application count:

Suburbs	Number of Applicants	Region	Local Government Authority
Shepparton	58	Hume	City of Greater Shepparton
Mildura	47	Loddon	City of Mildura
Echuca	45	Loddon	City of Campaspe
Preston	39	Northern	City of Darebin
Epping	30	Northern	City of Whittlesea
Warrnambool	29	Barwon	Warrnambool City Council
Bairnsdale	27	Gippsland	East Gippsland Shire Council
Dandenong	26	Southern	Greater Dandenong City Council
Swan Hill	24	Loddon	Rural City of Swan Hill
Thornbury	23	Northern	City of Darebin
Wodonga	22	Hume	Wodonga City Council
Bendigo	21	Loddon	Greater Bendigo
Ballarat	19	Grampians	Greater City of Ballarat
Lakes Entrance	15	Gippsland	East Gippsland Shire Council
Bundoora	14	Northern	City of Whittlesea
Melton	14	Western	Melton City Council
Morwell	14	Gippsland	Latrobe City Council
Mill Park	13	Northern	City of Whittlesea
Altona Meadows	12	Western	Hobsons Bay City Council
Mooroopna	12	Hume	City of Greater Shepparton
Pakenham	12	Southern	Cardinia Shire Council
Reservoir	11	Northern	City of Darebin
South Morang	11	Northern	City of Whittlesea
Eastwood	10	Gippsland	East Gippsland Shire Council
Footscray	10	Western	Maribyrnong City Council

Regional Applicants (approved)

Barwon	74
Eastern	42
Gippsland	93
Grampians	43
Hume	99
Loddon	159
Northern	173
Southern	102
Western	105
Unspecified	16
Total	906

Maintenance of AHV properties

AHV raised 4,509 maintenance works orders from its dedicated call centre. Of these, 79.8% on non-urgent repairs were addressed within 14 days. This is similar to the industry average.

Four Technical Property Officers based in Bendigo, Shepparton and Melbourne support our maintenance program.

Communications

AHV's quarterly newsletter allows us to better connect with our clients and the community. It provides us with a vehicle that communicates with our tenants, the community and our stakeholders about what is happening at AHV, what is planned for the future and how this impacts on our ability to serve our clients. Feedback has been positive.

Internal Re-organisation

To ensure AHV has the internal capacity to meet future challenges and better meet the needs of our tenants and communities, a complete restructure of our organisation has been completed. The executive team now comprises a Chief Executive Officer and Directors of Executive Co-ordination, Operations, Human Resources and Organisational Development and a Chief Financial Officer.

A dedicated Client Services team has also been established to improve the standard of service we provide to our tenants, to those on the waiting list and all Aboriginal Victorians experiencing housing issues.

Our Staff

Pleasingly, staff turnover has decreased significantly. Retention of valuable experience is an important component for future growth and will complement our new management structure.

Ongoing personal development is also an important component of our growth strategy.

- Four members of the Tenancy team attended the Victorian Indigenous State Homelessness Network (VISHN) Homelessness Conference held in New Zealand in September 2013. The trip highlighted similarities in problems that Indigenous people throughout the world are facing in relation to housing, such as recurring homelessness, shortage of suitable housing, a lack of income earning capacity causing an inability to afford private accommodation and low home ownership rates compared with non-Indigenous people.
- In conjunction with Swinburne University, AHV developed and funded a course for key staff to complete the Certificate IV in Social Housing. This program was tailored to meet Indigenous housing needs, targeting industry Housing Officers and support workers as participants. The course had a strong focus on creating a better understanding of the issues inherent in the effective management of social housing and how to work with people at risk of homelessness. Nine of the

sixteen graduates were from AHV. A presentation ceremony was held at our offices in October 2013 where graduates were officially awarded their certificates and sashes by representatives from Swinburne University.

- To ensure that we provide culturally appropriate services all staff participated in the, "Our Place" Cultural Awareness and Competence program, held over two days in November 2013.
- In recognition of the challenging and stressful people settings our staff work in all staff attended full-day Resilience Training workshops. The sessions covered key concepts of resistance, resilience and recovery as they apply to managing both cumulative stress and vicarious trauma. An additional day was devoted to a participative workshop on AHV's vision and values.

Information Technology

AHV has installed and commissioned a new software management system to automate all aspects of tenancy management. The key benefits for us and our clients are: the integrity of our data, centralised storage of information for ease of access, faster response times and better reporting and auditing functions.



Company Directors

Tim Chatfield

- Chairperson of Aboriginal Housing Victoria
- CEO of Budja Budja Aboriginal Cooperative
- Current Member Aboriginal Cultural Heritage Council Victoria
- Current Shareholder/Member Framlingham Aboriginal Trust
- Former Tumbukka Chairperson
- ATSIC and former Ministerially appointed Taskforce member
- Victorian Indigenous Family Violence Strategy
- Current Chairperson Martang Pty Ltd
- Member sitting on the PAAC



Graeme Austin

- Deputy Chairperson Aboriginal Housing Victoria
- Current Bringing Them Home (BTH) Worker, Victorian Aboriginal Health Service
- Court appointed Respected Person, Koori Court Division of County Court of Victoria and Broadmeadows Magistrates Court
- Life Member of Fitzroy Stars Football, Netball, Basketball, Softball, Athletics, Boxing, Self Defence and Fitness
- Former CEO of Victorian Aboriginal Health Service
- Former Chairperson of Tumbukka Regional Council (ATSIC)



Jacquelyn Turfrey

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



Ian Hamm

- Career public servant for Commonwealth and State governments
- Currently Director Indigenous Economic Development – DSCBI (Vic Govt)
- Current directorships:
 - Aboriginal Housing Victoria
 - Connecting Home (Chair)
 - Koori Heritage Trust
 - Tigers in Community Foundation
 - First Nations Foundation



- Member:
 - Forest Sustainability Council – Victorian Association of Forest Industries
 - Camps Committee – Sport and Recreation Victoria
- Former President and Board member – Western Region Football League
- Fellow – Institute of Public Administration Australia

Owen Donald

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



Mark Lipson

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



Corporate Governance & Committees

Aboriginal Housing Victoria maintains high standards of corporate governance, complies with legal and regulatory requirements, meets performance standards required of Victorian registered housing providers and is accountable to government, the Aboriginal community and our clients.

Our organisation is committed to being a corporate citizen of good standing, behaving ethically and responsibly in all dealings with stakeholders and providing employees with a safe and rewarding working environment.

Laying Solid Foundations for Management and Oversight

Aboriginal Housing Victoria's Board operates in accordance with its agreed values.

Board Composition:

- The Board is comprised of non-executive directors that bring a diverse perspective to the Board's consideration of strategic, risk and performance matters; and are best placed to exercise independent judgment and review, and to constructively challenge the performance of management.
- The Chairperson is elected by the full Board and is required to meet regularly with the Chief Executive Officer.
- The company maintains a mix of Directors on the Board from different backgrounds with complementary skills and experience.
- The Board considers the appropriate mix of skills required by the organisation to maximise its effectiveness and its contribution.

Role and Responsibilities:

The role of the Board is to provide leadership, set AHV's direction and oversee operations. This includes setting strategic goals and priorities, and overseeing management's implementation of strategic objectives and performance. The Board is also responsible for appointment of key positions, including the Chairperson, Deputy Chairperson and Chief Executive Officer (CEO).

The responsibilities of the Board include:

- Overseeing the operation of AHV including management's implementation of strategy and monitoring, and reviewing performance;
- Providing input and final approval of AHV's policies;
- Providing input and final approval of AHV's corporate strategy and annual business plan;
- Approving capital and operating budgets;
- Overseeing the integrity and AHV's accounting and corporate reporting systems including external audit;

- Approving the AHV remuneration framework; and
- Monitoring the effectiveness of the AHV governance practices.

The Board has established committees to assist in the execution of its duties and to allow detailed consideration of complex issues. During 2013-2014 the Board undertook a review of its committees in order to both increase their efficiency and reduce costs. This culminated in the combining of the former Business Development Committee into the Finance Audit and Risk Committee and a resolution to formally establish a new Governance Committee.

Current committees of AHV are:

- Finance, Audit and Risk Committee

The role of the Finance, Audit and Risk Committee is to oversee AHV's financial controls, audit functions and identify, manage organisational risk, monitor matters outstanding with auditors, the ATO, ACNC and financial institutions and monitor compliance with the Corporations Act 2001.

- Governance Committee

The role of the Governance Committee is to assist and advise the Board on matters relating to the make up and performance of the Board, CEO selection and performance, and executive and employee remuneration.

The Board's Policy and Planning Committee ceased in the last quarter of the financial year and its work was absorbed into the Board's standard agenda.

The committee structure and membership continue to be reviewed on an annual basis.

Each committee has its own written charter setting out its roles and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All of these charters are reviewed on an annual basis and are available on the company website. All matters determined by committees are submitted to the full Board as recommendations for Board ratification. Minutes of committee meetings are tabled at the following Board meeting.

The Board, through its charter, and subject to certain exceptions, delegates authority to the Chief Executive Officer for the management of the company, and to ensure all appropriate decisions are adequately determined. The Chief Executive Officer and Management Team are responsible for day-to-day management of AHV's affairs and implementation of corporate strategy and policy initiatives under the oversight of the Board. The Board strives to maintain a high level of accountability and acknowledges the need for continuous improvement to meet the evolving needs of the community at large.

Structuring the Board to Add Value

The Board seeks to ensure that:

- At any point in time its membership represents an appropriate balance between Directors with experience and knowledge of the organisation, and Directors with specialist expertise or fresh perspective; and
- The size of the Board is conducive to effective discussion and efficient decision making.

Appointment of Directors

In accordance with the company's constitution, the number of Directors comprising the Board is no less than 5 and no more than 7

- Terms of Office

The company's constitution specifies that Directors hold office for a term commencing on the date from which he or she is appointed and concluding at the expiration of the third Annual General Meeting of the Company, following appointment.

- Commitment

The number of meetings of the company's Board of Directors and of each Board Committee held during the year ended 30 June 2014, and the number of meetings attended by each Director is disclosed under "Board of Directors".

Prior to appointment or being considered, each non-Executive Director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the company.

- Conflicts of Interest

Directors and Board Committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the company's expense. Prior written approval is required however - this will not be unreasonably withheld.

Promote Ethical and Responsible Decision Making

In performing the responsibilities of the Board, Directors act at all times in a manner designed to create and continue to build sustainable value in accordance with the duties and obligations imposed on them by the organisation's constitution and law.

Safeguard Integrity in Financial Reporting

The company and Finance, Audit and Risk Committee follow policy to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

The external auditor is requested to attend the Annual General Meeting and be available to answer questions about the conduct of the audit and the preparation and content of the audit report.

The CEO and the Chief Financial Officer have made the following certifications to the Board:

That the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and are in accordance with relevant accounting standards.

That the above statement is founded on a sound system of risk management and internal compliance and control, and implements the policies adopted by the Board and that the company's risk management, internal compliance and control are operating efficiently and effectively in all material respects.

Make Timely and Balanced Disclosure

Disclosure is aimed to take place in a timely and reasonable time-frame with transparency being the overarching aim.

Encourage Enhanced Performance

The Board undertakes a regular self assessment of its collective performance, the performance of the CEO, Chairperson and of its Committees. Management is invited to contribute to the appraisal process. The Board seeks to approve the criteria for assessing performance of senior management and for monitoring and evaluating the performance of senior management generally.

Recognise the Legitimate Interest of Stakeholders

The Board acknowledges its responsibilities to external stakeholders and the wider community at large.

This includes their most important stakeholder - the Aboriginal community members.



Organisational Structure

In the first six months of 2014, AHV undertook a significant organisational restructure as we renewed our commitment to partnering with our tenants and other stakeholders and improving housing for the Victorian Aboriginal community. The roles that have been created and our new team structure, ensure we're in a strong position to meet the upcoming challenges inherent in taking on the responsibility of a general lease arrangement with the Department of Human Services (DHS). In addition it will assist us with achieving our goal of achieving registration as a Housing Association.

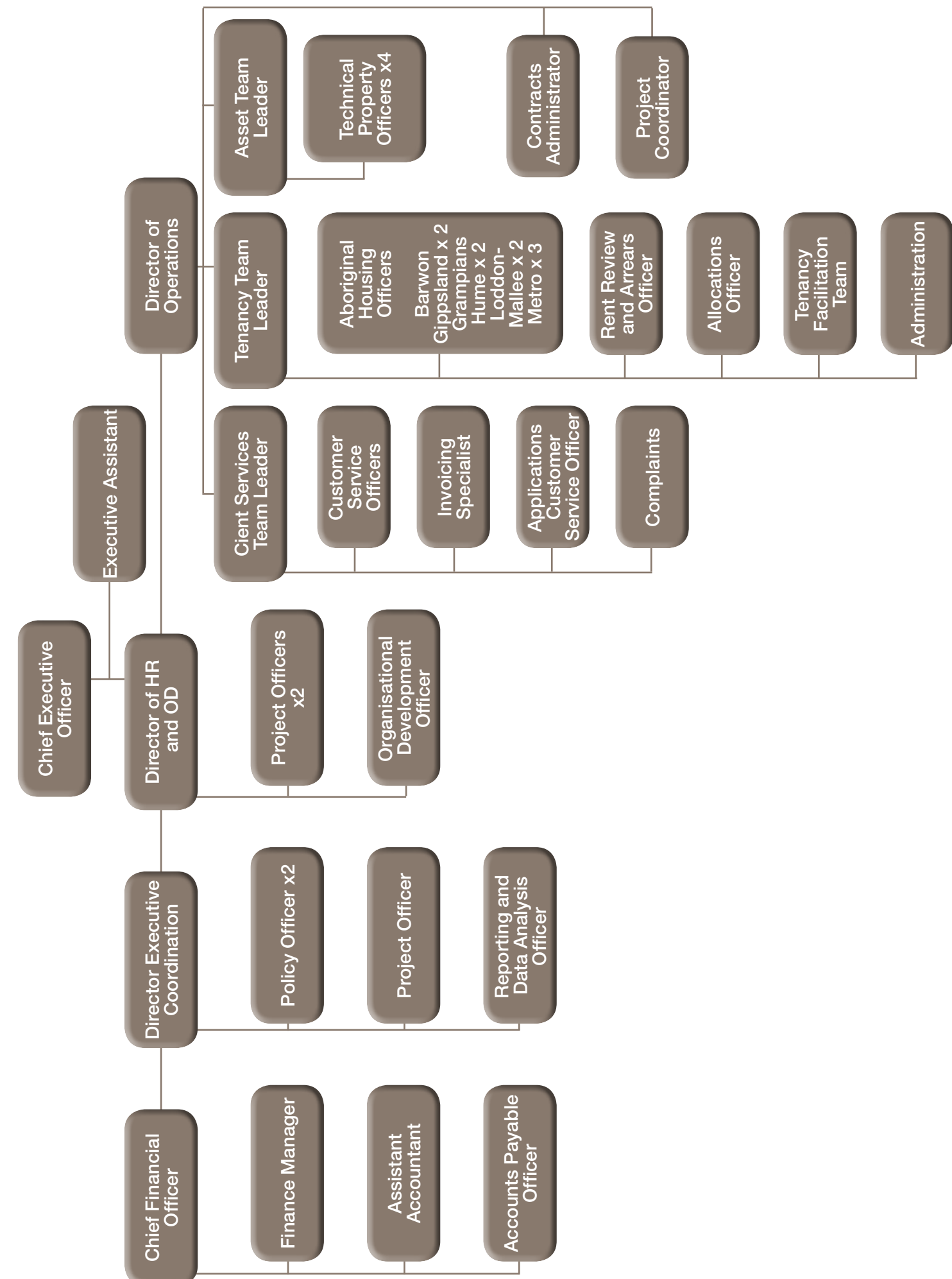
A new executive management team is in place, with a breadth of experience across Aboriginal affairs, social housing, policy and governance, asset management and business operations. The combined experience of this team will ensure AHV has the strategic and policy capability to plan for the organisation's future, whilst establishing a culture whereby all staff in all parts of the organisation are committed to meeting the needs of our tenants and our clients on our waiting list, and advocating for quality housing for all Aboriginal people. The team comprises:

- Chief Executive Officer – Jenny Samms
- Director Executive Co-ordination – Darren Smith
- Director Operations – Des Rogers
- Chief Financial Officer – Deep Fernando
- Director Human Resources & Organisational Development – Ari Spierings

The operational positions within the organisation are also undergoing change as we investigate ways to deliver services more efficiently and effectively.

Part of this work involves giving consideration to ways we can expand our service offering in line with AHV's commitment to increasing opportunities for self-determination and building the capacity of the Victorian Aboriginal community more generally.

Over the coming twelve months we look forward to advancing this work to deliver culturally appropriate, high quality housing services.



Operations Report

“Improvement in the quality of our operating systems and processes is a necessary pre-condition for us to successfully transition to general lease arrangements and eventually to achieve Housing Association status.”

As part of our internal re-organisation in early 2014, AHV brought all tenancy and asset management services together under a new Director of Operations role, which was established in late May 2014.

The scope of my work here at AHV is to provide a more integrated and responsive model of service delivery that will improve our services to our clients. Improvement in the quality of our operating systems and processes is a necessary pre-condition for us to successfully transition to general lease arrangements and eventually to achieve Housing Association status.

The Operations area manages the core business of AHV including all accommodation owned or leased by the Company, its maintenance and improvement as well as services to tenants.

There are three teams in the Operations area:

Asset Management - team leader yet to be appointed as at 30 June

Tenancy Services led by Tracey Winmar.

Client Services led by Charlotte Dillon.

Prior to this new structure Deb Shortis led the work of the Tenancy area and Glyn Doherty the work of Asset Management. I would like to thank both Deb and Glyn for their work leading these areas.

Assets

Since 2013 AHV has been responsible for responsive maintenance of all Department of Human Services (DHS) properties managed by AHV as well as those owned by AHV - a total of over 1500 properties.

The Asset Maintenance call centre has provided a direct line for tenants seeking maintenance work on their homes. When we move to general lease arrangements we will also take on responsibility for structural work and upgrade of properties. The development of a strategic asset management plan is underway to guide the next three to five years of operations.

In the past year AHV has completed new construction projects at:

Jackass Flat, Bendigo - two four-bedroom properties have been completed and are now tenanted; and

King William St, Reservoir - three units, each with three bedrooms, are now at completion but not to certification stage.

These construction projects demonstrate AHV's ability to take on and deliver developments – thereby increasing housing stock available to our communities.

In this reporting year, 4,509 maintenance requests were raised, an average of 87 per week. 70.4% of these were identified as urgent and were actioned within 24 hours and 79.8% of non urgent repairs were addressed within 14 days.

Tenancy

The tenancy team currently service 1501 tenants and in many cases their immediate families, across 1522 properties. The organisation's focus on building sustainable tenancies has paid off, with a stabilisation in rental arrears.

However, vacated arrears increased by 16%. In an effort to reverse this trend AHV is looking forward to being more proactive in its tenant engagement, working with our clients to keep our housing stock in good order. This will ensure AHV is able to invest its money and efforts into improving service delivery and increasing housing stock.

Demand for housing continues to be very strong, however there is a shift in preference, away from large family homes to smaller one and two-bedroom accommodation. We are factoring this into our planning for future investment.

Client Services

The Client Services team was established in the last week of June 2014. It will incorporate the maintenance call centre functions that were once housed within the Asset team and will soon take over all calls to AHV, providing a one-stop shop for our tenants when they call. The staff within the team will be trained to assist with referrals and over time it is expected that this team will expand to include additional functions that will increase AHV's efficiency to better meet our tenants' requirements.

Of course it is too early to assess performance in this area, but the outcomes so far have been very positive, with staff commencing cross training in all areas of the business.

Over the coming 12 months the operations area will be focussed on staff development and improved communication and engagement with tenants. Staff from right across our organisation, but the Operations team in particular, will be going out into the Victorian community to listen to tenants and other Aboriginal organisations to find out what AHV can do to better service our clients.

Des Rogers
Director of Operations



Kevin Atkinson with one of our tenants.

Executive Co-Ordination Report

“AHV is one of many trusted Aboriginal institutions in Victoria and can not only grow as a housing provider but also potentially make a unique contribution to the cultural, social and economic aspirations of Victoria’s Aboriginal communities.”

AHV’s Board was clear that in order for AHV to meet future challenges, achieve its aspirations and continue to grow, the organisation would need to strengthen its governance and strategic policy capability. This requires a senior management team with a depth of operational experience and strong leadership. The Director of Executive Coordination provides strategic policy leadership to the team.

The aspiration of AHV’s Board is to grow the organisation to meet the growing need in the Aboriginal community for affordable housing. My role is to understand the political and policy environment, identify the challenges and opportunities and to support senior managers and the Board to steer a course forward to achieve AHV’s aspirations.

Early on a set of key priorities were developed based on the Board’s views and reflecting the views of DHS and the Housing Registrar.

These key priorities are:

- Strengthening Board governance and supporting Board decision-making by improving advice to the Board;
- Assessing AHV’s capability and developing a work program to ensure that AHV has sophisticated policies and procedures, systems and financial, risk, project and operational management to meet:
 - standards from the National Regulatory System for Community Housing which will be introduced into Victoria through updated performance standards, particularly those relating to community engagement; and,
 - the higher standards of governance, probity and accountability required of Housing Associations commensurate with the increased scale, complexity and level of risk carried by a housing association involved in the business of developing and growing social housing stock.
- Developing an asset management strategy and improving contracting arrangements and management of works;
- Reviewing policies and procedures to improve the efficiency and effectiveness of property and tenancy services and improve management of key issues impacting on AHV’s financial viability such as the rise in tenant damage to properties and the ever present spectre of rental arrears.

Since commencing in the role work has been advanced in relation to these priorities, including:

- Board processes have continued to improve and a major step forward has been taken in performance reporting for the Board;
- A new works contract has been developed for maintenance providers;
- Expert advice has been developed which informs further work in relation to the asset management strategy and works contract and management arrangements;
- A number of internal working groups have been established and have commenced work to identify areas where we can improve engagement with clients and community and improve service delivery;
- Commencing development of AHV’s capacity building plan; and,
- Business planning has commenced to incorporate a work program to meet the key priorities.

A small policy team was assembled late in the financial year to support the majority of this work which is carrying forward into the new financial year. Over the next twelve months the team will be responsible for delivering:

- Highest quality secretariat and policy support and advice to the Board of Directors;
- The 2014-15 business plan;
- Statewide consultation with tenants, clients and Aboriginal communities to affirm strategic directions and to seek views on how to improve relationships and service delivery;
- A community engagement strategy which will detail how AHV engages with tenants and Aboriginal communities including through tenant workshops and community meetings;
- An asset management strategy and asset and maintenance plans;
- Revised internal policies and procedures to align with the asset management strategy, to improve service delivery and engagement and to respond to issues impacting on AHV’s financial viability; and
- Improved performance monitoring and reporting.

Darren Smith
Director, Executive Coordination

Human Resources & Organisational Development Report

“The new financial year will be an exciting one for our team as we reconnect staff with AHV’s history and purpose...”

This new position - Director of Human Resource and Organisational Development - has been established in response to a recognised need to strengthen AHV’s capacity and skill base, enabling us to better meet our commitments to our clients and the community and also to meet the challenges that lie ahead. Now a small team with responsibilities that extend beyond personnel, we aim to ensure that AHV’s staff are well trained, supported and equipped to provide the best possible service.

I am responsible for implementing HR policies and programs, and providing strategic and operational support in all matters relating to staff development, change management and industrial relations. Our team looks after general corporate services functions, such as managing AHV’s office accommodation and the car fleet as well as IT and telephony support services.

The team also currently oversee a number of projects related to information management, internal policy and procedure, and communications.

As a group our team has to be very collaborative. We work across the business to either deliver organisational development services such as training, or to seek and contribute feedback on projects.

In the six months since the Director of Human Resources and Organisational Development position was established a number of achievements have supported AHV’s commitment to engage and partner with our tenants:

- An organisational development plan has been prepared, focusing on up-skilling client-facing staff with the skills to identify and respond to the needs of tenants. Training has commenced and will be ongoing over the coming 12 months.
- We have been instrumental in planning and implementing an organisational restructure which has seen a strengthening of the executive management team and the development of team structures that will better enable us to deliver our services effectively.
- In the six months post December 2013, we have increased the number of senior Aboriginal managers within the organisation from 25% to 43%.

But we’ve got much more planned. Over the coming 12 months we:

- will be seeking to complete the up-skilling program we’ve devised for staff.

- will be increasing staff cultural awareness by providing regular opportunities for cultural learning.
- will be looking at how our employees’ jobs are designed and if there are more effective ways we can distribute or manage our workloads.
- will be looking for ways to attract a greater number of Aboriginal candidates to the organisation and invest in their training and development.

The new financial year will be an exciting one for our team as we reconnect staff with AHV’s history and purpose, and seek to give them the skills to provide the best possible social housing and services for our tenants throughout Victoria.

Ari Spierings

Director of Human Resources and Organisational Development



Pauline Smith with one of our tenants.

Mick Gooda is in there, fighting for human rights

“If we’re in there fighting for our mob, be it in housing or in health, we’re all human rights activists.”

Mick Gooda, Aboriginal and Torres Strait Islander Social Justice Commissioner for the Australian Human Rights Commission, visited AHV on Friday, 6 June, to speak extensively on the principles of human rights - sharing his knowledge, experiences and stories with the AHV Team.

Mick is a descendent of the Gangulu people of central Queensland and is well respected for his involvement in advocacy within Aboriginal and Torres Strait Islander affairs throughout Australia for over 25 years. Mick’s family history is connected to the Woorabinda Mission way up north. He explains that his great-grandmother had actually been living “on country” and significantly, his grandfather walked from the old Taroom Mission to establish Woorabinda in the 1920s - where his mother was born.

He has worked extensively in the Aboriginal Community across Australia. Some of his early career was spent on Thursday Island in the Torres Strait during the days of struggle for Native Title.

Later working as the Chief Executive Officer of the Cooperative Research Centre for Aboriginal Health and as a Chief Executive for the now defunct ATSIC, Mick outlined how he came to join the Australian Human Rights Commission, a role he at first didn’t think he was suited to. He explained how his previous Community experience was good grounding: “If we’re in there fighting for our mob, be it in housing or in health, we’re all human rights activists.”

The Australian Human Rights Commission is a government-funded independent organisation with 8 commissioners who are appointed by the Governor-General. Their line of responsibility is directly to Parliament. “Even though we’re funded by government, the way we’re appointed makes us independent”, says Mick. “Our job really is to make sure Australia complies with the international standards that it signed up to”. These standards are in the form of 7 treaties including elimination of racial discrimination, rights of the child and women, civil, political and cultural rights.

The Commission makes the Government aware of any breaches in their human rights obligations and any legal implications as a result. Mick gave examples of these types of breaches, such as the 2011 plan to relocate boat refugees to Malaysia; and the Northern Territory intervention, where the Commission pointed out the suspension of the Racial Discrimination Act would put Australia in breach of their international obligations. “We point out to Governments where they’re going wrong”, says Mick.

Describing the work of the Commission, Mick says that complaints take up a large proportion of their work. These are broken down into rough percentages of 40% for disabilities, 20% for race, 20% for gender, a smaller, yet growing percentage for age - and the rest for other discrimination. “If you think you are being discriminated against - ring our line,” he encourages. “So there’s a complaints area that’s really formal but also we’ve got political doors that we can open.”

Defining the theory of human rights, Mick believes people get their interpretation wrong - even human rights activists. He speaks of two important features, the first he describes as “the universality of human rights”. By definition this means “you don’t have to do anything to be entitled to human rights”, no matter your race, religion or socio-economic status. “You are part of the human race”, he puts it. The other is “what we call the indivisibility of human rights and that means we don’t have hierarchies of rights - all rights are equal.” However, Mick explains that what people don’t consider with human rights “is that there is a duty on you to exercise them in a couple of ways and if you do that - they are

all equal. The problem is not everyone does that.” To resolve what he refers to as a “contest of human rights”, whereby sometimes our own rights can conflict with those of others, Mick elaborates: “you have a couple of duties. And the first one is you’ve got to exercise that right in a way that makes sure everyone else can exercise it ... and then you’ve got to exercise it in a way that protects other’s rights, so the right to secure personal safety ... the rights of women, children and elders.”

Resolving these “contests” or “conflicts” of rights in society is centred on debate within the general community and then coming to a conclusion. “But the problem with Aboriginal affairs”, says Mick, “is we don’t have those debates.” Mick believes this method of debate and conclusion to resolve rights “contests”, works just as well for the Aboriginal Community - as an independent responsibility. “I have so much faith in our mob,” says Mick, “that once they’re given that information and given the space to make a decision - they’re going to make an appropriate decision.”

Later Mick took questions from the AHV Team on a wide range of topics relating to the Commission, human rights and some of Mick’s own thoughts. He spoke on the independence of the Commission in comparison to that previously exercised by ATSIC; the issues around the redevelopment of “the block” in Redfern, Sydney and its impact on the local Indigenous community. He also spoke at length about “Recognise”, a campaign aimed at redrafting the Australian Constitution to recognise Aboriginal and Torres Strait Islander people - Mick stood on its expert panel to assist in developing key change recommendations.

In summation Mick passionately related focus group poll results as part of the “Recognise” campaign - that emphasise the fast growing support for not only Constitutional recognition, but also acknowledgement of the unique value of Aboriginal and Torres Strait Islander culture to Australia - particularly among non-Indigenous people. “But I reckon, if we get it right it [recognition] will be one of the most powerful things that has ever happened in this country”, concluded Mick.



Mick Gooda, Social Justice Commissioner for the Australian Human Rights Commission.



AHV staff focus on Mick’s address.

Financial Report for the Year Ended 30 June 2014

Your Directors present this report on the company for the financial year ended 30 June 2014.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Tim Chatfield	
Graeme Austin	
Trevor Edwards	resigned 31 July 2013
Brendan Edwards	resigned 25 May 2014
Ian Hamm	
Jacquelyn Turfrey	
William Scrivenor	resigned 25 October 2013
Mark Lipson	appointed 25 October 2013
Owen Donald	appointed 25 October 2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of the company during the financial year was the provision of affordable social housing to the Aboriginal community in Victoria.

Key performance indicators

The company has a Business Plan for the period 2014 to 2015 and has established Key Performance Indicators in relation to the goals established in that plan. Performance is reported to the Board on a monthly basis.

As a Registered Housing Provider the company is required to report annually on its performance against the reporting standards of the Office of the Register of Housing Agencies. In addition the company is required to meet the requirements of the Housing Provider Framework under the terms of a lease with the DHS.

Information on current directors

Tim Chatfield	Chairperson
Qualifications	Grad Dip Governance (AICD)
Experience	A wide range of positions within the Aboriginal community including Aboriginal Heritage Council, ATSIC, Framlingham Aboriginal Trust and many others.
Graeme Austin	Deputy Chairperson
Experience	Court appointed Elder, Koori Court Division of Broadmeadows Magistrates Court and a wide range of other community activities including youth work and sports.
Ian Hamm	
Experience	Career public servant for Commonwealth and State governments (currently Director, Indigenous Economic Development - DSDBI (Vic Govt). Board member of a number of both Aboriginal and Non-Aboriginal not-for-profit organisations since 2000.
Owen Donald	Chair of Governance Committee
Qualifications	BA (Hons 1), Monash University 1974. PhD, Australian National University 1977. Graduate of Australian institute of Company Directors, 2011.
Experience	Owen Donald is a company director and policy consultant whose career includes: senior management roles in the public services of the Commonwealth and State of Victoria; CEO of the Australian Housing & Urban Research Institute; Victorian Director of Housing; Chairman of the Commonwealth State Housing Ministers Advisory Committee; Chariman of the National Housing Supply Council; Chairman of Barwon Health.
Jacquelyn Turfrey	
Qualifications	LLB (Hons.), Grad Dip EOA, CSA.
Experience	Barrister, 15 years experience as a commercial lawyer, extensive experience in director and company secretariat roles and in senior management and governance roles in the banking and finance sector.
Mark Lipson	Chair of Finance, Audit and Risk Committee. Forensic Accountant.
Qualifications	B.Bus, B.Edu, FCA
Experience	Forensic Accountant with over 25 years of expertise in professional accounting practice and family law matters, Member, Institute of Chartered Accountants in Australia, Professional Conduct Tribunal, Member, CPA Australia, Member, Forensic Accountants Special Interest Group. Associate Member, Institute of Arbitrators and Mediators in Australia, Part time ordinary Member, VCAT in the legal practice list.

Meetings of Directors

During the financial year nine board meetings were held as well as meetings for several board committees and sub-committees. Board members sit on the Finance Audit and Risk Committee (FAR) and Business Development Committee (BDC now incorporated into the FAR committee) and Policy and Planning Committee (PPC) which ceased in the last quarter of the year. In addition to the committee meetings there were also other meetings attended.

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

	Board	FAR	BDC	PPC	Total
Total planned	9	11	2	7	29
Tim Chatfield	9	11	2	7	29
Graeme Austin	9	11	2	7	29
Jacquelyn Turfrey	9	11	2	7	29
Brendan Edwards	9	9	2	7	27
Ian Hamm	9	8	2	7	26
Bill Scrivenor	3	4	2	4	13
Mark Lipson	5	6	0	3	14
Owen Donald	5	6	0	3	14

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

	Board	FAR	BDC	PPC	Total
Total attended	9	11	2	7	29
Tim Chatfield	9	10	2	7	28
Graeme Austin	9	11	2	7	29
Jacquelyn Turfrey	9	11	2	7	29
Brendan Edwards	7	6	2	7	22
Ian Hamm	9	7	2	6	24
Bill Scrivenor	2	3	2	3	10
Mark Lipson	5	5	0	2	12
Owen Donald	5	5	0	3	13

The directors remuneration during the year were: (in '\$')

	Board	FAR	BDC	PPC	Other	Total
Tim Chatfield	13,500	4,500	500	3,000	32,001	53,501
Graeme Austin	13,500	5,000	500	3,000	12,000	34,000
Jacquelyn Turfrey**	13,500	5,500	500	3,000	24,700	47,200
Brendan Edwards	13,500	4,000	500	3,000	10,000	31,000
Ian Hamm*						
Bill Scrivenor	3,000	1,000	500	500	7,000	12,000
Mark Lipson***	7,500	2,500	-	1,000	2,000	13,000
Owen Donald	9,000	2,000	-	1,500	2,000	14,500

* Ian Hamm does not receive feeds due to his employment as a Victorian public servant.

** Fees are paid to an independent company.

*** Fees are paid to a nominated entity.

Other fees include attendance at meetings with tenants, government agencies and internal strategy and planning meetings. The consulting fees relate to additional service provided by directors to AHV in relation to policy reviews and project assessment work.

The company is incorporated under the *Corporations Act 2000* 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 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$450 (2013: \$550).

Auditor’s Independence Declaration

The auditor’s independence declaration for the year ended 30 June 2014 has been received and can be found on page 32 of the financial report.

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

Director 
Tim Chatfield

Dated 25 September 2014

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

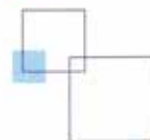
LBW

LBW Chartered Accountants

[Signature]
Sripathy Sarma

Principal

Dated this 25 day of September 2014



LBW
Chartered Accountants

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**Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 30 June 2014**

	Note	2014 \$	2013 \$
Revenue			
Rental revenue	2	14,104,880	13,546,248
Other revenue	2	189,981	287,606
Total revenue		14,294,861	13,833,854
Expenses			
Cost of housing		6,415,033	6,199,720
Tenancy related costs		129,650	117,718
Employees		3,633,089	3,002,009
Board and representatives		261,357	337,979
Building and equipment		255,180	141,356
Travel and motor		395,543	317,296
Communication		264,133	174,401
Information technology		86,249	293,066
Administration		663,321	499,647
Projects		38,318	287,619
Total expenses		12,141,873	11,370,811
Surplus before income tax		2,152,988	2,463,043
Income tax expense		-	-
Surplus for the year	3	2,152,988	2,463,043
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net gain on revaluation of non-current assets	7	-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Fair value gains on available-for-sale financial assets, net of tax		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		2,152,988	2,463,043

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2014

	Note	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	4,504,315	2,974,044
Term deposits		3,082,785	3,733,452
Trade and other receivables	5	295,343	297,534
Other current assets	6	576,351	637,520
Total current assets		8,458,794	7,642,550
Non-current assets			
Office property	7	2,149,443	2,162,083
Rental property	7	16,872,716	15,466,937
Office furniture and equipment	7	111,993	108,986
Total non-current assets		19,134,152	17,738,006
Total assets		27,592,946	25,380,556

Statement of Financial Position as at 30 June 2014

	Note	2014 \$	2013 \$
LIABILITIES			
Current liabilities			
Trade and other payables	8	1,482,874	1,438,126
Short-term provisions	9	318,020	266,257
Deferred grant income	10	8,000	8,612
Total current liabilities		1,808,894	1,712,995
Non-current liabilities			
Long-term provisions	9	18,882	55,379
Total non-current liabilities		18,882	55,379
Total liabilities		1,827,776	1,768,374
Net assets		25,765,170	23,612,182
EQUITY			
Retained earnings		24,050,872	21,897,884
Reserves	16	1,714,298	1,714,298
Total equity		25,765,170	23,612,182

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the Year Ended 30 June 2014

	Retained earnings \$	Revaluation surplus \$	Total \$
Balance at 1 July 2012	19,434,841	1,714,298	21,149,139
Surplus attributable to the company	2,463,043	-	2,463,043
Balance at 30 June 2013	21,897,884	1,714,298	23,612,182
Surplus attributable to the company	2,152,988	-	2,152,988
Balance at 30 June 2014	24,050,872	1,714,298	25,765,170

Statement of Cash Flows for the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flow from operating activities			
Rentals received		14,004,435	13,560,846
Grants received		7,997	182,319
Other receipts		-	764
Payments to suppliers and employees		(11,797,270)	(10,798,097)
Interest received		221,148	116,205
Net cash generated from operating activities	15b	2,436,310	3,062,037
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Payments into term deposits		650,667	(1,507,207)
Payment for property, plant and equipment		(1,556,706)	(3,166,897)
Net cash used in investing activities		(906,039)	(4,674,104)
Cash flow from financing activities			
Net cash used in financing activities		-	-
Net increase in cash held		1,530,271	(1,612,067)
Cash and cash equivalents at beginning of the financial year		2,974,044	4,586,111
Cash and cash equivalents at the end of the financial year	15a	4,504,315	2,974,044

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the Year Ended 30 June 2014

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 Corporations Act 2001.

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

The financial statements were authorised for issue on 25 September 2014 by the directors of the company.

Accounting policies

a. Revenue

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

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

Donations and bequests are recognised as revenue when received.

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

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

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

b. Property, plant and equipment

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

Office property

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

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

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

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

Rental property

Freehold rental property is measured on the cost basis less depreciation and impairment losses. Freehold rental properties that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Office furniture and equipment

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

Depreciation

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Note 1. Summary of significant accounting policies

c. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term. Lease incentives (if any) under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

d. Impairment of assets

At the end of each reporting period, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset. Where it is not possible to estimate the recoverable amount of an asset's class, the company estimates the recoverable amount of the cash-generating unit to which the class of assets belong. Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

e. Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

Note 1. Summary of significant accounting policies

f. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities on the statement of financial position.

g. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

h. Income tax

Aboriginal Housing Victoria Limited is an income tax exempt charitable entity under subdivision 50-B of the Income Tax Assessment Act 1997. AHV is also endorsed by the Australian Taxation Office as a Deductible Gift Recipient under subdivision 30-BA of the aforementioned Act.

i. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Comparative figures

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

k. Trade and other payables

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

Note 2. Revenue

	2014	2013
	\$	\$
Rental revenue		
Operating activities		
Rental revenue	14,104,880	13,546,248
Other revenue		
Interest income	189,981	286,842
Profit on sale of property, plant and equipment		

Profit on sale of held-for-sale properties	-	-
Market value of rental property contributed	-	-
Other revenue	-	764
Total other revenue	189,981	287,606

Note 3. Surplus for the year

	2014	2013
	\$	\$
Expenses		
Depreciation and amortisation		
Office buildings	12,639	12,639
Rental buildings	143,483	119,595
Office furniture and equipment	40,855	29,298
Total depreciation and amortisation	196,977	161,532
Impairments to rental properties held-for-sale	-	-
Bad and doubtful debts expense	102,665	86,881
Rental expenses on operating leases		
Housing Provider Framework	3,219,162	4,129,950
Office equipment and motor vehicles	183,090	177,532
Auditor remuneration		
Audit services	19,000	18,000
Other services	5,400	-
Total auditor remuneration	24,400	18,000

Note 4. Cash and cash equivalents

	2014	2013
	\$	\$
Cash at bank and in hand	4,504,315	2,974,044
Short-term deposits	3,082,785	-
Total cash and cash equivalents	7,587,100	2,974,044

Note 5. Trade and other receivables

	2014	2013
	\$	\$
Rental receivables	511,411	569,147
Provision for impairment	(331,258)	(381,581)
	180,153	187,566
Other receivables	115,190	109,968
Total current trade and other receivables	295,343	297,534

Note 6. Other current assets

	2014	2013
	\$	\$
Prepayments	61,759	55,347
Accrued income	8,534	39,698
Deposits paid for properties	-	63,300
Assets under construction	506,058	479,175
Total other current assets	576,351	637,520

Note 7. Property, plant and equipment

	2014	2013
	\$	\$
Office property		
Freehold land at fair value		
Independent valuation at 30 June 2010	1,585,000	1,585,000
Buildings at fair value		
Independent valuation at 30 June 2010	615,000	615,000
Less accumulated depreciation	(50,557)	(37,917)
Total buildings	564,443	577,083
Total office property	2,149,443	2,162,083

Rental property

Freehold land		
At cost	7,119,443	6,856,943
Buildings		
At cost	10,492,161	9,205,399
Less accumulated depreciation	(738,888)	(595,405)
Total buildings	9,573,273	8,609,994
Total rental property	16,872,716	15,466,937

Office furniture and equipment

Office furniture and equipment		
At cost	303,453	259,592
Less accumulated depreciation	(191,460)	(150,606)
Total office furniture and equipment	111,993	108,986
Total property, plant and equipment	19,134,152	17,738,006

Note 7. Property, plant and equipment

Movements in carrying amounts

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

	Office property	Rental property	Office furniture and equipment	Total
	\$	\$	\$	\$
2013				
Carrying amount at 1 July 2012	2,174,722	13,017,109	55,020	15,246,851
Additions at cost	-	2,569,423	83,264	2,652,687
Depreciation expense	(12,639)	(119,595)	(29,298)	(161,532)
Carrying amount at 30 June 2013	2,162,083	15,466,937	108,986	17,738,006
Carrying amount at 1 July 2013	2,162,083	15,466,937	108,986	17,738,006
2014				
Carrying amount at 1 July 2013	2,162,083	15,466,937	108,986	17,738,006
Additions at cost	-	1,549,262	43,861	1,593,123
Depreciation expense	(12,640)	(143,483)	(40,854)	(196,977)
Carrying amount at 30 June 2014	2,149,443	16,872,716	111,993	19,134,152

Asset revaluations

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

Interests on properties

Aboriginal Affairs Victoria holds a mortgage of \$710,000 secured on the office property of 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 registered interest in the title of the rental properties. Aboriginal Housing Victoria Limited cannot dispose of, use as security for borrowings, or otherwise transact using the rental properties without the prior consent of the Director of Housing.

Note 8. Trade and other payables

	2014 \$	2013 \$
Trade payables	242,890	228,227
Rental payments in advance	465,942	471,135
Other current payables	772,855	713,182
Employee benefits	1,187	25,582
Total trade and other payables	1,482,874	1,438,126

Note 9. Provisions

	2014 \$	2013 \$
Analysis of total provisions		
Current	318,020	266,257
Non-current	18,882	55,379
Total provisions	336,902	321,636

Provision for long-term employee benefits

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

Note 10. Deferred grant income

	2014 \$	2013 \$
FaHCSIA-NAIDOC funding	-	-
City of Yarra - NAIDOC funding	8,000	8,612
Total deferred grant income	8,000	8,612

Note 11. Capital and leasing commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements. Minimum lease payments for office, motor vehicles and office equipment, payable:

	2014	2013
	\$	\$
within one year	183,330	139,193
between one and five years	81,183	61,612
after five years	-	-
	264,513	200,805

The office lease commitments are non-cancellable operating lease contracted for two year term. The motor vehicle lease commitments are non-cancellable operating leases contracted for with a two to three year term. The office equipment lease commitments are non-cancellable operating leases contracted for with a five year term. No capital commitments exist in regards to the lease commitments at the 30 June 2014.

Minimum lease payments under the Housing Provider Framework, payable:

	2014	2013
	\$	\$
within one year	2,210,629	-
between one and five years	-	-
after five years	-	-
	2,210,629	-

The Housing Provider Framework Lease expires on 31 December 2014.

Note 12. Events after the reporting period

There were no significant events after the reporting period date which requires disclosure in the financial statement at 30 June 2014.

Note 13. Contingent liabilities and assets

There were no contingent liabilities or contingent assets at 30 June 2014.

Note 14. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Note 15. Cash flow information

	2014	2013
	\$	\$
a. Reconciliation of cash		
Cash at bank and in hand	4,504,315	2,974,044
Short-term term deposits	3,082,785	-
Total cash and cash equivalents	7,587,100	2,974,044
b. Reconciliation of surplus after income tax to cash flow from operating activities		
Surplus after income tax	2,152,988	2,463,043
Non cash flows		
Depreciation and amortisation	196,977	161,532
Impairments on rental properties held-for-sale	-	-
Surplus on sale of held-for-sale properties	-	-
Rental property contributed	-	-
Interest earned on non-cash accounts	-	(154,223)
Changes in assets and liabilities		
Decrease in receivables	2,191	10,336
Decrease/(Increase) in prepayments and accrued income	24,752	16,796
Increase in payables	44,748	402,180
Increase/(Decrease) in deferred provisions	15,266	166,612
Increase/(Decrease) in grants carried forward	(612)	(4,239)
Cash flow from operating activities	2,436,310	3,062,037

Note 16. Reserves

The revaluation surplus records the revaluation of the office property. At 30 June 2010 the office property was revalued to its fair value of \$2,200,000 giving rise to a revaluation increment of \$1,175,087. This along with prior year revaluations has resulted in the current revaluation surplus of \$1,714,298.

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

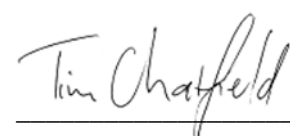
The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 33 to 45, are in accordance with the Corporations Act 2001:

- comply with Australian Accounting Standards; and
- give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company.

2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Tim Chatfield (Director)

Dated 25 September 2014

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

Report on the Financial Report

We have audited the accompanying financial report of Aboriginal Housing Victoria Limited which comprises the statement of financial position as at 30 June 2014, 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.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Aboriginal Housing Victoria Limited on 25 September 2014, would be in the same terms if provided to the directors as at the date of this auditor's report.

Opinion

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

- giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.


LBW Chartered Accountants




Sripathy Sarma
Dated this 25th day of September 2014



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