




Aboriginal Housing Victoria
ANNUAL REPORT
2018-2019





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

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.

Cover: Sharing AHV tenants' success, Jackie, Norma and Aunty Barbara gained experience in a number of different roles as part of an AHV employment program.

Design: Reanna Bono – Yakuwa Graphic Design

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

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CHAIRPERSON'S REPORT



It is with pride that I present to you the Aboriginal Housing Victoria (AHV) 2018-19 Annual Report.

On 1 July 2018 we achieved a significant milestone on our journey to self determination with the final tranche of properties transferring from the Director of Housing to Aboriginal Housing Victoria.

We have worked to consolidate our position as the largest Aboriginal housing organisation in the country, with over 1,500 properties under our ownership. This growth coincides with the strengthening of our voice as a Housing Association, and as a passionate supporter of self determination.

The Board remains concerned at the alarming rate of homelessness experienced in the Aboriginal community. Over the past year, 17 per cent of Aboriginal people in Victoria sought assistance from a homeless service. Almost half (44 per cent) of these people were already homeless. This is the highest rate of presentation for homeless assistance by Aboriginal people anywhere in Australia; a situation which should not occur in this socioeconomically vibrant state and which must be addressed urgently.

For Governments to move beyond crisis management of Aboriginal housing to achieve equity in housing outcomes a new perspective is required; a fresh approach that addresses each of the drivers of housing outcomes.

The challenge remains to reduce homelessness, build the supply of social housing, increase access to the private rental market and grow intergenerational wealth through homeownership. We need new tenures, new thinking and a rights-based approach. Most of all, we need self-determination to shape this work.

I would like to thank the Andrews Government for their confidence in Aboriginal Housing Victoria in funding us to lead development of a Victorian Aboriginal Housing and Homelessness Framework. Over the last year we have worked closely with Aboriginal leaders and community members to develop the Framework. We look forward to presenting a Framework to Government in the coming year that is built on the strengths of the community, and that takes a 'rights-based' approach that places Aboriginal Victorians firmly at the centre of housing policy initiatives.

I would like to thank my fellow Board Directors Daphne Yarram, Ian Hamm, Mark Lipson, Rob Leslie, Bevan Mailman and Alan Herrman, for their support, diligence and commitment throughout 2018-19. 2018-19 has been a year of further growth and new responsibilities in leadership and development for AHV. However, our tenants and the Aboriginal community remain at the heart of what we do and why our organisation exists.

Finally, I would like to take this opportunity to acknowledge the efforts of AHV's management and staff during 2018-19, in managing to achieve improvements in operational and business performance during this period of significant change.

Tim Chatfield, Chairperson

CEO'S REPORT



As the largest non-government Aboriginal landlord in Australia, AHV has continued to show leadership on housing issues and continues to be a proud and passionate supporter of self determination for Aboriginal Victorians.

Over the past five years AHV has grown to become one of the larger owners of community housing properties in Victoria. This has necessitated the development of significant capabilities in asset management, finance, and property development. I am pleased to report that AHV has risen to these new challenges and is now looking to explore the opportunities that title transfer provides, including advocating for better housing outcomes for Aboriginal Victorians.

At the same time, AHV's daily activities continue to focus on the vital delivery of secure and affordable housing services for Aboriginal Victorians. In the past 12 months, AHV has:

- provided upgrades to 265 properties at the cost of \$1,261,976;
- delivered six new transitional houses in partnership with Government and the Victorian Aboriginal Legal Service;
- commenced construction projects that will yield 35 new properties;
- made submissions to the Victorian Government's Social Housing Growth Fund and the Victorian Property Fund which if successful, will significantly accelerate our pipeline of development projects; and
- participated in 24 community activities.

In late 2018, AHV became one of the first housing associations to opt in to the Victorian Department of Health and Human Services' Victorian Housing Register (VHR). The VHR provides a single point of entry to social housing in Victoria and applicants can elect to be considered for community housing, including AHV housing only, and/or public housing. AHV has been interested in being part of the VHR since it was first announced by Government, because it has the potential to provide increased options for Aboriginal Victorians wanting to access social housing. A single social housing waiting list also provides clear evidence to Government of the significant and growing demand for social housing within the Victorian Aboriginal community.

The Victorian Government continues to focus on self determination and to make progress towards a treaty. In addition to providing funding to AHV to lead VAAHF consultations, the Victorian Government has provided funding to AHV under the Aboriginal Community Infrastructure Program to upgrade AHV's Head Office, Narrandjeri House.

The project is currently in development, with works set to commence in the second half of 2019, and will improve client service facilities and service outcomes for AHV tenants. Improving Aboriginal community infrastructure is fundamental to the pursuit of self determination, and we look forward to sharing this new space with AHV tenants and the community in 2020.

We look forward to another year of growth, change and development, and we remain committed to a future where Aboriginal Victorians can secure appropriate, affordable homes as a pathway to better lives.

Darren Smith, CEO

ABOUT US

Who we are

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

We are an independent Aboriginal community organisation that provides culturally safe, affordable and secure housing to 4,000 low income Aboriginal Victorians in 1,548 housing units (as at 30 June 2019), across the State.

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

What we do

Through the provision of secure housing by an Aboriginal landlord, AHV helps strengthen Aboriginal communities and cultural ties and aims to maintain and sustain tenancies to break the cycle of poverty and disadvantage.

Tenants and residents are at the heart of our business. Acting as a responsible and innovative property owner and landlord, we deliver culturally safe services to the Victorian Aboriginal community. We work in partnership with other agencies to assist AHV vulnerable tenants; ensuring they are linked into the services they need.

This is reflected in the high percentage of tenancies maintained, which is exceptional given the unique and complex disadvantage experienced by many of AHV tenants.

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

We continue to listen to AHV tenants and partner with service providers to achieve better outcomes for our community. We strive to continue to improve the quality and range of our housing services and the voices of AHV tenants and clients directly inform the ways we achieve these improvements.

VISION

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

VALUES

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

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

Integrity, trust and honesty in all our business activities.

Collaborative relationships with our community, tenants, government and stakeholders.

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

OUR STAFF

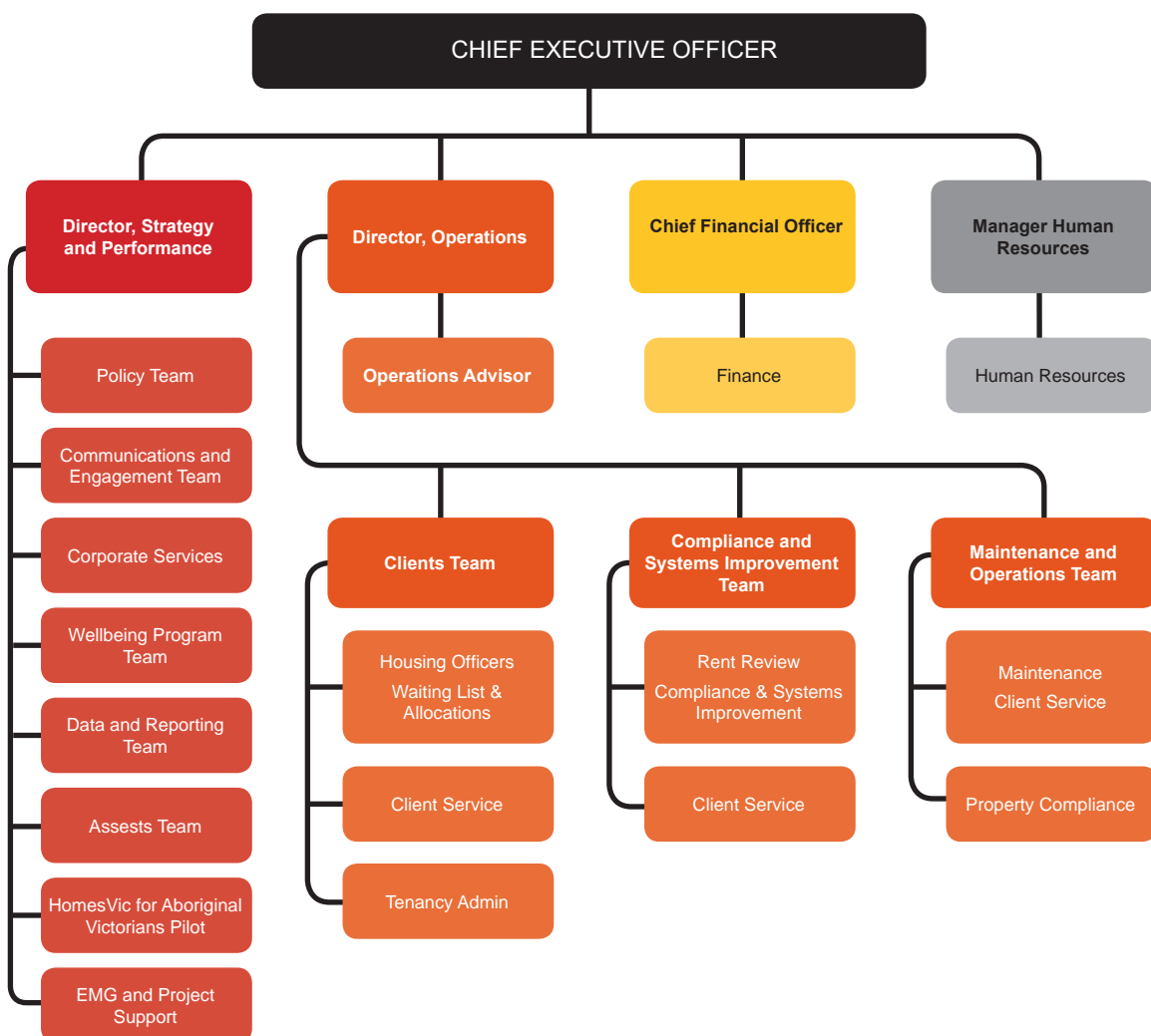
AHV's organisational structure is designed to help us meet our strategic priorities and objectives.

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, strategically manages our assets strategically, leads policy and strategy development and business planning, and manages the advocacy function. Corporate services, AHV Wellbeing programs, communications and community engagement functions, also form part of this team.

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

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



OUR PRIORITIES

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

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

Improving organisational capability to manage a viable growing social housing portfolio

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

Building better relationships with our Aboriginal clients and Victorian Aboriginal communities

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

OUR PORTFOLIO AND DEMAND

Portfolio

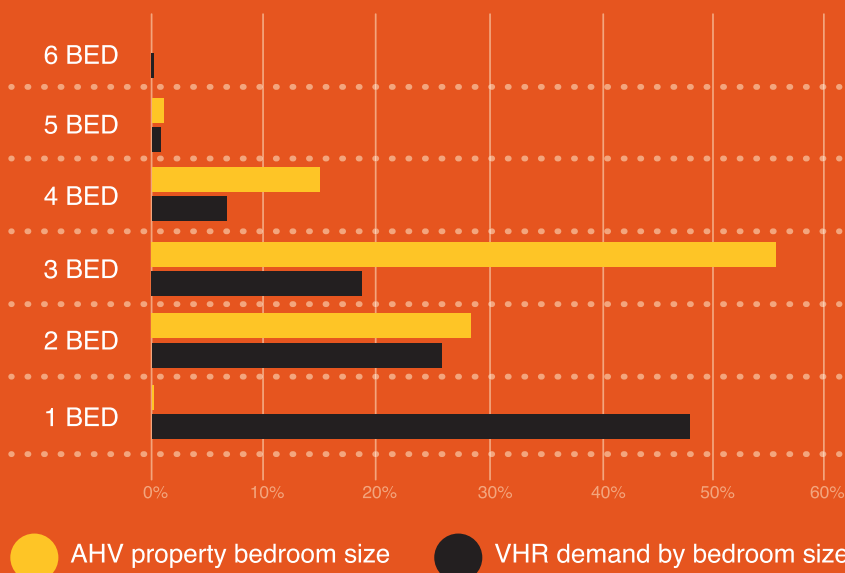
AHV provides housing services throughout metropolitan and regional Victoria, with a total of 1,548 housing units.

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

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



*Data is from the VHR waitlist for Aboriginal households and is inclusive of new and transfer applicants.



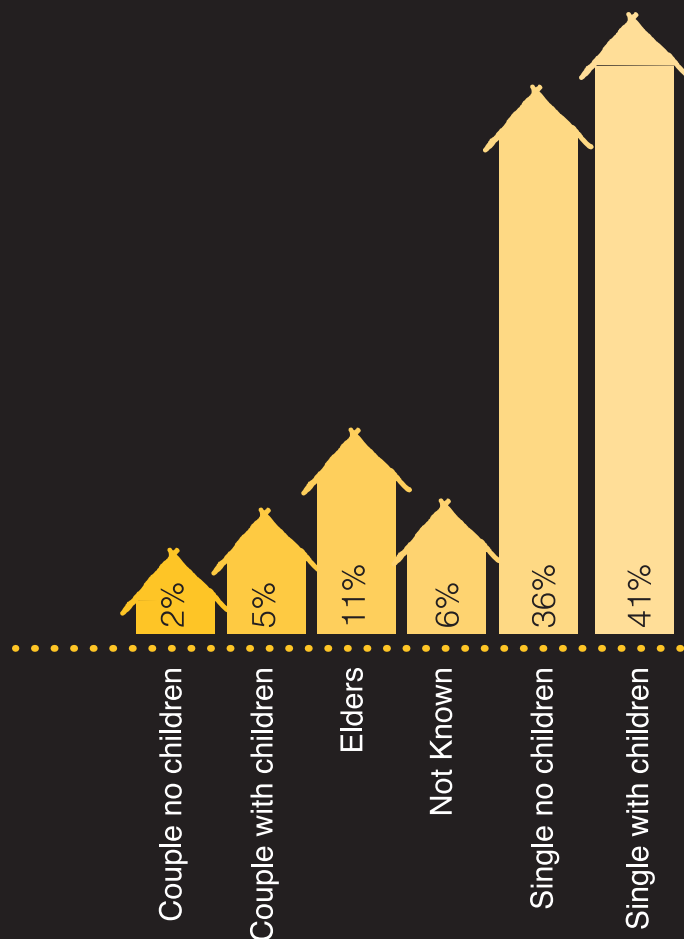
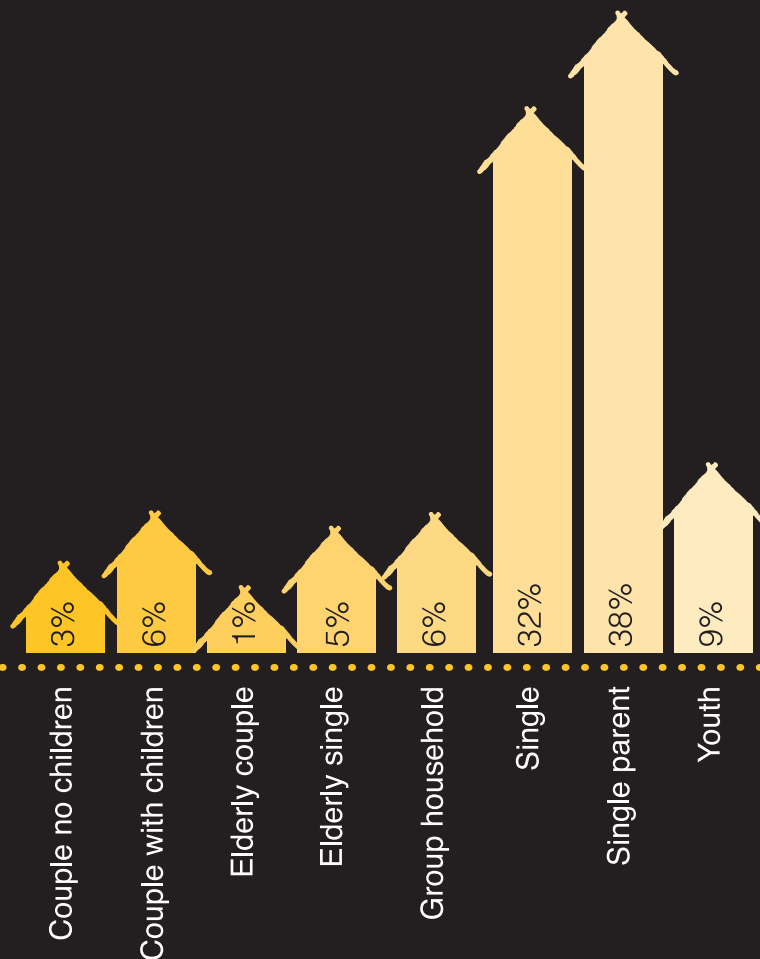
Mismatch of supply and demand

AHV predominantly provides larger family accommodation units, due to the kinship nature of the Aboriginal community, resulting in larger households. However, analysis of Aboriginal applications on the Victorian Housing Register (VHR) confirms a steady demand for one and two bedroom units.

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

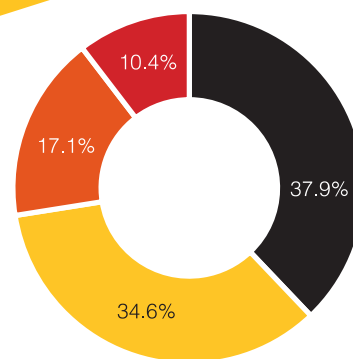
OUR TENANTS

Who is applying?



Who are our tenants?

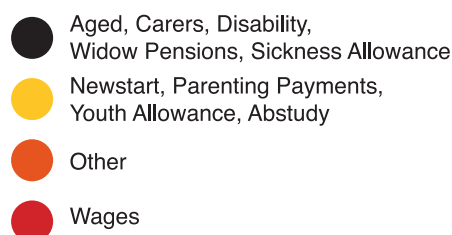
AHV's housing services are targeted to Aboriginal households in need of support who have been unable to secure appropriate and affordable housing through the private rental market.



Our tenants' income source?

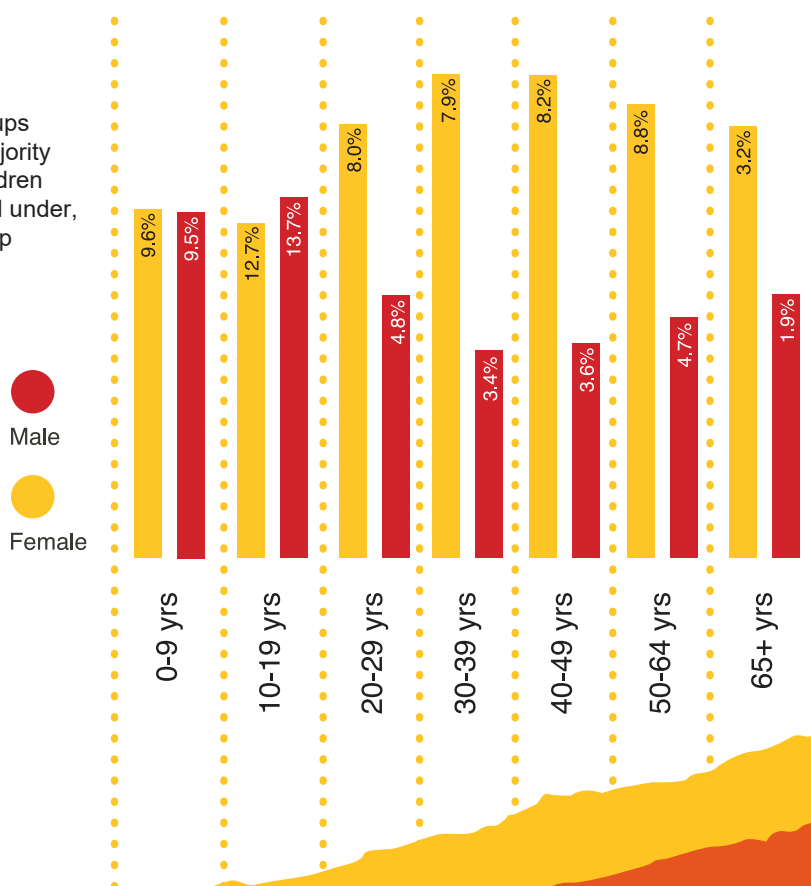
AHV tenants typically have low incomes relative to the broader population and most are wholly or partly dependent on income support payments from Centrelink.

AHV is aware that many of our tenants experience issues that may impact on their ability to successfully maintain their tenancies. These may include significant and chronic financial stress, poor mental health and/or physical health, and/or exposure to violence. AHV aims to support tenants to access the services they may need to maintain their tenancies and improve their life outcomes.



Our residents?

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



LISTENING TO OUR TENANTS AND THE ABORIGINAL COMMUNITY

Communications and Community Events

We are committed to improving the quality and range of our housing services to meet the needs and expectations of our tenants and the Aboriginal community. Our communications and engagement activities remain an essential way for us to understand the diverse and changing needs and expectations of AHV tenants. Our activities and events focus on creating opportunities to have conversations, celebrate success, and understand where we need to concentrate our efforts to improve services.

To effectively communicate with residents, AHV published and circulated five *Mia Mia* tenant newsletters, during 2018-19. In our newsletters, we shared tenant stories, promoted current events and advised on information and upcoming opportunities.

AHV also participated in 24 community activities during the year to build stronger relationships with partners and the greater community. AHV was the lead agency for a third of the events. In all 4,500+ people engaged in these community events.

To better engage tenants AHV launched a tenant focused event series, *Discussing issues and sharing ideas* in the second half of 2018-19. The events provide a great opportunity for tenants to speak directly to senior Operations staff and have their voices heard.

Tenancy and maintenance staff are on hand to engage with tenants in a positive and relaxed setting. While there they also assist tenants with maintenance requests (raising orders and sending them directly to contractors); rent review issues (correcting a tenant's rent on the spot); and, transfer applications (logging in to the Victorian Housing Register and processing an application for transfer).

Personal meetings, such as regular six-monthly home visits, continue to be one of the best ways for AHV to engage with our tenants. Housing Officers work hard to build trust, mutual respect and positive relationships with AHV tenants.

AHV will continue to participate in a range of Aboriginal community and government gatherings during 2019-20, to provide further opportunities for maintaining and improving relationships with stakeholders.





Christmas Toy Appeal

AHV held the fourth annual Christmas Toy Appeal which continues to grow each year. AHV distributed toys to over 750 children across 300 families, and AHV delivered Christmas hampers to over 180 Elders in metro and regional areas. This was made possible by donations from local businesses and community members, enabling the delivery of gifts to tenants and their families at Christmas time; supporting them during what can be a stressful time of year for those who are financially vulnerable.

NAIDOC Week

Just under 2,200 people came together to celebrate NAIDOC Week with AHV for the 20th annual NAIDOC Family Day at The Farm on Wednesday 10th July 2019, at Collingwood Children's Farm. The event's success is shown by its continued growth year on year. AHV continues to bring our diverse community together, including tenants, supporters and local community members. The day featured a BBQ lunch, speakers, performances, face painting, jumping castle, boomerang painting, footy clinic, a weaving workshop and a sensory tent. Together the visitors commemorated the NAIDOC Week theme 'Voice. Treaty. Truth' by participating in our community mural.





Tenant Satisfaction Survey

We actively seek out tenants' views on our housing services.

The Tenant Satisfaction Survey is an important opportunity for all tenants to have a say. AHV is required to conduct Tenant Satisfaction surveys every two years, as part of our ongoing registration as a housing association. The survey provides an opportunity for AHV to check that the services we provide and the directions we are taking are informed by our tenant community, and reflect their views and expectations.

The survey results are used as an important basis for setting priorities for future service delivery improvements.

As in previous years, a very high proportion of respondents (86%) identified repairs and maintenance as their most important priority. The 2019 Tenant Satisfaction Survey recorded an increase in satisfaction levels for AHV's maintenance and repair services, compared to the previous survey. However, there is still room for improvement and we will continue to investigate ways we can improve our performance.

A very high proportion of respondents (87%) confirmed it is important to them that their housing service is delivered by an Aboriginal organisation. While the survey results indicate that AHV needs to continue to improve how service are delivered, this response gives a very strong signal that as an Aboriginal landlord, we remain the landlord of choice for the vast majority of our tenants.

The number of survey responses received this year was lower than previous years. The reasons for this are not clear, and we will work with tenants to increase the number of responses when we conduct the survey again in another two years.

We acknowledge and would like to thank all tenants who completed surveys. We would also like to thank AHV tenants and Aboriginal community members for their ongoing efforts and the contributions they have made to our workplace, our community events and the ongoing review of our services.

Learning from Complaints

Complaints not only provide an opportunity to check that we have treated clients fairly, and applied our policies consistently. They are also an important means by which we can identify ways to improve our housing services.

AHV has a responsive and accessible Complaints and Appeals policy. AHV takes complaints seriously and investigates them thoroughly. Tenants, clients, and their advocates are able to discuss complaints directly with staff and/or lodge complaints in a variety of formats; via email, through the AHV website, through the AHV Facebook page, or via direct mail or telephone. Our internal processes spell out responsibilities of key staff involved in the complaints investigation process, to support timely resolution of complaints. Feedback on our housing services gained through complaints processes is used to inform improvements to work practices and procedures across the organisation.

AHV received a total of 30 formal complaints during 2018-19; only 10 of these were received from current/prospective tenants. Of these, all 10 were resolved within 30 days, thereby exceeding the Housing Registrar's preferred benchmark of 90%.

OUR HOUSING SERVICES

Aboriginal Housing Victoria is accountable for the delivery of our housing and tenancy services to a range of stakeholders, including most importantly our tenants and the Aboriginal community..

New tenancies

During 2018-19, AHV continued to achieve a high level of tenancies maintained (93.9%). A total of 91 applicants commenced new tenancies with us during the year.

Achieving a low turnover has a downside; that is, longer waiting times for Aboriginal households experiencing homelessness or insecure housing. While AHV is growing its property portfolio, the demand for social housing from Aboriginal Victorians is growing at a much greater rate. In addition to growing the social housing sector, this demand points to the need for alternative housing options, including supporting greater numbers of Aboriginal households into home ownership

As part of AHV's transition to the Victorian Housing Register (VHR), we reviewed our allocations processes to ensure that they were fair and transparent and targeted to those in greatest need.

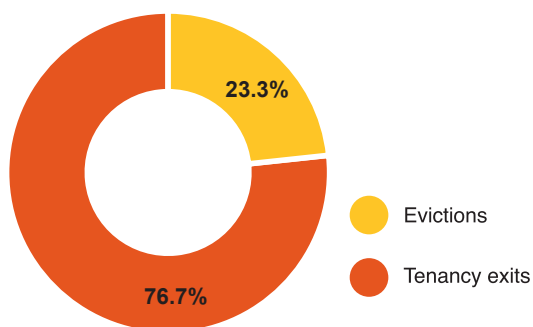
During 2019-20, AHV will focus on evaluating the effectiveness of the VHR in delivering culturally safe social housing waiting list services to Aboriginal Victorians. We will also continue to work with DHHS to develop and implement reporting tools that will support AHV's access to accurate Aboriginal applicant demand data.

Victorian Housing Register (VHR)

The VHR provides a single point of entry to social housing in Victoria. The VHR simplifies access for clients seeking affordable housing by providing a single application process for a broader range of social housing options. Aboriginal applicants have more choice as they can choose to have their application considered by public housing, AHV or community housing agencies.

AHV was one of the first housing agencies to opt into the VHR in December 2018. All current and awaiting AHV tenancy staff worked closely with the VHR team in the Department of Health and Human Services to consolidate all AHV applications onto the VHR in early 2019. All current applicants received a letter advising them that their right to AHV housing would not be affected by any decision to reject an offer of housing from a mainstream housing provider.

DHHS manages the VHR on behalf of participating housing agencies, which means that AHV no longer maintains our own separate waiting lists.



Managing and Sustaining Tenancies

AHV is committed to sustaining tenancies. New tenants are fully informed of their rights and obligations when they enter into a lease. Housing Officers contact new tenants within 6 weeks to check in with them, and to ensure the tenancy is proceeding in accordance with the tenant's and AHV's understanding and agreement. Vulnerable households are identified and assisted by Housing Officers and the Wellbeing Team to access appropriate support services.

Tenants have important responsibilities under the Residential Tenancies Act. When tenants do not meet their responsibilities Housing Officers make contact with tenants to resolve issues as quickly as possible. This may include unpaid rent, damage or neglect of properties, or, neighbours complain about anti-social behaviour. Concerns are actioned in a culturally sensitive manner with a focus on early intervention, and the provision of support as needed. Evictions are only ever pursued as a last resort.

More Than A Landlord

To better support and sustain tenancies, AHV continues to strengthen our successful Life Skills and Life Coaching programs. Through the program, a growing number of our tenants are gaining on-the-job experience, and training and career opportunities in the community sector. For example, AHV has recruited five women for casual and full-time positions in corporate, client and administrative services.

During 2019, the program gained housing sector recognition, winning the *Excellence in Social Housing* award at the Australasian Housing Institute Victoria Awards.

AHV acknowledges the support of DHHS in providing funding to develop and implement these programs. We remain hopeful that we can negotiate ongoing long-term funding to ensure the future of these important programs, including their statewide delivery.





Property Repairs and Improvements

Improving delivery of maintenance and repairs to tenant's houses remains a priority.

Our tenants tell us clearly that timely maintenance and repairs are very important to them. We acknowledge this message from tenants whether it is through tenant surveys, feedback we receive at events, or, through our complaints processes.

During, 2018-19, the Asset and Maintenance teams delivered minor upgrades to 264 properties across AHV's portfolio, at a cost of \$1.26M.

Our maintenance team has worked hard with our contractors to achieve a substantial improvement in the percentage of works completed on time, compared to previous years. Improved operational processes, including more accurate staff identification of urgent works, effective monitoring of outstanding urgent work orders, and effective contract management, have all been important factors in achieving this improved result. In 2018-19, 94.0% and 90.1% of urgent and non-urgent work orders were completed on time achieving a satisfactory rating against the Housing Registrar's benchmarks.

Refinement of our internal processes and improved monitoring and management of our head contractors, also resulted in reduction in the number of days between a property becoming vacant and a new tenancy commencing. Improvements were recorded in the time taken to complete vacant unit maintenance, and the time taken to allocate vacant properties. We achieved a tenantable and untenable turnaround time of 21.2 and 43.7 days respectively in 2018-19. The untenable turnaround time achieved a satisfactory rating while the tenantable turnaround time requires action against the Housing Registrar's benchmarks.

Reducing turnaround time for vacant units is important, as our vacancy rate is relatively low, and there are many Aboriginal applicants in critical housing need. It is also important for existing tenants, as shorter vacancy periods mean that lost rent revenue is minimised. As rent is the main source of revenue for AHV, reducing periods where rent is not charged directly supports AHV's ability to continue to deliver its services.

Heater Replacement Program

During 2018-19, the Australian Gas Association and Energy Safe Victoria suspended the certification of Pyrox Vulcan 48 series space heaters as they were deemed unsafe in certain conditions. AHV's Asset and Maintenance teams quickly identified and replaced 127 heaters with split systems. This not only improved the safety of tenants, it also improved the properties' amenity by providing cooling in the warmer months. We gratefully acknowledge the financial support received from the Department of Health and Human Services (DHHS) to complete the heater replacement program.

Solar Partnership

AHV worked in partnership with Moreland Energy Foundation Limited to install solar panels on 15 properties in the Moreland area. Thanks to the financial support received from Moreland City Council and Solar Victoria, the project was delivered at no cost to AHV.

Tenants in these properties are now enjoying reduced energy bills and improved energy efficiencies. Aboriginal owned and operated company, Bunjil Energy installed the systems and AHV received very positive feedback from tenants about the respectful and professional way that Bunjil Energy staff undertook their work. AHV will be looking to partner with Bunjil Energy on other energy efficiency projects in the future.



GROWING OUR HOUSING PORTFOLIO FOR THE ABORIGINAL COMMUNITY

AHV is committed to growing our housing portfolio to meet the needs of the Aboriginal community. Our challenge, like other social housing providers, is to generate surplus funds from subsidised rent revenues that can be invested in new housing. We are committed to effective and responsible financial management to maximise growth in our housing portfolio and contribute to meeting the Aboriginal community's overwhelming need for safe, secure and affordable housing.

Our development program is funded from our reserves, proceeds of asset sales and Government grants. Housing that is no longer economic to repair, or is located in relatively isolated areas where there is limited demand for housing, is sold. After completion of the sales program for 2018-19, 8 property settlements had been finalised, with one property still to be sold as at 30 June 2019.

AHV recognises that significant portfolio growth cannot be achieved through a limited sales program alone. During 2018-19, we actively made submissions for funding through the Victorian Government's Social Housing Growth Fund (SHGF) and the Victorian Property Fund (VPF). If our VPF submission is successful, the grant funding will provide a major contribution towards the development of 9 houses in the Bendigo district.

AHV has a steady pipeline of development projects underway. Over the next few years we will build an additional 41 houses to add to the 1,548 AHV owned or managed houses, at 30 June 2019. A successful SHGF submission will enable us to accelerate a number of our pipeline projects.

Responsible asset management ensures AHV has a viable, growing social housing portfolio. The process of disposing of properties that are uneconomic to repair or in low demand areas, along with acquisitions and redevelopments, provides opportunities to better align the AHV portfolio with the current and future needs of the Aboriginal community. The highest demand for housing is currently for one and two-bedroom properties, while most of AHV's housing is currently 3 bedroom detached housing. Addressing this mismatch is a key priority for AHV's property development program.





Head Office Refurbishment

AHV secured funding to carry out a refurbishment of our head office at Scotchmer Street, North Fitzroy. Grant funding was made available through Aboriginal Victoria's Aboriginal Community Infrastructure Program (ACIP).

The ACIP funding is an investment by the Victorian Government, to support Aboriginal organisations to improve their workplaces, and to improve productivity and efficiency in delivering services to the Aboriginal community. The funding was awarded specifically for the office renovation. The consolidation of the two North Fitzroy offices will reduce AHV's operating and overhead costs, and improve productivity and service delivery.

The proposed design has been developed with a focus on more welcoming and culturally appropriate foyer and interview areas, for AHV tenants and clients.

Transitional Housing Development

AHV, the Victorian Government and the Victorian Aboriginal Legal Service (VALS), are working in partnership to provide culturally safe, temporary accommodation for Aboriginal women at high risk of homelessness in Victoria.

During 2018-2019, the joint project to build 6 new transitional housing units was completed. The program includes onsite support, provided by VALS, for some of the most vulnerable members of the community.

This is first time that AHV has provided transitional housing and as such, represents a milestone for AHV in diversifying our organisational capability and the range of housing services we offer.

ADVOCATING FOR BETTER HOUSING OUTCOMES FOR ABORIGINAL VICTORIANS

AHV has a proud history of advocating for better housing outcomes for Aboriginal people in Victoria. We continue to be inspired by the stories of tenants and community members, and we strive to create opportunities for these stories to be heard and understood. We call for improved conditions and action to address the challenges many Aboriginal Victorians face.

AHV has worked hard to build the confidence and trust of the Victorian Government. This confidence underpins AHV's registration as a housing association and transfer of title from the Victorian Government to AHV. As the largest Aboriginal housing provider in Australia, we are in a strong position to effectively advocate for increased recognition of the unique housing and support needs of the Victorian Aboriginal community.

Victorian Aboriginal Housing and Homelessness Framework

AHV is leading, on behalf of Victoria's Aboriginal communities, the development of a Victorian Aboriginal Housing and Homelessness Framework (VAHHF). It is significant that the Victorian Government, under its policy of self-determination, has funded AHV to lead policy development. It is also important recognition by Government of the need for a comprehensive and coordinated response to the specific housing and homelessness issues experienced by Aboriginal Victorians.

This recognises the call over many years from Aboriginal communities, organisations and stakeholders for stronger responses to the relatively poor housing outcomes experienced by Aboriginal Victorians. The community recognises that without safe and secure housing, investments in areas such as health, education, economic development, justice and family violence are unlikely to be effective.

The development of the VAHHF has been deeply informed by the voices and experiences of Aboriginal people. As part of the consultation process for the Framework, AHV hosted the Victorian Aboriginal Housing and Homelessness Summit on 5 April 2019. Over 100 participants attended the Summit, including Victorian Aboriginal Peak bodies and their representatives, Victorian Aboriginal Cooperatives, Aboriginal service providers, government, industry, housing and homelessness experts, and Aboriginal people who shared their own stories of homelessness and insecure housing.

The VAHHF is also informed by rich data and evidence, which makes a compelling case for urgent and sustained change in the way housing services are designed and delivered to Aboriginal people.

The VAHHF will be presented to the State Government in the second half of 2019. It is anticipated the Framework will be underpinned by self-determination and will recommend sustained, longer term structural reform to improve housing outcomes for all Aboriginal Victorians. Work to date confirms the importance of taking a life course approach to addressing Aboriginal housing needs, building the capacity of Aboriginal organisations to own, manage and grow housing stock; and identifying innovative models that secure housing for Aboriginal Victorians, including pathways to private ownership.

AHV respectfully acknowledges the important contribution of Aboriginal community members in the development of the Framework, who have generously shared their stories and experiences.



Aboriginal housing sector capacity building

In addition to the development of the VAHHF, AHV has been funded by DHHS to support capacity building in the Aboriginal housing sector by hosting Aboriginal housing forums. The forums provide an opportunity for Aboriginal Community Organisations who provide housing to come together to network, share their knowledge and experiences, and enhance their working relationships across the sector. These forums have focused on:

- the barriers and challenges experienced by Aboriginal housing organisations;
- opportunities to build the capacity to own, manage and grow Aboriginal community housing stock (including access to information through provided memberships and projects);
- the development of the VAHHF;
- opportunities to discuss issues with DHHS representatives in attendance; and
- State and Federal developments that may impact on Aboriginal housing organisations and their management of housing stock.

A number of projects have been identified through these forums that have contributed to building the Aboriginal housing organisations' capacity to manage their housing stock.

HomesVic for Aboriginal Victorians pilot

AHV has successfully advocated for government support to close the gap in rates of home ownership for Aboriginal people, through the *HomesVic for Aboriginal Victorians* initiative. Home ownership can create intergenerational wealth, providing an escape route from the cycle of poverty and disadvantage that has plagued too many Victorian Aboriginal families since post-European settlement.

Following AHV's advocacy for the specific inclusion of Aboriginal Victorians in the shared equity pilot, the Government established the *HomesVic for Aboriginal Victorians* pilot, to enable up to 40 Aboriginal first home buyers to participate in the scheme. Under the pilot, the Government is contributing up to 35% proportional beneficial interest in first homes purchased by Aboriginal Victorians.

In October 2018, AHV entered into a partnership with the Victorian Department of Treasury and Finance and State Trustees Limited, to lead community engagement activities to promote the *HomesVic for Aboriginal Victorians* pilot, and to work with eligible Aboriginal households, to successfully navigate through the stages of application, purchase, settlement and loan servicing.



OUR PERFORMANCE

TENANT REQUESTED
MAINTENANCE AND REPAIRS

\$1,929,389

PREVIOUS YEAR \$1,647,863

WORK ORDERS
REQUESTED

5,863

PREVIOUS YEAR 5,192

WORK ORDERS
COMPLETED

5,860

PREVIOUS YEAR 5,187

VACANT UNITS AND TENANT
DAMAGE REPAIRS

\$1,228,353

PREVIOUS YEAR \$971,586

CAPITAL WORKS AND PLANNED
MAINTENANCE

\$3,934,789

PREVIOUS YEAR \$2,049,382

COUNCIL AND WATER
RATES FOR HOUSES

\$3,041,221

PREVIOUS YEAR \$3,391,121



93.9%

TENANCIES SUSTAINED IN 2018-19

PREVIOUS YEAR 91.2%

106 NEW

TENANCIES
CREATED

PREVIOUS YEAR 150

\$16,043,527

TOTAL RENT CHARGED

PREVIOUS YEAR \$15,150,101

\$361,341

RENTAL ARREARS

PREVIOUS YEAR \$453,282

AVERAGE TENANT RENTAL ARREARS \$829

PREVIOUS YEAR \$1,087

2.25%

RENT OUTSTANDING

GOVERNANCE

AHV Board Charter and Company Directors

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

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

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

Responsibilities of the Board of Directors

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

Incorporation and Governance

AHV is a not-for-profit public company, limited by guarantee registered under the Corporations Act 2001 (Commonwealth). A company limited by guarantee is a specialised public company designed for not-for-profit organisations which are formed for purposes beneficial to the community. AHV was formed to provide affordable housing and residential accommodation options for Aboriginal people in Victoria. This form of company is required to be managed by a constitution and is subject to relatively high standards of governance including financial audit and reporting requirements.

As a reflection of the high standards of governance, directors are required to comply with the same legal duties and obligations as directors of a commercial company. Directors are prohibited from receiving dividends and under this structure any surplus is required to be reinvested into the beneficial purpose the company was established to achieve.

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

Board Structure and Meetings

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

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

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

Appointment of directors - The appointment of a director must be approved by the Board and comprise a term of approximately 3 years commencing at the end of the Annual General Meeting at which they were appointed and expiring at the end of the third Annual General Meeting after their election, at which time they will retire.

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

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

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

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

Voting at meetings - The Board generally operates by consensus but where a consensus cannot be reached decisions are made using the voting provisions of the Constitution.

Under the Constitution decisions are decided by the majority of votes, where each director present is entitled to one vote.

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

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

Role of individual directors

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

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

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

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

Performance and teamwork - In performing their role directors aspire to high governance standards which include principles derived from the ASX Corporate Governance Council Principles of Good Governance. These principles include the requirement that directors work as a team and meet on a regular basis.

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

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

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

The role of the Chair

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

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

The role of the 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 Robert 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 an external auditor.

The Auditor is entitled to:

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

Delegations of Authority

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

Director Protection

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

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

Code of Conduct

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

Conflict of Interest

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

Director Remuneration

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

Stakeholder Interests and Communication

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

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

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

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Aboriginal Housing Victoria Limited
ABN 38 006 210 546

Directors' Report

Aboriginal Housing Victoria Limited ('Aboriginal Housing Victoria') presents its Report together with the financial statements of the entity for the year ended 30 June 2019 and the Independent Audit Report thereon.

Company details

The following persons were Directors of Aboriginal Housing Victoria during the 2018-19 financial year:



Tim Chatfield Director and Chairperson

Tim Chatfield is the Chairperson of AHV and CEO of Budja Budja Aboriginal Cooperative. He has successfully completed the AICD Company Directors Diploma and the Trustee Directors course with the Australian Institute of Superannuation Trustees.

Tim has over 30 years' experience in Aboriginal policy and advocacy across a range of areas including Aboriginal housing, health and cultural heritage; Chairperson of Martang Pty Ltd; member of the Framlingham Aboriginal Trust; and an independent Director on the Board of First Super. Tim's former roles include Tumbukka Chairperson, ATSIC; Ministerially appointed Taskforce Member of the Victorian Indigenous Family Violence Strategy; and PAAC Member.

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



Daphne Yarram Director, Deputy Chairperson and Chair of Governance Committee

Daphne Yarram has championed the cause of the Victorian Aboriginal community in voluntary, government and private sector roles for over 30 years. Daphne was instrumental in the establishment of Ramahyuck District Aboriginal Corporation, a foundation member and elected to the National Congress of Australia's First Peoples Board for three terms and has undertaken a range of leadership and governance roles and more recently with the establishment of YooWINA Wurnlung Aboriginal Healing Service, a specialist Aboriginal Family Violence service, where Daphne is employed as CEO.

Daphne currently serves on a number of committees, including, Gippsland Regional Aboriginal Justice Advisory Committee, the Dhek Dja Family Partnership Forum, Aboriginal Strategic Governance Committee, Gippsland Family Violence Alliance and Daphne is a Respected Person on the Koorie Magistrates Court.



Mark Lipson Director and Chair Finance, Audit and Risk Committee

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

Mark is a continuing Board Director who was re-appointed at in 2016.



Alan Herrman Director and Chair of Asset Committee

Alan has extensive experience in property asset and investment management. He is currently Managing Director in the Melbourne Real Estate Advisory team at PwC advising private, public and not-for-profit clients on real estate investment matters. Alan has long been a passionate advocate for finding solutions 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. He was appointed to the AHV Board as a Casual Director in June 2018, prior to his formal appointment as a Board Director in October 2018.



Ian Hamm Director

Ian Hamm has extensive public sector experience having worked for much of his career as a Commonwealth and State government public servant. Ian also serves on a number of Boards, including: Chair, Connecting Home, Chair, Koori Heritage Trust, First Nations Foundation (Chair), National Trust Chair, Swinburne University Reconciliation Advisory Steering Committee Chair, Former President and Board member Western Region Football League. Fellow – Institute of Public Administration Australia (Vic), Defence Reserves Support Council.

Ian is a continuing Board Director who was re-appointed at in 2016.



Robert Leslie Director

Robert Leslie was Chief Executive Officer of Yarra Community Housing from 2000-2015 and has extensive community housing and development experience within the Victorian housing sector. Churchill Fellow, Member of the Refugee Council of Australia and Member of Oxfam. 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.



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.

Principal activities

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

The company's short-term objectives are to strengthen our asset management and development programs and to continuously improve the quality of housing service delivery.

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

Director's meeting

During the financial year, 10 Board meetings were held as well as meetings for several Board committees. 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:

	Board	FAR	Gov	Asset	Total
Total meetings for 2018-19	10	10	3	4	27
Tim Chatfield	10	10	3	4	27
Daphne Yarram	10	-	3	-	13
Mark Lipson	10	10	-	-	20
Alan Herrman*	10	5	-	4	19
Ian Hamm^	7	-	1	-	8
Robert Leslie	10	10	-	4	24
Bevan Mailman	10	10	-	-	20

Daphne was appointed to the AHV Board as a casual Director in October 2017, prior to her appointment as a Board Director in October 2018.

* Board approved indefinite leave of absence from the FAR Committee for Alan Herrman at the December 2018 meeting

^ Board approved 3 months leave of absence from the Board and Governance Committee for Ian Hamm at the August 2018 meeting.

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

	Board	FAR	Gov	Asset	Total
Tim Chatfield	10	10	3	3	26
Daphne Yarram	10	-	3	-	13
Mark Lipson	7	9	-	-	16
Alan Herrman*	9	4	-	4	17
Ian Hamm^	7	-	1	-	8
Robert Leslie	10	9	-	3	22
Bevan Mailman	9	10	-	-	19

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 towards meeting any outstanding obligations of the company. At 30 June 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$350 (2018: \$350).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 6 of the financial report.

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

Director



Tim Chatfield

Dated 03 October 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue			
Rental revenue	2	16,043,527	15,150,101
Other revenue	2	117,558,415	93,894,958
Total revenue		133,601,942	109,045,059
Expenses			
Depreciation and amortisation expenses		3,010,989	2,093,806
Employee benefit expenses		4,751,625	4,447,041
Housing program expenses		7,377,398	7,575,078
Administration expenses		1,393,390	1,815,023
Other expenses		118,590	29,411
Total expenses		16,651,992	15,960,359
Surplus before income tax		116,949,950	93,084,700
Income tax expense	1h	-	-
Surplus for the year	3	116,949,950	93,084,700
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net gain/(loss) on revaluation of non-current assets		(645,744)	(846,633)
Items that will be reclassified subsequently to profit or loss			
when specific conditions are met:			
Fair value gains on available-for-sale financial assets, net of tax		-	-
Total other comprehensive income for the year		(645,744)	(846,633)
Total comprehensive income for the year		116,304,206	92,238,067

The accompanying notes form part of these financial statements.



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

In accordance with the requirements of section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012* for the audit of Aboriginal Housing Victoria Limited for the year ended 30 June 2019, 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

Sripalmy Samra

Principal

Date: 03 October, 2019

CHARTERED ACCOUNTANTS
ABORIGINAL HOUSING VICTORIA LIMITED

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Liability limited by a scheme
operating under the provisions of the
Corporation Act 2001 for the acts or omissions
of financial advisers to investors.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	6,774,432	5,223,816
Term deposits	4	9,851,576	9,627,185
Trade and other receivables	5	441,059	760,027
Other current assets	6	1,755,590	2,045,216
Total current assets		18,822,657	17,656,244
Non-current assets			
Office property	7	2,473,262	2,481,706
Rental property	7	438,002,043	321,948,279
Office furniture and equipment	7	250,321	257,741
Total non-current assets		440,725,626	324,687,726
Total assets		459,548,283	342,343,970
LIABILITIES			
Current liabilities			
Trade and other payables	8	2,564,764	2,308,500
Short-term provisions	9	514,332	425,141
Deferred grant income	10	1,496,581	952,980
Total current liabilities		4,575,677	3,686,621
Non-current liabilities			
Long-term provisions	9	43,446	32,395
Total non-current liabilities		43,446	32,395
Total liabilities		4,619,123	3,719,016
Net assets		454,929,160	338,624,954
EQUITY			
Retained earnings		447,546,290	330,596,340
Reserves	16	7,382,870	8,028,614
Total equity		454,929,160	338,624,954

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Retained earnings \$	Revaluation surplus \$	Total \$
Balance at 1 July 2017	237,511,640	8,875,247	246,386,887
Surplus attributable to the company	93,084,700	(846,633)	92,238,067
Balance at 30 June 2018	330,596,340	8,028,614	338,624,954
Surplus attributable to the company	116,949,950	(645,744)	116,304,206
Balance at 30 June 2019	447,546,290	7,382,870	454,929,160

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Cash flow from operating activities			
Rentals received		16,043,426	15,005,740
Grants received		1,535,320	613,693
Other receipts		493,618	81,362
Payments to suppliers and employees		(14,073,880)	(15,441,760)
Interest received		245,922	225,461
Net cash generated from operating activities	15b	4,244,406	484,496
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		1,603,691	2,868,945
Payments into term deposits		(224,391)	(122,618)
Payment for property, plant and equipment		(4,073,090)	(1,269,992)
Net cash used in investing activities		(2,693,790)	1,476,335
Cash flow from financing activities			
Net cash used in financing activities		-	-
Net increase in cash held		1,550,616	1,960,831
Cash and cash equivalents at beginning of the financial year		5,223,816	3,262,985
Cash and cash equivalents at the end of the financial year	15a	6,774,432	5,223,816

The accompanying notes form part of these financial statements.

The financial statements are for Aboriginal Housing Victoria Limited as an individual entity, incorporated and domiciled in Australia. Aboriginal Housing Victoria Limited is a company limited by guarantee.

Note 1. Summary of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the requirements of the *Australian Charities and Not for Profits Commission Act 2012*.

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

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

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

The financial statements were authorised for issue on 26th September 2019 by the directors of the company.

Accounting policies

a. Revenue

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.

A number of the entity's programs are supported by grants received from the state and federal agencies. If conditions are attached to a grant which must be satisfied before the entity is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied. Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered.

Aboriginal Housing Victoria Limited receives reciprocal and non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. Depending on the nature of the contribution received, these assets are recognised at fair value or Valuer-General's certified book value on the date of acquisition in the statement of financial position.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial asset.

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

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

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

b. Property, plant and equipment

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

Office property

Freehold office properties are shown at fair value based on periodic 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 on the cost basis less depreciation and impairment losses and is valued by external independent valuers 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.

Office furniture and equipment

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

Depreciation

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Class of fixed asset Depreciation Rate

Office buildings	1.5%
Rental buildings	1.5%
Office furniture and equipment	7.5 – 33.3%
Rental building fixtures	10%

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

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

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

c. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases.

Finance leases (if any) are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives (if any) under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

d. Impairment of assets

The company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

e. Employee benefits

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

f. Cash and cash equivalents

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

g. Goods and services tax (GST)

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

h. Income tax

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

i. Provisions

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

j. Comparative figures

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

k. Trade and other payables

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 2. Revenue

	2019	2018
	\$	\$
Rental revenue		
Operating activities		
Rental revenue	16,043,527	15,150,101
Other revenue		
Interest income	245,375	220,746
Profit/(loss) on sale of property, plant and equipment	310,811	454,530
Revenue from contributed rental property assets	116,138,610	93,138,320
Other revenue	863,619	81,362
Total other revenue	117,558,415	93,894,958

Note 3. Surplus for the year

Expenses		
Depreciation and amortisation		
Office buildings	8,444	8,443
Rental buildings	2,914,624	1,991,576
Office furniture and equipment	87,921	93,787
Total depreciation and amortisation	3,010,989	2,093,806
Impairments to rental properties held-for-sale	-	-
Bad and doubtful debts expense	143,856	173,973
Rental expense on operating leases		
Housing Provider Framework	-	-
Office equipment and motor vehicles	130,837	154,313
Auditor remuneration		
Audit services	31,000	25,000
(Over)/Under provision of audit fees in respect of prior year	-	3,999
Other services – FBT compliance and other advisory services	18,576	7,960
Total auditor remuneration	49,576	36,959

Note 4. Cash and cash equivalents

Cash at bank and in hand	6,774,432	5,223,816
Short-term term deposits	9,851,576	9,627,185
Total cash and cash equivalents	16,626,008	14,851,001

Note 5. Trade and other receivables

Rental receivables	527,791	613,532
Provision for impairment	(290,037)	(361,532)
	237,754	252,000
Other receivables	203,305	508,027
Total current trade and other receivables	441,059	760,027

Note 6. Other current assets

Prepayments	738,538	251,806
Accrued income	18,608	19,155
Assets under construction	809,563	481,376
Held-for-sale rental properties	188,881	1,292,879
Total other current assets	1,755,590	2,045,216

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 7. Property, plant and equipment

	2019 \$	2018 \$
Office property		
Freehold land at fair value	2,130,000	2,130,000
Independent valuation at 30 April 2016		
Buildings at fair value		
Independent valuation at 30 April 2016	370,000	370,000
Less accumulated depreciation	(26,738)	(18,294)
Total buildings	343,262	351,706
Total office property	2,473,262	2,481,706
Rental property		
Freehold land		
At fair value	251,454,282	194,523,564
Buildings		
At fair value	192,520,673	130,511,059
Less accumulated depreciation	(5,972,912)	(3,086,344)
Total buildings	186,547,761	127,424,715
Total rental property	438,002,043	321,948,279
Office furniture and equipment		
Office furniture and equipment		
At cost	898,973	818,472
Less accumulated depreciation	(648,652)	(560,731)
Total office furniture and equipment	250,321	257,741
Total property, plant and equipment	440,725,626	324,687,726

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:

2018	Office property \$	Rental property \$	Office furniture and equipment \$	Total \$
Carrying amount at 1 July 2017	2,490,149	232,180,564	350,437	235,021,150
Additions at cost	-	94,163,804	1,091	94,164,895
Disposals	-	(2,404,513)	-	(2,404,513)
Depreciation expense*	(8,443)	(1,991,576)	(93,787)	(2,093,806)
Revaluation	-	-	-	-
Carrying amount at 30 June 2018	2,481,706	321,948,279	257,741	324,687,726
2019				
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	-	-	-	-
Carrying amount at 30 June 2019	2,473,262	438,002,043	250,321	440,725,626

* Includes the depreciation on disposal assets

Asset revaluations

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

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

Interests on properties

Aboriginal Affairs Victoria holds a mortgage of \$710,000 secured on the office property at Scotchmer Street, North Fitzroy. Repayment of the mortgage can only be demanded upon the sale of the property or in the event of the winding up of Aboriginal Housing Victoria Limited.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 8. Trade and other payables

	2019	2018
	\$	\$
Trade payables	481,892	665,526
Rental payments in advance	889,617	827,068
Other current payables	1,159,180	785,595
Employee benefits	34,075	30,311
Total trade and other payables	2,564,764	2,308,500

Note 9. Provisions

Analysis of total provisions

Current	514,332	425,141
Non-current	43,446	32,395
Total provisions	557,778	457,536

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

Capital grant funding	376,299	273,647
Operational grant funding	1,120,282	679,333
Total deferred grant income	1,496,581	952,980

Note 11. Capital and leasing commitments

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

Minimum lease payments for office, motor vehicles and office equipment payable:

within one year	374,457	210,229
between one and five years	306,257	86,026
after five years	-	-
	680,714	296,255

The office lease commitments are non-cancellable operating leases contracted up to two years.

The motor vehicle lease commitments are non-cancellable operating leases contracted up to three years. The office equipment lease commitments are non-cancellable operating leases contracted up to a five year term. No capital commitments exist in regards to the lease commitments at the 30 June 2019.

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 2019.

Note 13. Contingent liabilities and assets

At the reporting date, there were no contingent liabilities.

Note 14. Related party transactions

The Entity's related parties include its key management personnel as described on note 14.1 below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Note 14.1 Transactions with key management personnel

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

Short term employee benefits	149,581	81,809
Long term employee benefits	-	-
	149,581	81,809

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

Note 15. Cash flow information

	2019	2018
	\$	\$
a. Reconciliation of cash		
Cash at bank and in hand	6,774,432	5,223,816
b. Reconciliation of surplus after income tax to cash flow from operating activities		
Surplus after income tax	116,949,950	93,084,700
Non cash flows		
Depreciation and amortisation	3,010,989	2,093,807
Impairment of property, plant and equipment	-	-
Contributed assets	(116,138,610)	(93,138,320)
(Profit)/Loss on sale of Property, plant and equipment	(310,811)	(454,530)
Changes in assets and liabilities		
(Increase) / Decrease in receivables	318,968	(205,912)
(Increase) / Decrease in prepayments and accrued income	(486,187)	(11,410)
Increase / (Decrease) in payables	256,264	(1,091,756)
Increase / (Decrease) in deferred provisions	100,242	108,085
Increase / (Decrease) in grants carried forward	543,601	99,832
Cash flow from operating activities	4,244,406	484,496

Note 16. Reserves

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

The revaluation surplus records the revaluation of the rental property. At 30 June 2015 the rental properties were revalued to its fair value of \$22,922,500 giving rise to a revaluation increment of \$6,726,588. This along with prior year revaluations and the current year adjustments has resulted in the current revaluation surplus of \$7,382,870.

Note 17. Company details

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

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

DIRECTOR'S DECLARATION

- The financial statements and notes, as set out on pages 7 to 19, are in accordance with the *Australian Charities and Not for Profits Commission Act 2012*, including:
 - Giving a true and fair view of its financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
 - Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not for Profits Commission Regulation 2013*; and
- There are reasonable grounds to believe that Aboriginal Housing Victoria Limited will be able to pay its debts as and when they become due and payable.

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



Tim Chatfield (Director)

Dated 03 October 2019



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 2019, 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 2019 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 independence requirements of the *Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors for the Financial Report

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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



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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.

LSW
LBW Chartered Accountants

Sripathy Sarma

Principal

Date: 03 October, 2019



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members

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Victorian Aboriginal Child
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Victorian Aboriginal Health Service

Victorian Aboriginal Community
Controlled Health Organisation Inc.

Victoria State Government

Woolworths

Yarra City Council

Yarra Valley Water



Aboriginal Housing Victoria

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procedures can be found on our website www.ahvic.org.au