

Aboriginal Community Housing Limited

Annual Report 2020 - 2021





The artwork by Jordan Lovegrove, a Ngarrindjeri man of Dreamtime Creative, shows Aboriginal Community Housing Limited (ACHL) working together with its partners and the Aboriginal and Torres Strait Islander community to improve living conditions across the nation. ACHL being the first Aboriginal and Torres Strait Islander Housing company to become nationally registered is represented by the large central meeting place which is connected by pathways to its partners and tenants who are represented by the smaller meeting places. The large pathway down the middle of the artwork shows ACHL's journey towards seeing an end to housing poverty in the Aboriginal and Torres Strait Islander communities.



Reporting Period: July 2020- June 2021 **Published by:** Aboriginal Community Housing Limited

This is the first report to be published by Aboriginal Community Housing Limited as an independent national Aboriginal and Torres Strait Islander community housing provider in all relevant states and territories. The 2020-21 report is formed by our work from 1 July 2020 to 30 June 2021 but also includes historically context of our organisation.

Warning: Aboriginal and Torres Strait Island people should be aware that this report contains imagery and names of Aboriginal and Torres Strait Islander people.

Acknowledgment of Country

Aboriginal Community Housing Limited (ACHL) acknowledges that Aboriginal and Torres Strait Islander people were the first Australians with complex and sophisticated laws and environmental practices for over 60,000 years.

ACHL celebrates the survival and resilience of Aboriginal and Torres Strait Islander people and Aboriginal and Torres Strait Islander cultures across Australia and the many traditional lands and language groups.

ACHL recognizes the valuable contribution of Aboriginal and Torres Strait Islander people in all aspects of life and looks forward to working together in partnership, with mutual respect and on an equal footing.

We acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We also acknowledge the traditional owners of the lands on which our offices are based and where we work. We pay our respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

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Who is Aboriginal Community Housing Limited (ACHL)?

Aboriginal Community Housing Limited (ACHL) is a growing independent national Aboriginal and Torres Strait Islander community housing organisation. We are the first independent nationally led and managed provider of long-term affordable housing, property and tenancy management for Aboriginal and Torres Strait Islander peoples and communities.

ACHL was established in 2016 as a member of the Community Housing Ltd group of companies to provide better housing options for Aboriginal and Torres Strait Islander communities. Since the inception of ACHL, where we started with just one staff member to having expanded and grown to currently employ 11 staff members across all our national offices.

ACHL recognizes the right of Aboriginal and Torres Strait Islander peoples and communities to determine their own future and to live in accordance with their own cultural values and customs. We maintain a strong vision to empower Aboriginal and Torres Strait Island individuals and communities to develop, own and manage culturally appropriate, affordable, and sustainable housing.

In 2018/19, ACHL was the first national Aboriginal Community Housing provider (ACHP) to be registered under the National Regulatory System for Community Housing (NRSCH) as a Tier 2 provider. Also, becoming recognised as an approved provider by the NSW Aboriginal Housing Office (AHO) and in mid-2020 was one of the successful applicants of Growth Provider status.

ACHL works in partnership with Aboriginal and Torres Strait Islander services to deliver housing across tenancy management, property management and community development. We aim to further establish community development and economic development approaches to assist communities to determine and achieve their own aspirations and will continue to provide a range of products including additional supply of affordable rental and home ownership properties.

Since, the inception of ACHL, we are continuing to grow from strength to strength with established operations in Western Australia, South Australia and New South Wales and a growing presence in Victoria, Queensland, Northern Territory and Tasmania.



Journey to Date (2016 to 30 June 2020)

2016

Establishment of Aboriginal Community Housing Limited (ACHL)

ACHL was auspiced in 2016 by Community Housing Limited (CHL) initially as a member of its group of companies.

2016/17

ACHL office established in Western Australia and beginning management of properties

ACHL commences managing properties in East Kimberly and Goldfields communities and through a non-entity Joint Venture undertook management of privately owned properties in Geraldton and Perth (Western Australia).

2017/18

We continue to establish connections and partnerships in WA

In partnership with CHL, ACHL continued to work with Aboriginal people and communities in regional and rural Western Australia to deliver community development programs and service delivery.

2018/19

ACHL relaunch and establishes operations in New South Wales

ACHL was relaunched in 2019 during National Reconciliation Week with a renewed focus where the membership structure was reformed to be owned by organisations that support our mission and hold partnership agreements with us.

NSW operations were establishment to further expand and strengthen the footprint of ACHL and obtain new business growth opportunities.

We achieved becoming an NSW Aboriginal Housing Office (AHO) approved provider and achieved registration under the National Regulatory System for Community Housing (NRSCH) as a Tier 2 community housing provider.

2019/20

Forming of Partnerships and new Business Development Opportunities

In 2019/20, ACHL received a transfer of tenancies from CHL and Aboriginal Corporations to carry out tenancy and property management services.

A number of new innovative business development opportunities with new and established partnerships and securing successful bids to provide housing for our Elders and young Aboriginal individuals in South Australia.

2020/21

Successful applicant for Growth Provider Status from Aboriginal Housing Office (AHO) and Property Management Transfer

In 2019, AHO released an expression of interest aimed at identifying ACHPs who were looking to grow and strengthen their business through an allocation of resources (dependent on growth potential) and work in partnership with the AHO.

In mid-2020, ACHL was a successful applicant, achieving Growth Provider Status and is now in discussions about receiving a Property Management transfer of 88 properties in the Mid North Coast area.

Our Mission - Our Values Our Principles - Our Services

Vision and Mission

Empowering Aboriginal and Torres Strait Islander communities to develop, own and manage culturally appropriate, affordable and sustainable housing.

ACHL's mission is for Aboriginal and Torres Strait Islander people throughout Australia to have access to housing that is safe, affordable, appropriate and supportive of health and wellbeing. Through facilitating effective partnerships and relationships ACHL will support Aboriginal and Torres Strait Islander communities to develop, build, manage, operate and own well designed and maintained housing solutions.

Our Values

We believe everyone should have equal opportunity to access good quality, affordable and sustainable housing. To achieve that end we share the following values.

- 1. Equality
- 2. Integrity
- 3. Accountability
- 4. Culturally Appropriate Practice
- 5. Respect
- 6. Empowerment





Our Principles

Our principles are fundamental to our success. They focus on how we strengthen, maintain and grow our organisation over time. Adhering to each of these principles is how we will become the best and most respected Aboriginal and Torres Strait Islander Housing organisation in Australia.

What we can and will promise is to be truthful and honest; act with integrity and honor; and do the right thing. We will work with fierce resolve to make this an organisation of which our communities, people, tenants, and employees can be proud.

- 1. We are honest and truthful
- 2. We engage
- 3. We involve the community
- 4. We listen
- 5. We are inclusive
- 6. We empower
- 7. We are committed to real, tangible and ongoing outcomes
- 8. We are committed to employment opportunities
- 9. We ensure the respect and understanding of cultural heritage

Our Services

ACHL aims to provide and/or facilitate culturally appropriate property and tenancy management for all Aboriginal peoples and communities nationally and to provide a committed approach to community development to assist all Aboriginal and Torres Strait Islander individual, families and communities to achieve their own aspirations and needs.

ACHL provides a range of services that support our organisation's vision, across three main areas:

Tenancy management
 Property management
 公 Community development

The services all comprise:

- Culturally appropriate and competent service delivery
- Flexible approaches when working with tenants & families
- Holistic service delivery, ACHL is developing a Toolkit to support delivery of its services.

Chairs Report

I am very proud to present to you on behalf of the board and staff the inaugural Aboriginal Community Housing Limited (ACHL) annual report 2020-21.

I would like to acknowledge the tremendous work of our board and staff over the last 12 months as it has been a challenging time within the current pandemic (COVID-19). Despite the environment we are currently living in we have remained resilient and adaptable to the moving parts around us ensuring that we are still able to provide high level service and continued growth to support the health and wellbeing of our tenants to improve better outcomes for our people and communities.

ACHL is governed by our mission and vision of believing that everyone should have equal opportunity to access good quality, affordable and sustainable housing.

For ACHL, 2020/21 has been a year of growth and development, this report highlights the achievements, progress and challenges that we have faced over the past year but also provides the foundation and historical context of ACHL.

There have been major milestone achievements for the ACHL team nationally over the last year. Some of these achievements include being able to secure the contract to manage and deliver services at Tika Tirka, the partnership to develop 'The Elder Village' at a culturally significant site in Adelaide; becoming registered under the National Regulatory System for Community Housing (NRSCH) as a Tier 2 provider; and recognition as an Aboriginal Housing Office (AHO) Growth Provider. These achievements bring us one step closer to achieving the intended outcomes for our communities.

To this end, we are looking forward to further establishing our organisation as an independent national Aboriginal Community housing provider and being able to bring our innovation, knowledge and experience, to the Community Housing sector.

ACHL is embarking on a journey of reinvention and refocusing of our strategic and operational objectives moving into the future. A new and innovative Strategic Framework 2021-2024 has been approved by the board for implementation which sets out four strategic objectives focused on strengthening, maintaining, delivering and renewing Aboriginal and Torres Strait Islander housing.

In 2021/22, we will maintain our focus on growth opportunities and building collaborative partnerships with our tenants, communities and stakeholders in order to be able to achieve our vision for good quality, affordable and sustainable culturally appropriate housing for all Aboriginal and Torres Strait Island individuals, peoples and communities.

As ACHL continues to grow and achieve better outcomes for our communities. I would like to acknowledge the staff, the board, all our members and partners for your continued efforts and support.

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Maureen O'Meara Chair









The Directors present their report on Aboriginal Community Housing Limited (ACHL), for the year ended 30 June 2021.

Directors

The following persons were directors of Aboriginal Community Housing Limited during the whole of the financial year and up to the date of this report:

Fionn Skiotis

Maureen O'Meara

Charles Leahy

Brian Bero

Margaret McCallum

Richard Ruhl

Matt Jones

Angela Huston

Principal Activates

The principal activity of the Company is the development and management of affordable and sustainable housing for Aboriginal and Torres Strait Islander people in Australia.

Dividends – Aboriginal Community Housing Ltd

No dividends were paid as the Company is prohibited pursuant to its Constitution to distribute dividends.

Review of Operations

The ACHL operating surplus for the year amounted to \$448,004 (2020 surplus: \$200,395). The total comprehensive income is identical to the operating surplus \$448,004 (2020: \$200,395). Total ACHL revenue and other income is \$2,133,481 (2020 \$1,767,695).

National legislation has established the basis for the registration of not-for-profit social housing providers in all Australian jurisdictions. Accordingly, ACHL has continued to comply with all the requirements for registration as a community housing provider in the National Regulatory System for community housing, maintaining its registration as a Tier 2 provider.

The staff complement increased from 8 to 11 full time equivalent (FTE) employees. Houses under management increased from 339 to 371 properties.

New developments over the year

- ACHL was approved to develop 40 units for elders on land formally owned by the Indigenous Land and Sea Council and transferred to Kaurna Yerta Aboriginal Corporation in Adelaide.
- ACHL was also contracted to manage the Tika Tirka Youth Accommodation Facility in Adelaide.
- ACHL increased management of housing by 70 homes in New South Wales.
- ACHL received registration as a Tier 2 provider under the National Regulatory Scheme for Community Housing and registration as an Aboriginal Housing Provider with the NSW Aboriginal Housing Office. This resulted in the transfer of management of a number of properties on the New South Wales Mid North Coast to ACHL.

Events since the end of the financial year

- a) ACHL NSW has executed two Deeds of Variation to the original Management Agreement with the NSW Government's Aboriginal Housing Office. The fifth Deed of Variation provides for an additional 88 properties to be transferred to ACHL NSW on 27th September. The sixth Deed of Variation provides for an additional 14 properties to be transferred to ACHL NSW from August 2021.
- b) ACHL registered a subsidiary with the ACNC, Aboriginal Community Housing Victoria Limited (ACHVL) which will carry our delivery and management of housing for Aboriginal and Torres Strait Islander people living in Victoria in partnership with Victorian Aboriginal community organisations.

Likely developments and expected results of operations

- ACHVL is submitting for registration as a housing agency under the Housing (Housing Agencies) Act 2004 in order to partner with the Victorian Government in the development of projects for Victorian Aboriginal and Torres Strait Islander people.
- ACHL will receive an additional 120 units through management transfers and construction from the NSW Aboriginal Housing Office.

Environmental regulation

ACHL continues to lease fuel efficient vehicles in order to reduce energy emissions.

Information on Directors, CEO and Secretary

Maureen O'Meara Baad (Bardi)

Chair, Non-executive Director

Dampier Peninsula West Kimberley, and **Jaru** from the East Kimberley BAppSc (Indigenous Health), PGCert (Aboriginal Alternative Healing)

Experienced in Aboriginal relationships and interactions, Government and Not-for-Profit sectors, Housing, Health, Inter-sectoral Government Relations and Management of Government Partnership funds, Community and Business Development. Also, the Director of CHL Timor Ltd.

Charles Leahy

Non-Executive Director

Dip Prop Serv; Dip Prog Mng; Grad Dip Portfolio Mng, CPPP

Over the course of more than thirty years in and around property services, Charles has held Regional Sales Manager, General Manager, State Manager and Licensee-In-Charge roles in the Real Estate sector. He has also run adjacent business functions in Asset Management, Facility Maintenance and Portfolio Management. Most recently, he has been in private practice consulting to small and medium sized businesses, growing franchises, helping clients achieve cost efficiencies in Real Estate and Operating Costs, Staged and Productive Branch Expansions and related Strategic Planning and Process Improvement initiatives through diligent project analysis and planning strategies.

Margaret McCallum Non-Executive Director DipGovMng

Experienced in Governance networking at all levels and working with a diverse range of people to inspire them and gain their collaboration, navigate and capitalise on financial arrangements.

Richard Ruhl Non-Executive Director

Cert IV in Property Services (Real Estate) Real Estate Licence, Real Estate Agent

Experienced within the Real Estate industry from Sales to Property Management, knowledge and understanding of Community Housing and its systems in place to help sustain tenancies.

Fionn Skiotis Non-Executive Director

MSocSci (Policy & Human Services), Grad Cert SocSci (Housing Policy & Management), FAICD

Experienced in Corporate Governance and Management in the Not for Profit sector, Social Housing, Disability, Social Policy, Mental Health, Advocacy, Human Rights and Media and Communications. Over 30 years' experience in the Not for Profit sector in Australia and internationally. Currently General Manager at The Thin Green Line Foundation. Also, a Community Member of the Victorian Mental Health Tribunal (appointed 2006) and previously appointed to Commonwealth Social Security Appeal Tribunal (2007-2009) and Victorian Intellectual Disability Review Panel (2004-2007).

Matt Jones Non-Executive Director CA, MBA, BIntBus, BA

Experienced within professional services specialising in business reconstruction and recovery, cashflow forecasting, financial due diligence and risk management from a banking perspective. He is also a board member of DV Connect QLD.

Angela Huston Kamilaroi/Euahlayi Non-Executive Director CA, MAICD

Experienced within a range of accounting positions specialising in business financial management, professional accounting and financial management roles in

not-for-profit Indigenous organisations. Angela is a proud Kamilleroi woman who understands what a difference a safe place to live will make.

Brian Bero Non-Executive Director

LLB, Legal Practitioner

Experienced in negotiating, drafting and providing advice with respect to a variety of agreements including complex information technology and general procurement agreements (including novations, assignments, releases, NDAs, variations, consultancy, leases and logistics). Brian assists in general commercial and strategic direction and the dispute team with litigation matters. Also, provides advice and draft responses to various regulatory bodies with respect to regulatory investigations and on general privacy law matters an risk and compliance with respect to credit and billing.

Steve Bevington Chief Executive Officer

Dip Mgt (MBS Senior Executive Program), CHP, Registered Domestic & Commercial Builder

Experienced in development and management of Social Housing for over 40-years including the development of Cooperative Housing in London, Chairmanship of London Borough of Camden Council Housing Authority in the 1980s, Coordinator – Housing Cooperative programs – Victorian Ministry of Housing and Construction 1989 – 1991. Establishment and development of Community Housing Ltd to the present day. Board member of Community Housing Industry Association.

Vlad Steinberg

Company Secretary BEc, Grad Dip AppCorpGov, MBusLaw, AGIA, ACG (Chartered Secretary and Chartered Governance Professional)

Trained in business law and governance. Experienced in company secretarial and governance practice, business management, including extensive experience in the legal system as it affects business, resources management, compliance and risk management systems, ethics, values and culture.

Membership Framework

Memberships for ACHL will be open to Aboriginal and Torres Strait Islander organisations and non-Aboriginal and Torres Strait Islander organisations who commit to ACHL's vision, mission and values. Memberships will also be open to organisations which enter into a property management agreement with ACHL and voting will be proportional to the size of the portfolio under management.

ACHLs Board is a majority of Aboriginal and Torres Strait Islander Directors (75%), elected by members. The Board will be able to co-opt two additional Directors when specific skills and expertise are required. The two co-opted Directors may be Aboriginal and Torres Strait Islander or not.

Meetings of Directors

During the 2020/21 financial year, eight meetings of Directors were held. The number of meetings attended by each Director during the year is shown below.

Director Attendance —	Full meetings of Directors		
	Α	В	
Fionn Skiotis	8	8	
Maureen O'Meara	5	8	
Charles Leahy	8	8	
Brian Bero	6	8	
Margaret McCallum	6	8	
Richard Ruhl	5	8	
Matt Jones	7	8	
Angela Huston	8	8	

A = Number of meetings attended

B = Number of meetings held during the time the director held office





Directors' interests and benefits

ACHL is a Company limited by guarantee, hence none of the Directors hold an interest.

During or since the end of the financial year, ACHL has Directors' and Officers' Liabilities Insurance in place to insure current and former Directors, Secretaries and other officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while in the capacity of Director, Secretary or other officer of ACHL involving a wilful breach of duty in relation to ACHL.

No Director of ACHL, during or since the end of the financial period, received or has become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial report or the fixed salary of a full time employee of ACHL or of a related body corporate) by reason of a contract made by ACHL or a related body corporate with one of the Directors or with a firm of which they are a member or with a company in which they have a substantial financial interest.

Indemnification of Directors and Officers

The Company has executed deeds of indemnity in favour of:

- (a) Directors of the Company (including past Directors),
- (b) Secretary, and
- (c) Chief Financial Officer.

Each of these deeds provides an indemnity on substantially the same terms as the indemnity provided in the constitution in favour of Directors and Officers. The indemnity also gives officers a right of access to Board papers and requires the Group to maintain Directors' and Officers' liability insurance.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.



2020-21 Year in Review

Highlights

ACHL has been busy in 2020-2021, growing and expanding our business to ensure that we are providing the best possible outcomes for our tenants and the Aboriginal and Torres Strait Islander community.

As an organisation our vision and objectives are the driver behind ensuring that our outcomes are realised in order to better assist and equip the community by providing affordable, appropriate and safe housing as well as empowering their own aspirations.

Some of our highlights from the 2020/21 year include:

- Securing the East Kimberley (Western Australia) Transition Housing Program contract for a further five years under a collaborative partnership between CHL and ACHL.
- Securing and extending existing contracts in the East and West Kimberley, Exmouth, Coral Bay and the Goldfield (Western Australia).
- Successfully securing a bid to manage and deliver service at Tika Tirka, an Aboriginal and Torres Strait Islander student accommodation (Adelaide).
- Announcement of \$10 million 'The Elders Village' project that will provide the first culturally appropriate, independent Elder living village in South Australia through a partnership between State Government, ACHL, the Indigenous Land and Sea Corporation (ILSC) and the Kaurna Yerta Aboriginal Corporation.
- Continuous community engagement to better understand and meet the needs of tenants and community to ensure deliver of appropriate services and building of new partnerships with fellow Aboriginal Community Housing Providers (ACHPs), relevant government departments and peak/funding bodies.
- Implementation of ACHL's first strategic business plan 2019/20 2020/21. The Strategic Business Plan
 provides priority business objectives to support our organisational development and pursuit of growth
 opportunities national.
- Successfully achieving Aboriginal Housing Office (AHO) Growth Provider status.
- The launch of the new redesigned ACHL website.
- Undertaking recruitment activity to fill fundamental roles to further enhance ACHL's business operations across all parts of our business.

ACHL has had some major wins for this year, we are excited for the future and all the innovative and positive opportunities on the horizon. While some of our key highlights have been shown above, there have been many other accomplishments in all our established and growing jurisdictions in community development and engagement, business growth opportunities, partnerships, and service delivery.



Western Australia

Western Australia holds one of the largest Aboriginal and Torres Strait Islander footprints in Australia. ACHL has been established in the state since 2016 through our partnership with CHL, a strong reputation in key areas and our first office opened in WA.

ACHL currently manages 361 properties in 23 remote and town-based communities in the Kimberly and Goldfields regions and Aboriginal Transitional Housing in Kununurra, Broome and Halls Creek. Our offices are located in Perth, Kununurra, Broome, Kalgoorlie.

In 2020/21, a review was undertaken to review all contractual arrangements in place. All existing contracts in the East and West Kimberly, Exmouth, Coral Bay and the Goldfields were extended and remain in place to continue to deliver services to Aboriginal communities in these regions. We were also able to secure the East Kimberley Transition Housing Program contract for a further five years under a collaborative partnership between CHL and ACHL.

There have been a number of positive and exciting projects that have been undertaken through community development and in partnership with CHL to contribute to renewal and social inclusion of our community in the last 12 months in Western Australia. Some of these projects are:

- **Guda Guda Community Hub (East Kimberly)** The building of a playground and half basketball court in community through securing of funding from various local partnerships.
- *Emu Creek Community Office space (East Kimberly)* An office space that has been developed as a meeting space as well as the creation of a community garden through grants received from community.
- *Molly Springs Community Shed (East Kimberly)* A Bouwer Shed has been built for cultural teachings and for use for their early years program.
- *Wurreranginy (Frog Hollow) Community (East Kimberley)* A housing management model for remote community, Frog Hollow, located in the East Kimberley was further developed, in consultation with the community to build capacity of the community council and its members to self-manage in the future.
- Nulleywah Community (East Kimberley, WA)
 Ongoing support is being provided to develop capacity and
 governance, record keeping and meeting facilitation requirements
 to obtain grants and funding for future identified projects for the
 community.

ACHL continues to explore other business growth opportunities and avenues within Western Australia to strengthen ACHL's footprint.



Islander people

Below: Guda Guda Community Hub, East Kimberly playgound. Community activities at Wurreranginy (Frog Hollow), East Kimberly.





Below: Artist's impressions of the The Elder Village, Adelaide



South Australia

In South Australia, ACHL has been successful in securing two major contracts that will be crucial in achieving our vision to provide secure, affordable and culturally appropriate housing for the Aboriginal and Torres Strait Island peoples and community.

Firstly, we were successful in securing the contract to manage and deliver services at Tika Tirka, an Aboriginal and Torres Strait Islander student accommodation facility that provides young people from metro, rural and remote regions that are enrolled in university and or who are undertaking further training and development a safe, affordable and culturally appropriate 'home away from home'. The accommodation facility accommodates 20 young people and is located in Adelaide's CBD.

On 1 January 2021, ACHL overtook property and tenancy management of Tika Tirka. We have begun to implement community engagement and development with tenants and community in order to provide a range of activities contributing to social inclusion for all tenants.

Furthermore, the announcement of "The Elder Village" to be built south of Adelaide, close to "Warriparinga" a culturally significant site near the Stuart River. Warriparinga remains a significant and important ancestral creation and law-giving site for the Kaurna people. This stretch of the river and associated floodplain forms waterways linking the hills to the sea and was an important camping and ceremonial places prior to colonisation. Oral accounts indicate the area was used traditionally by Aboriginal people until well into the 20th century. Warriparinga is now used to describe the cultural precinct on the eastern side of Sturt River, incorporating the Living Kaurna Cultural Centre.

The \$10 million project is a partnership between the South Australian government, Indigeniuous Land and Sea Corporation (ILSC), the Kaurna Yerta Aboriginal Corporation (KYAC) and ACHL.

The purpose-built village will provide 40 individual culturally appropriate homes as well as gathering spaces for our Elders at risk of homelessness. The homes have been designed to meet the needs of the residents. ACHL will oversee the construction of the village as well as provide tenancy and property management services upon completion. Construction of the village is expected to commence in early 2022.

Additionally, ACHL has expanded the team in South Australia with the appointment of three new staff: South Australia Relationship Manager, Community Development Officer and Tika Tirka Housing Officer.



New South Wales

New South Wales (NSW) is one of the states that has been identified for significant growth for ACHL with numerous opportunities to increase housing and service delivery for Aboriginal and Torres Strait Island people and communities.

Our footprint in NSW ranges along the Mid North Coast including Port Macquarie, Kempsey and Coffs Harbour. Currently, ACHL manages 97 properties within the Mid North Coast region.

Recently, ACHL was successful in becoming a growth provider under the AHO's Growth Provider scheme in NSW. This is part of the AHO's Sector Improvement initiative and the 10-year Strong Family, Strong Community strategy to improve the wellbeing of Aboriginal families and communities through housing and assist ACHPs. Our successful application allows for ACHL to tender for further Property Management transfer programs in the future. We are currently in discussion with the AHO about receiving a Property Management transfer of 88 properties in the Mid North Coast region in late 2021.

Furthermore, ACHL also achieved registration under the National Regulatory System for Community Housing (NRSCH) as a Tier 2 Community Housing Provider. This is one of the first steps for ACHL to become a more independent organisation and will also contribute to the continual growth opportunites.

We are committed to continuing to expand the community development programs and projects that we undertake in NSW. This will be dependent on community engagement to further understand the needs of the community and how we can put into place the best initiatives to meet these needs. There have been some exciting projects that have been undertaken through community development in the last 12 months in NSW and we look forward to the continual growth of these program into the future.

In the meantime, NSW is continuing to explore other business growth opportunities and avenues to strengthen the ACHL footprint.

Expanding ACHL's Footprint

Additionally, ACHL is further exploring opportunities in other states and territories:

Victoria:

We are currently in the process of becoming a registered community housing provider under the Victorian (Housing Agencies) Housing Act 2004.

Queensland:

We are currently working with the Queensland Government and relevant stakeholders to establish a footprint within Queensland and exploring growth opportunities to be involved in.







Positive News Stories

Tika Tirka: Finding a home away from home

Growing up in a remote community has its perks – more space, fewer people, family connections and close to nature, but when it comes to education and career opportunities, geography can be a major obstacle forcing its residents and especially young people to relocate to the city for study and career advancement.

For Aboriginal and Torres Strait Islander youth, finding an accommodation that is affordable, secure, and culturally respectful can often be a challenge especially when your connection to land, family and community plays an intrinsic part to who you are. Fortunately for Jaekiya (pictured bottom) and Michael (pictured top), the move was worth it having found their "home away from home" at Tika Tirka.

Jaekiya, a young Adnyamathanha woman who grew up in Iga Warta relocated to Adelaide and studies Early Childhood and Education at Enable College. Ngarrindjeri man, Michael also relocated and studies Bachelor of Psychological Science at the University of Adelaide. Both live at Tika Tirka, an innovative student accommodation that provides young Aboriginal and Torres Strait Islander people from remote and outer regional communities with a safe place to call home. It enables them to pursue studies whilst living in a home that is safe, fosters connection and is culturally appropriate.

"Tika Tirka understands the laws of Aboriginal and Torres Strait Islander people. They give you the full support you need to not only help you with your studies, but also for what comes after that," said Jaekiya. "It feels like a family. We get along very well."

Located on Gilbert Street, Tika Tirka is set up to house 20 young people and is run by SA Housing Authority with Aboriginal Community Housing Limited (ACHL) overseeing the tenancy and property management and resident support as of 1 January 2021.





"Everyone is very focused on their goals, which is to become experienced, learn a whole bunch and start supporting the community themselves. Just having like-minded people living around me has helped me stay on the path and stay in my studies, especially the staff," said Michael.

"We [Students] are on different journeys because of our different studies. Tika Tirka being a culturally safe place, we are all on the same page when it comes to wanting to make better pathways for those after us," said Jaekiya.

"With the connection I have at Tika Tirka and work, I am always surrounded by family."

Jaekiya and Michael are working towards their career goals with onsite staff who provide culturally appropriate support for each individual. Jaekiya has completed her work placement. Michael is working as a night manager at Tika Tirka, research assistant and as a positive behaviour support practitioner. He has also won a Dr Tracy Westerman scholarship.

Both look forward to working in their chosen professions paving the way for future generations to follow and giving back to the Aboriginal and Torres Strait Islander communities.

Tika Tirka welcomes new student inquires for the 2021/2022 year – please enquire at tika.tirka@achl.org.au.

For further information about any of the stories above, please see the <u>ACHL website</u> or contact us at <u>info@achl.org.au</u>.

https://chl.org.au/2021/01/tika-tirka-accommodation-forging-paths-foryoung-aboriginal-and-torres-strait-islanders-in-adelaide/ "Everyone is very focused on their goals, which is to become experienced, learn a whole bunch and start supporting the community themselves. Just having like-minded people living around me has helped me stay on the path and stay in my studies, especially the staff," said Michael.

What we plan to do moving forward...

ACHL is looking forward to the future and the potential growth that our organisation can bring to the Community Housing Sector and Aboriginal and Torres Strait Island peoples and communities, nationally.

Over the next four years, we are looking to embark on our continued growth through the expansion of our property portfolio including management transfers, seeking funding and initiative opportunities, establishing property management agreements with members of ACHL, maintaining a high standard when providing property and tenancy management service delivery to our tenants and pursing additional partnerships to increase ACHL's portfolio size and reach.

ACHL has four business objectives to achieve during the 2021 to 2024 period:

- 1. Sustainability of ACHLs business operations in the immediate, short, and long term.
- 2. Maintaining, Facilitating and Fostering partnerships with all stakeholders of ACHL.
- 3. Deliver housing solutions for Aboriginal and Torres Strait Islander people, to move throughout the housing continuum.
- 4. Renew and increase business growth (aside from ACHL's housing growth) to ensure ongoing viability and sustainability of ACHL's operations.

ACHL is committed to achieving these objectives as they are essential in being able to achieve the desired outcomes for our Aboriginal and Torres Strait Islander peoples and communities.

We have identified numerous opportunities for growth in jurisdictions nationally over the next four year including expanding and embarking on obtaining registration under the Victorian Regulatory System and state-based growth into Victoria, Queensland, Northern Territory and Tasmania.



Financial Statements

Aboriginal Community Housing Limited ABN 23 165 108 654

Annual Report 30 June 23021

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Directors' report

Auditor's Independence declaration

A copy of the auditor's independence declaration is required under section 60-40 of the Australia Charities and Not-for-profits Commission Act 2012 it is set out on page 25.

This report is made in accordance with a resolution of Directors.

10*C*-<u>~~</u>

Maureen O'Meara Director

Melbourne 29 September 2021



Auditor's Independence Declaration

As lead auditor for the audit of Aboriginal Community Housing Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

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Amanda Campbell Partner PricewaterhouseCoopers

Melbourne 29 September 2021

PricewaterhouseCoopers, ABN 52 780 433 757 2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001 T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Aboriginal Community Housing Ltd Statements of comprehensive income For the year ended 30 June 2021

		2021	2020
	Notes	\$	\$
Revenue from contracts with customers	3	1,897,337	1,662,517
Property Rental Revenue	4	150,154	-
Other Income	5	85,990	105,178
Operating expenses		(1,524,209)	(1,531,376)
Property costs		(84,098)	(17,028)
Tenancy/client costs		(62,158)	(10,605)
Finance costs		(6,871)	(8,291)
		456,145	200,395
Income tax expense		-	-
Surplus / (Deficit) for the year		456,145	200,395
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		456,145	200,395
		,	
Surplus is attributable to:			
Owners of Aboriginal Community Housing Ltd		456,145	200,395
		400,140	200,000
Total comprehensive income for the year is attributable to:			
Owners of Aboriginal Community Housing Ltd		456,145	200,395
		450,145	200,395
The company's operating surplus before depreciation and amortisation		576,079	297,097
Revaluation adjustment		-	-

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Aboriginal Community Housing Ltd Statements of financial position As at 30 June 2021

		2021	2020
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,267,334	690,184
Trade and other receivables	7	215,757	174,562
Other current assets		5,245	-
Total current assets		1,488,336	864,746
Non-current assets			
Property, plant and equipment	8	8,830	14,933
Right-of-use assets	8	152,203	136,770
Intangible assets	9	11,100	5,740
Total non-current assets		172,133	157,443
Total assets		1,660,469	1,022,189
LIABILITIES			
Current liabilities			
Trade and other payables	10	301,953	149,510
Lease liabilities	8	88,500	81,611
Provisions	11	42,504	38,773
Total current liabilities	-	432,957	269,894
Non-current liabilities			
Lease liabilities	8	69,927	51,315
Provisions	11	843	383
Total non-current liabilities		70,770	51,698
Total liabilities		503,727	321,592
Net assets		1,156,742	700,597
EQUITY			
Contributed equity	12	50,000	50,000
Retained earnings	13	1,106,742	650,597
Total equity	-	1,156,742	700,597

The above statements of financial position should be read in conjunction with the accompanying notes.

Aboriginal Community Housing Ltd Statements of changes in equity For the year ended 30 June 2021

	Notes	Contributed equity \$	Retained earnings \$	Total equity \$
Balance at 1 July 2019		50,000	450,202	500,202
Surplus for the year Total comprehensive income for the year			200,395	200,395
Balance at 30 June 2020		50,000	650,597	700,597
Balance at 1 July 2020		50,000	650,597	700,597
Surplus for the year		-	456,145	456,145
Total comprehensive income for the year		-	456,145	456,145
Balance at 30 June 2021	12, 13	50,000	1,106,742	1,156,742

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Aboriginal Community Housing Ltd Statements of cash flows For the year ended 30 June 2021

Notes \$ Cash flows from operating activities	\$,856,637
Cash flows from operating activities	
Receipts from rent, operational grants and services (inclusive of GST) 2,412,660 1	
Capital grants, fees and other income received (inclusive of GST) 84,311	104,000
Payments to suppliers and employees (inclusive of GST) (1,818,511) (1,	670,911)
678,460	289,726
Interest received 5 189	1,178
Interest paid 8 (7,673)	(8,291)
Net cash inflow from operating activities 670,976	282,613
Cash flows from investing activities	
Payments for property, plant and equipment	-
Payment for software developments9(7,140)Maturity of term deposits21,059	(5,740)
Net cash (outflow) from investing activities 13,919	(5,740)
	(3,740)
Cash flows from financing activities	
Principal elements of lease payments (107,745)	(94,444)
Net cash inflow from financing activities (107,745)	(94,444)
	(01,111)
Net increase in cash and cash equivalents 577,150	182,429
Cash and cash equivalents at the beginning of the year 690,184	507,755
Cash and cash equivalents at end of year61,267,334	690,184

The above statements of cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Aboriginal Community Housing Ltd.

(a) Basis of preparation

These general purpose reduced disclosure financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, *Australian Charities and Not-for-profits Commission Act 2012*. Aboriginal Community Housing Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of the Aboriginal Community Housing Ltd Company comply with Australian Accounting Standards - Reduced Disclosure Requirements, interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012.*

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention except for the following:

• investment properties and derivative financial instruments which are measured at fair value.

(iii) New and amended standards adopted by the Company

The Company has applied the following amendments for the first time for the financial year beginning 1 July 2020:

- AASB 2018-7 Amendments to Australian Accounting Standards Definition of Material [AASB 101 and AASB 108]
- AASB 2018-6 Amendments to Australian Accounting Standards Definition of a Business [AASB 3]
- AASB 2019-15 Amendments to Australian Accounting Standards Disclosure of the Effect of new IFRS Standards Not Yet issued in Australian [AASB 1054]

The amendments listed above did not have any impacts on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

1 Summary of significant accounting policies (continued)

(iv) New standards and interpretations not yet adopted

Reference and Title	Summary	Application date of standard	Impact on Group financial report	Application date for Company
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	This standard introduces major changes to the current reduced disclosure requirements (RDR) framework	1 July 2021, with early adoption permitted	The Group must assess materiality in the context of the financial statements as a whole.	1 July 2021
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	The AASB has made limited scope amendments to AASB 10 Consolidated financial statements and AASB 128 Investments in associates and joint ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and it associates or joint ventures.	1 January 2022	Where the non-monetary assts constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets.	1 July 2022

(v) Going concern consideration

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The COVID-19 pandemic creates uncertainty on the global and local financial market and it affects the ability of impacted tenants to meet their rental obligations. The Company has completed an extensive assessment on trade receivables and the Directors remain confident that the Company will be able to continue as a going concern. Refer to Note 1(a) (vi).

(vi) COVID-19 Pandemic

The Company continues to assess the potential impacts of COVID-19 and other market volatility in preparing its financial statements. While the specific areas of judgement as noted in Note 2 have not changed, COVID-19 resulted in the application of further judgement within those identified areas. Given the evolving nature of COVID-19 changes to the estimates and outcomesthat have been applied in the measurement of the Company's assets and liabilities may arise in the future. Other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods.

1 Summary of significant accounting policies (continued)

Consideration of the statements of financial position and further disclosures

Key statement of financial position items and related disclosures that have been impacted by COVID-19 were as follows:

Trade and other receivables

The COVID-19 pandemic creates volatility on the global financial market and possible affects of the ability of impacted tenants to meet their rental obligations. The Company has previously completed an extensive assessment on trade receivables to determine the recoverability of rental income and other receivables. Management continues to review and monitor tenants' rental payments for any changes on a daily, weekly and monthly basis. To date the Company has not observed or expect to see material decline on its tenants' ability to pay as a result of the COVID-19 pandemic. Accordingly, no additional expected credit loss allowance pertaining to COVID-19 have been included.

(b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Aboriginal Community Housing Ltd's functional and presentation currency.

(c) Revenue recognition

AASB 15 provides guidance on the following five elements of a contract with a customer:

- 1 Identifying a contract;
- 2 Identifying performance obligations under the contract;
- 3 Determining the transaction price;
- 4 Allocating the transaction price to each of the performance obligations; and
- 5 Recognising revenue as each performance obligation is met.

To correctly identify the sources of revenue, ACHL has allocated revenue streams into groups to provide a broad overview of the types of revenue earned and to assist in correctly identifying the correct methodology of revenue recognition.

Revenue is recognised for the business activities under the following streams:

(i) Property rental revenue

Rental revenue is recognised on a straight-line basis over the lease term under AASB 16 Leases (as opposed to the rest of the revenue streams that fall under the scope of AASB 15). Modifications to the leases are accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

(ii) Operational grant income

This revenue is based on Government funded grants that are for operational purposes, such as salaries and general operational costs for various programs in which ACHL is involved. Government grants are provided as per the agreement with some being received quarterly in advance or half yearly. Each agreement is reviewed individually with the revenue recognised over time. Each contract has unique criteria that requires the assessment be undertaken with reference to the specifics of the contract.

(iii) Property / Client Service grant income

Property / Client service grant income relates to program funding contracts with Governments for specific purposes, with an expectation that key performance targets are met such as assisting a certain number of clients in a specific time frame. Under these arrangements, the contract is allocated a transaction price for the service arrangement with revenue recognised over time, based on activity and or meeting KPI's. Any unspent amount at year-end is recognised as contract liability. Each agreement is assessed individually to ensure accurate recognition of revenue.

1 Summary of significant accounting policies (continued)

(iv)Recoveries

Recoveries is income related to amounts recovered from tenants or other businesses where it is agreed that ACHL may recover the costs incurred. Under these arrangements, revenue is recognised at the time the invoice is raised to external parties which is at a point in time.

(v) Management fees

Management fees relate to activity where the Company acts as agent and receive fees for managing properties. The revenue and expenses associated with these properties lie with the third party and ACHL only recognises a management fee over time on a straight-line basis as and when the contracts allow.

(vi) Grant revenue

Grant income is recognised in profit or loss when it is controlled or there is a right to receive and it is probable that the economic benefits comprising the contribution will flow to the entity, in accordance with Accounting Standard AASB 1004. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the statements of financial position as a liability until such conditions are met or services provided. There are three types of Government grants:

(vi) (a) Operating Administration Project Grants

Project funding or contributions are received in relation to a financial year from Government parties for the purpose of meeting the administrative costs of the Group are included in revenue in that year.

(vi) (b) Capital Project Grants

Grants or contributions are received from Government parties for the purpose of community property acquisition or construction. Some of these grants have been classified as non-current non-interest bearing liabilities on the basis that should properties be sold, a percentage of the current market value is adjusted to reflect the obligations to the Government agencies and the balance is retained by the Group to be reinvested into the business. Grant income is recognised immediately as revenue in the Statements of comprehensive income at time of project milestone completion, where the entity obtains control of the contribution or the right to receive the contribution and the amount of the contribution can be reliably measured, as specified requirements in AASB 1004.

(vi) (c) Long Term Community Residential Accommodation funding

Grants received from Government parties pursuant to a funding agreement for the purpose of providing funding for a Long Term Community Residential Accommodation project are recorded as liabilities to the Office of Housing. The liability to Government will be amortised progressively over the life of the Project, by transferring an amount to revenue annually in accordance with the terms of the funding agreement. Grant monies are initially recorded as non-current non-interest bearing liabilities, as should the project be terminated before expiry of the funding agreement period, the unamortised amount outstanding will be repayable to the Government agency, in accordance with the terms of the funding agreement.

(vii)Services income

Services income represents construction revenue recognised at the stage of completion basis and measured using the proportion of costs incurred to date as compared to expected actual costs. Where losses are anticipated they are provided for in full. Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

1 Summary of significant accounting policies (continued)

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers, these include: *Consultancy fees*

Revenue from consulting services is recognised in the accounting period in which the services are rendered.

Property management fees

Revenue from property management service is recognised when the services are rendered.

Program income

The Company provide services in the areas of property and tenancy management. Revenue from these services is recognised when the entity has delivered the services and the customers have accepted the services in accordance with the program contracts.

(viii) Recoveries

Recoveries income are reimbursements of business expenses via third parties which may include water usage, property damage, insurance claims and property costs incurred on behalf of Government housing authorities.

(ix) Other income

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers, these include: Other fees income

Revenue from non-recurring extraordinary activities is recognised when received

Lease Income

Revenue from office spaces and properties lease is recognised on a straight-line basis over the lease term

(x) Donations and bequests

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the statement of financial position.

(xi) Interest income

Interest income is recognised using the effective interest method and is recognised within Other Income in Note 5.

Contract assets and liabilities

Contract assets represent the Company's right to consideration for services provided to customers for which the Company's right remains conditional on something other than the passage of time. Contract assets comprise program funding, capital project funding and project constructions. Contract liabilities arise where payment is received prior to the work being performed. Contract liabilities include funding received in advance and program surpluses. Contract assets and contract liabilities are recognised and measured in accordance with this accounting policy.

1 Summary of significant accounting policies (continued)

(d) Income tax

Aboriginal Community Housing Ltd is exempt from income tax under Division 50, sub section 50 - 5 of the Income Tax Assessment Act 1997, as amended.

(e) Leases

The Company's leasing activities and how these are accounted for

The Company leases various offices, equipment and vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases including equipment, vehicles and some properties, and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease. Rental income for the Group is based on underlying calculations determined by Housing Policy and is recognised accordingly over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective lease assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as a lessor as a result of adopting the new leasing standard.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

1 Summary of significant accounting policies (continued)

(h) Trade receivables

Trade receivables are recognised initially at fair value and will subsequently be measured at amortised cost using the effective interest method, less loss allowance. Trade receivables are generally due for settlement within 14 days.

Trade receivables and contract assets have been grouped based on shared credit risk characteristics.

Collectability of trade receivables and contract assets is reviewed on an ongoing basis. An allowance account (provision for impairment of trade receivables) will be used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Refer Note 7.

(i) Property, plant and equipment

Property, plant and equipment, other than land and building (investment property) are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and buildings which are measured at fair value.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of theitem can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

<u>Class of fixed assets</u>	Depreciation rates
Plant and equipment	20% - 40%
Motor Vehicles	20% - 33.33%
Right-of-use assets	Straight line over the length of lease

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.
1 Summary of significant accounting policies (continued)

(j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less amortisation and any impairment losses.

Amortisation

Intangible assets with finite lives are amortised on a straight-line basis over their useful lives and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and method is reviewed at each financial year-end.

Management, Compliance Rights and Computer Software have a useful life of 4-8 years.

Assets with an assumed indefinite useful life are reviewed at each reporting period to determine whether this assumption continues to be appropriate. If not, it is changed to a finite life and accounted for prospectively as a change in accounting estimate.

Derecognition

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income and other expenses.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial yearwhich are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Refer Note 10.

(I) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the statement of financial position.

1 Summary of significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the Australian Taxation Office, are presented as operating cash flows.

(n) Rounding of amounts

The Company refers to ASIC Corporations Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest dollars in accordance with the instrument.

2 Critical estimates and judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Expected credit losses for trade receivables

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery included, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 Revenue

(a) Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of services over time and at a point in time in the following revenue stream

	2021	2020
From continuing operations	\$	\$
Operational grant income	1,861,209	1,615,759
Recoveries	4,085	10,000
Management fees	32,043	35,960
Other income	-	798
	1,897,337	1,662,517
Timing of revenue recognition		
At a point in time	4,085	10,798
Over time	1,893,252	1,651,719
	1,897,337	1,662,517

(b) Assets and liabilities related to contracts with customers

The Company has recognised the following assets and liabilities related to contracts with customers:

	Notes	30 June 2021 \$	30 June 2020 \$
Current contract assets relating to contracts	7	211,397	147,655
Total contract assets		211,397	147,655
Current contract liabilities relating to contracts	10	52,137	-
Total contract liabilities		52,137	-

4 Property rental revenue

	2021	2020
	\$	\$
Rental income	150,154	-
	150,154	105,178
5 Other income	2021 \$	2020 \$
Gain / (loss) on housing assets	32,311	-

Gain / (loss) on housing assets	32,311	-
Gain / (loss) on lease terminations	1,607	-
Interest Income	72	1,178
Government incentives	52,000	104,000
	85,990	105,178

6 Current assets - Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	1,267,334	690,184
7 Current assets - Trade and other receivables		
	2021	2020
	\$	\$
Trade receivables	17,537	-
Loss allowance	(14,041)	-
	3,496	-
Contract assets - current	211,397	147,655
Other receivables	200	5,729
Term deposits	-	21,178
Prepayments	664	-
	215,757	174,562
Company's contract assets		
Program funding receivable	211,397	147,655

8 Non-current assets

(a) Property, plant and equipment

	\$	
	Ψ	\$
At 30 June 2020		
Cost	88,824	88,824
Accumulated depreciation	(73,891)	(73,891)
Net book amount	14,933	14,933
Year ended 30 June 2021		
Opening net book amount	14,933	14,933
Depreciation charge	(6,103)	(6,103)
Closing net book amount	8,830	8,830
At 30 June 2021		
Cost	88,824	88,824
Accumulated depreciation	(79,994)	(79,994)
Net book amount	8,830	8,830
(b) Right of use assets		
This note provides information for leases when the Company is a lessee.		
	2021	2020
	\$	\$
(i) Amounts recognised in the balance sheet		
The balance sheet shows the following amounts relating to leases:		
Right-of-use assets		
Buildings	45,183	79,526
Vehicles	107,020	57,244
	152,203	136,770
Lease liabilities		
Current	88,500	81,611
Non-current	69,927	51,315
	158,427	132,926

8 Non-current assets (continued)

(ii) Amounts recognised in the statement of comprehensive income

()	2021	2020
	\$	\$
Depreciation charge of right-of-use assets		
Buildings	56,209	50,994
Vehicles	55,842	39,606
-	112,051	90,600
Additions to the right-of-use assets during the 2021 financial year	148,536	47,902
Interest expense (included in finance expenses)	7,673	8,291
The total cash outflow of leases in 2021	115,418	102,735

9 Non-current assets - Intangible assets

	Computer Software	Total
	\$	\$
At 30 June 2020		
Cost or fair value	5,740	5,740
Accumulated depreciation	-	-
Net book amount	5,740	5,740
Year ended 30 June 2021		
Opening net book amount	5,740	5,740
Additions	7,140	7,140
Depreciation charge	(1,780)	(1,780)
Closing net book amount	11,100	11,100
At 30 June 2021		
Cost or fair value	12,880	12,880
Accumulated depreciation	(1,780)	(1,780)
Net book amount	11,100	11,100

10 Current liabilities - Trade and other payables

	2021	2020
	\$	\$
Amount payable to related parties	29,607	51,097
Contract liabilities - Current	52,137	-
Revenue in advance - Rent and other	12,749	-
Trade payables and accrued expenses	207,460	98,413
	301,953	149,510
Contract liabilities		
Program funding received in advance	52,137	-

11 Liabilities - Provisions

	2021	2020
	\$	\$
Current		
Provision for employee benefits	42,504	38,773
	42,504	38,773
Non-Current		
Provision for employee benefits – long service leave	843	383
	843	383

12 Contributed equity

(a) Share capital

	2021	2020
	\$	\$
Ordinary shares		
Ordinary shares – fully paid	50,000	50,000
(b) Movements in number of ordinary share capital	2021	2020
	\$	2020 \$
Opening balance 1 July	50,000	50,000
Issue of equity	-	-
Balance 30 June	50,000	50,000

13 Retained earnings

Retained earnings

Movements in retained earnings were as follows:

	2021	2020
	\$	\$
Balance 1 July	650,597	450,202
Net profit for the year	456,145	200,395
Balance 30 June	1,106,742	650,597

14 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

PwC

	2021	2020
	\$	\$
Audit and other assurance services		
Audit and review of financial statements	12,100	12,700
Total remuneration for audit and other assurance services	12,100	12,700

15 Contingent liabilities and contingent assets

The Company had no contingent liabilities at 30 June 2021 (2020: nil).

16 Commitments

(a) Capital commitments

The Company has no capital commitments at 30 June 2021 (2020: nil).

(b) Lease commitments

The Company had no non-cancellable operating leases. All leases are now classified as right-of-use assets.

17 Related party transactions

(a) Parent entities

The ultimate parent entity and ultimate controlling party within the Company is Community Housing Limited, a company incorporated in Australia.

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

(b) Transactions with related parties

	2021	2020
	\$	\$
Transactions with parent entity		
Beginning of the year	(51,097)	(22,980)
Funds advanced/repaid	223,923	317,610
Intercompany charges	(202,433)	(345,727)
Closing payable	(29,607)	(51,097)

(c) Terms and conditions

Outstanding balances are unsecured and are repayable on demand.

18 Financial risk management

Activities and management policies

The Company's activities expose it to a variety of financial risks, including the effects of changes in market prices, credit and liquidity risks. The company does not currently have exposure to market risk. Credit and liquidity risk management focuses on minimising the potential adverse effects on the financial performance of the Company.

(a) Market risk

(i) Foreign exchange risk

The Company does not undertake transactions denominated in foreign currencies.

(ii) Interest rate risk

The Company has no borrowings and is not exposed to interest rate risk on borrowings.

(b) Credit risk

In the normal course of business the Company incurs credit risk from trade receivables and financial institutions. The Company performs credit evaluations of its housing customers when they apply for housing. The Company acknowledges that given the industry it operates in there are concentrations of credit risk to low income households. The Company maintains its cash and bank balances with a financial institution with a high credit rating. The carrying amount of trade receivables best represents the Company's maximum credit risk exposure.

18 Financial Risk Management (continued)

(c) Liquidity risk

The Company aims to prudently manage liquidity risk by maintaining sufficient cash and other liquid assets or the availability of funding in the form of intercompany debt. Intercompany balances are repayable on demand.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows at the reporting date.

	No later than 1 year		Later than 1 year	
	2021	2020	2021	2020
	\$	\$	\$	\$
Contractual maturities of financial liabilities				
Lease liabilities	88,500	81,611	69,927	51,315
Trade and other payables	301,953	149,510	-	-
	390,453	231,121	69,927	51,315

The Company is not aware of any material exposure to financial risk from financial instruments at the date of this report other than interest rate risk.

(d) Fair value measurements

The carrying value of all financial assets and liabilities approximate their fair values.

19 Events occurring after the reporting period

No matters or circumstances has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 28 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* or equivalent, including:
 - (i) complying with Accounting Standards- Reduced Disclosure Requirements and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations of the Managing Director and Chief Financial Officer required by Section 295A of the Corporations Act 2001.

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

Maureen O'Meara Director

e

Melbourne 29 September 2021



Independent auditor's report

To the members of Aboriginal Community Housing Limited

Our opinion

In our opinion:

The accompanying financial report of Aboriginal Community Housing Limited (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the directors' report.

PricewaterhouseCoopers, ABN 52 780 433 757

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission (ACNC) 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 ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auash.gov.au/auditors_responsibilities/ar4.pdf_This_description forms_part of our

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

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PricewaterhouseCoopers

Amanda Campbell Partner

Melbourne 29 September 2021







ABORIGINAL COMMUNITY HOUSING LTD PART OF THE CHL GROUP OF COMPANIES

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