



**COMMUNITY HOUSING LIMITED** ABN 11 062 802 797  
**COMMUNITY HOUSING (VIC) LIMITED** ABN 75 112 324 384

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# COMMUNITY HOUSING LTD

## CONCISE ANNUAL REPORT 2009



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*Pic. CHL office opening in Chile - October 2008*



COMMUNITY HOUSING  
LIMITED



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF COMMUNITY HOUSING LIMITED

### REPORT ON THE CONCISE FINANCIAL REPORT

The accompanying concise financial report of Community Housing Limited and Controlled Entity (the consolidated entity) comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Community Housing Limited and Controlled Entity for the year ended 30 June 2009, and the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

#### Directors' responsibility for the concise financial report

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Community Housing Limited and Controlled Entity for the year ended 30 June 2009. Our audit report on the financial report for the year was signed on 28 September 2009 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

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

#### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Community Housing Limited and Controlled Entity on 28 September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

#### Auditor's opinion

In our opinion, the concise financial report including the discussion and analysis of Community Housing Limited and Controlled Entity for the year ended 30 June 2009 complies with Accounting Standard AASB 1039: *Concise Financial Reports*.



Name: Philip J. Dowsley

Address: Level 2, 35 Cotham Road, Kew Victoria, 3101  
Dated this 28th day of September 2009

# OUR VISION

A world without housing poverty.

# OUR MISSION

Working to ensure the provision of affordable and sustainable housing for all by:

- Providing housing which is affordable, with security of long-term tenure and appropriate services to live comfortably.
- Assisting residents to access housing and to maintain links with their communities.
- Developing appropriate housing solutions and retaining social diversity to support the development of strong communities.
- Ensuring that the development of housing improves social, economic and environmental sustainability.
- Creating employment and training opportunities in the development of housing wherever possible.

# OUR APPROACH

CHL develops housing solutions which:

- Focus on providing good quality affordable rental housing to those most in need and/or assists those who are disadvantaged by market failure in securing a pathway to home ownership. CHL recognizes that the development of long-term affordable rental housing is essential to ensure sufficient disposable income to meet living expenses. We also recognize that home ownership provides an asset which can form a base to escape from poverty.
- Engage with the communities it serves by creating partnerships with local people, agencies and governments. This will ensure the provision of housing and related services that are essential to the ongoing security of people's tenure and capacity to thrive in their communities.
- Ensure good quality housing outcomes by, engaging with all aspects of the supply chain- good design of housing, use of appropriate materials, quality of the construction and housing management. In order that these can be provided CHL may deliver training programs and create employment to ensure that this supply chain can be supported. Its clients and local communities can benefit from skills development and economic opportunities provided through housing development and management.

# OUR CLIENTS

CHL develops housing strategies in partnership with communities and their Governments to assist:

- Low to moderate income people in metropolitan and regional Australia who are in highest housing need and/or have been disadvantaged by market failure on the path to securing long-term rental or home ownership.
- People who live in informal and slum housing in international locations who are unable to secure long-term affordable housing.

# OUR REACH

CHL is building a strong national presence across Australia and expanding its international footprint across those regions where extreme poverty remains pervasive.



**COMMUNITY HOUSING LIMITED**  
GROUP OF COMPANIES

# DIRECTOR'S REPORT

Your directors submit the financial report of the company for the year ended 30 June 2009.

## DIRECTORS

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

Chris Shields  
Stephen Bevington  
Fionn Skiotis  
Janine Mayhew  
Karine Shellshear  
Terry Landells (Resigned 03/03/2009)  
George Butler  
David Johnson  
John De Vries

## PRINCIPAL ACTIVITIES

The principal activities of the Economic Entity in the course of the year were:

- Transitional Housing Management (THM) services in Victoria;
- Management of long term rental community housing in Australia;
- Development, design and construction of housing projects in Australia and overseas.

No significant change in the nature of these activities occurred during the year. Main developments over the year were:

- Community Housing (Vic) Limited (CHVL) was approved for incentives through the federal National Rental Affordability Scheme to design/construct 317 dwellings across Victoria and funding through the federal Nation building and Jobs Plan to design and construct 82 dwellings across Victoria.
- CHVL was funded by the Victorian Government to develop 189 dwellings in a range of locations including a project to develop 60 dwellings in Brimbank and 20 dwellings in Hastings.
- CHVL commissioned 198 dwellings across Victoria including Shepparton, Pakenham, Craigieburn, Roxburgh Park, Truganina, Inverloch, Caroline Springs, and Melton.


- CHVL designed and constructed 248 dwellings located in across metropolitan Melbourne and regional areas including Geelong, Shepparton, Bendigo, Ballarat, and Bairnsdale.
- Community Housing Limited (CHL) merged with Community Housing Mid North Coast in New South Wales involving the transfer of leases for 718 properties, 19 staff operating out of offices in Port Macquarie, Coffs Harbour, Wingham and Kempsey.
- CHL was approved for incentives through the National Affordability Rental Scheme to design and construct 190 dwellings in New South Wales, South Australia and Tasmania.
- CHL established operations in Devonport and designed and constructed 6 dwellings in Latrobe and Devonport in northern Tasmania as part of the 100 dwelling program of construction funded through capital grants from the Tasmanian Government and borrowings taken out by CHL.
- CHL was approved to spot purchase 59 properties in Parramatta and Coffs Harbour and design and construct 57 dwellings in NSW including Grafton and Bega funded by a capital grant from the NSW Government and borrowings taken out by CHL.
- CHL upgraded 106 properties occupied by aboriginal people in eastern Victoria providing employment for 28 aboriginal workers.
- In East Timor, CHL carried out the design and construction of a residential centre and dwellings for 17 people with physical disabilities and a range of small housing projects in Dili. CHL also constructed residential accommodation for an orphanage in Gleno.
- In Chile, CHL registered a subsidiary Consultora Community Housing Latin America SpA to develop housing projects to assist people living in slums into secure accommodation and carried out design for 44 slum dwellers in San Jose de Maipo.

# DIRECTORS' DECLARATION

The directors of Community Housing Ltd declare that the concise financial report of Community Housing Ltd and controlled entity for the year ended 30 June 2009, as set out on pages 20 to 26:

- (a) Complies with Accounting Standard AASB 1039 'Concise Financial Reports'; and,
- (b) Is an extract from the full financial report for the year ended 30 June 2009 and has been derived from and is consistent with the full financial report of Community Housing Ltd and controlled entity.

Signed in accordance with a resolution of the directors.



**Stephen Bevington**  
MANAGING DIRECTOR

Dated this 28th day of September 2009

## THE NAMES OF DIRECTORS IN OFFICE AT THE DATE OF THIS REPORT ARE:

Chris Shields  
Stephen Bevington  
Fionn Skiotis  
Janine Mayhew  
Karine Shellshear  
John De Vries  
David Johnson  
George Butler

## COMPANY DETAILS:

The registered office of the company is:

**Community Housing Limited**  
9 Prospect Street  
Box Hill Vic 3128 Australia  
Phone 61 3 9856 0050  
Fax 61 3 9856 0051  
Website: [www.chl.org.au](http://www.chl.org.au)  
Email: [info@chl.org.au](mailto:info@chl.org.au)

## COMPANY SECRETARY:

**Vlad Steinberg** *BEC, Grad Dip AppCorpGov, MBusLaw, ACIS, PNA*  
Email: [vlad.steinberg@chl.org.au](mailto:vlad.steinberg@chl.org.au)

# FINANCIAL STATEMENT

## NOTES TO THE CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

### NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report is an extract for the full financial report for the year ended 30 June 2009. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the *Corporations Act 2001*.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of Community Housing Limited and Controlled Entities. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Community Housing Limited and Controlled Entities as the full financial report.

The financial report of Community Housing Limited and controlled entities comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency used in this concise financial report is Australian dollars.

	Economic Entity	
	2009	2008
	\$	\$
<b>NOTE 2: REVENUE</b>		
Operating activities		
- Grants received	4,363,213	3,442,547
- Business undertakings	2,859,052	1,775,343
- Rental income	8,028,286	4,884,920
- Housing Establishment Fund recoveries	125,450	169,631
- Other	265,976	154,775
	<b>15,641,977</b>	<b>10,427,216</b>
Non-operating activities		
- fair value gains	141,147	1,778,851
- Gain on reduction of capital grant liabilities	57,404,113	0
- Contributions of property at fair value	1,340,182	27,245,320
- gain on disposal of property, plant and equipment	0	0
- interest received	223,429	109,556
- subscriptions	106	5
	<b>59,108,977</b>	<b>29,133,732</b>
Total Revenue	<b>74,750,954</b>	<b>39,560,948</b>

### NOTE 3: SEGMENT REPORTING

The economic entity operates predominantly in one business and geographical segment being the Housing industry throughout Australia, providing housing development and housing management services.

### NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations or state of affairs of the entity in subsequent financial years.

### NOTE 5: LIMITATION OF MEMBERS' LIABILITY

In accordance with the Constitution, the liability of members in the event of Community Housing Ltd being wound up would not exceed twenty (\$20) dollars per member.



## RESULTS FOR YEAR

Total Community Housing Ltd and controlled entity (CHL) revenue increased from \$39,560,949 to \$74,750,954. Total Members Funds increased from \$33,928,855 to \$89,923,983. Net surplus for the year amounted to \$56,011,427.

## DIVIDENDS PAID

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

## REVIEW OF OPERATIONS

A review of the operations of the Economic Entity during the financial year and the results of those operations is as follows:

- Staff complement increased from 77 to 123 FTE in Australia, 3 in Chile and expanded from 40 to 140 staff in Timor Leste;
- Service delivery expanded from 8 to 16 offices in Victoria, NSW, Tasmania, Chile and Timor Leste;
- Houses under management increased from 963 to 1,869 properties;
- Number of dwellings constructed and acquired increased from 181 to 256 in Australia;
- Revenue in East Timor rose from \$272,200 to \$880,814.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There are no matters or circumstances that have arisen since the end of the financial year that would significantly affect the operations of the entity in subsequent financial years.

## EVENTS SUBSEQUENT TO BALANCE DATE

The principal change in the affairs of the Company and Controlled Entity was the change to its Mission to clarify its role in assisting

people out of poverty through housing development incorporating provision of community development, employment and training in Australia and overseas.

## FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

There are a number of significant developments that are likely to change the prospects of the company:

- CHL has been granted provisional approval as a Growth Provider in Western Australia.
- CHL has been approved as a Growth Provider in South Australia and successful in securing funding to design and construct 50 dwellings in Adelaide.
- CHL has carried out a feasibility study with a view to developing affordable housing in India.
- CHL will expand housing construction in 2009/10 up to 500 dwellings in Australia.
- CHVL has been approved to develop the old primary school site on Burwood Highway, Ferntree Gully and design and construct 87 dwellings.
- CHVL is being approved to acquire land, design and construct up to 280 dwellings as part of the Nation building and Jobs Plan across Victoria.
- CHL has developed a framework of investment to expand its use of the National Rental Affordability Scheme across Australia.
- CHL is seeking a proportion of the dwellings under the Nation building and Jobs Plan in NSW, South Australia, Tasmania and Western Australia to expand its and not its national portfolio and seek borrowings to design and construct a portfolio of additional housing in those States.
- CHL is seeking to develop a pilot housing project introducing affordable housing credit to demonstrate how housing can be expanded to provide good quality accommodation and training in East Timor.
- CHL is seeking to develop its capability in Chile to work with up to three communities of slum dwellers to provide secure housing.

## ENVIRONMENTAL ISSUES

Design direction has seen CHL continue to focus on innovative, efficient, and responsive design with an emphasis on energy efficiency and the environment. Construction has embraced the responsibility of being a sustainable builder.

The continued development of CHL's environmental building program ensures that waste is minimised and green building techniques are implemented wherever possible. Construction continues to seek new avenues of reducing building waste, as well as conserving energy and water.

CHL continues to lease fuel efficient vehicles which either have hybrid power systems or use diesel fuel in order to reduce energy emissions.

## DIRECTORS' INTERESTS AND BENEFITS

CHL is a company limited by guarantee. Hence, none of the Directors hold an interest but each, as a Member of CHL is liable to the extent of their undertaking under the respective Constitutions.

During or since the end of the financial year, CHL 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 CHL involving a wilful breach of duty in relation to CHL.

No Director of CHL, during or since the end of the financial year, 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 CHL or of a related body corporate) by reason of a contract made by CHL 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.

## DIRECTORS' AND OFFICERS' INDEMNITY

Company has executed deeds of indemnity in favour of:

- Directors of the Company (including past directors);
- Secretary.

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 Company to maintain Directors' and Officers' liability insurance.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the court to bring proceedings on behalf of the company or 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 any part of those proceedings. The company was not a party to any such proceedings during the year.

## AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration for the year ended 30

June 2009 has been received and can be found on page 28 of the Annual Report.

## BUSINESS UNIT SUPPORT

The Business Unit support team and its operations grew proportionally to the growth witnessed by the organisation this year. This capacity has been developed to support the operations of the different business units. This year also saw the launch of two new language websites including Tetum and Espanol for the Timor Leste and South American audiences along with the redevelopment of the main CHL website.

## ACKNOWLEDGEMENTS

CHL would like to recognise the good working relationships it has with the Victorian, New South Wales, South Australian, Western Australian, Tasmanian, Commonwealth, and Timor Leste Governments which have significantly improved opportunities to develop housing for people in need. CHL acknowledges the support from the following government agencies that provide capital grants, on-going subsidies and/or land contributions to ensure that CHL can deliver much needed housing services.

CHL has maintained strong partnerships with a range of organisations and would like to thank AfterCare, Ahi Saun, Aloha Foundation, Anglicare, ANCHOR, ARAFEMI, ARCH, ASSERT, Auntie Elsie's Refuge, BEND Inc., Brighter Futures, Brosnan Youth Services, CentreCare, Central Access Ltd, Centre for Affordable Housing of Housing NSW, Centro Nacional de Empleo Formacao Profissional, Ceylonese Elderly Citizens Association, CHESS, Chinese Community Centre, Christo Youth Service, Clarence Valley Council, Coast Shelter, Common Equity Housing Ltd, Community Housing Division of Housing NSW, Credit Union Australia, Crisis Accommodation Brokerage Coffs Harbour, Department of Ageing, Disability and Home Care (DADHC), Department of Community Services (DOCS), Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), Darebin City Council, Dundaloo Foundation, EACH, Family Access Network, FICSS, Foundation for Spanish Speaking Older People, GACS, Gippsland & East Gippsland Aboriginal Cooperative, Harrison Community Services, Hastings Womens Children and Youth Refuge, Healthlink Lakes & Bairnsdale, Homeplus Inc, Homebase Youth Refuge, Housing Resource and Support Service, IDSS, Inner East Mental Health Services, Inside Out, International Organisation for Migration, International Labour Organisation, Kilmany Family Care, Inverloch Aged Care Development Group, Jetty Bunker Youth Service, Kempsey Women Refuge, Kempsey Family Support Service, Latrobe Community Health Service, Lake Tyres Aboriginal Trust, Lendlease, Linkages Inc, Maroonah Addictions Recovery Program, Lynns Place, Mackleay Housing Support Service, Mackleay Valley Options, Macquarie Bond, Mallacoota District Health Service, Maroonah City Council, Manningham City Council, Manningham Youth and Family Services, Mecu Limited, Melba Support Services, Melbourne City Mission, Merindoo Youth Services, Mitchell Community Housing Services, Monkami Centre, Moreland City Council, My Space, North East Support and Accommodation for Youth, Neami, New Horizons, Northern KidsCare, Omeo District Hospital, Orbest Regional Health, Pacific Architecture Chile, Public Housing Services of Housing NSW, Randwick City Council, ReConnect, Ringwood Extended Family Services, Quantum Support Services, Sacred Heart Mission, SENNAI, Starting Out, SHIFT, Un Techo Para Chile, Victorian Deaf Society, Salvation Army Eastcare, Spectrum Migrant Resource Centre, Villa Maria Society for the Blind, Warrandyte Housing & Support Services, Wesley Homelessness Services, Willoughby City Council, Xanana Trust,

# FINANCIAL STATEMENT

## CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009 CONTRIBUTION TO THE GROUP RESULT

	Economic Entity		Community Housing Industries Limited		Community Housing (VIC) Limited		Community Housing Limited	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
<b>Revenues</b>								
Transitional Housing								
Management	5,202,476	4,702,791	0	0	5,202,476	4,702,791	0	0
Long Term								
Management	66,564,692	32,339,288	0	0	62,462,746	31,032,819	4,101,946	1,306,469
Project	2,983,786	2,518,870	608,922	0	389,162	975,919	1,985,702	1,542,951
Total Revenues	74,750,954	39,560,949	608,922	0	68,054,384	36,711,529	6,087,648	2,849,420
<b>Direct Expenses</b>								
Transitional Housing								
Management	3,017,462	2,677,515	0	0	3,017,462	2,677,515	0	0
Long Term								
Management	8,083,756	1,427,154	0	0	6,540,799	862,867	1,542,957	564,287
Project	1,442,504	1,868,776	375,989	0	0	769,665	1,066,515	1,099,111
<b>Indirect Expenses</b>								
Transitional Housing								
Management	1,951,449	2,020,121	0	0	1,951,449	2,020,121	0	0
Long Term								
Management	3,187,921	3,339,780	0	0	2,343,233	2,879,985	844,688	459,795
Project	1,056,435	380,914	0	0	0	0	1,056,435	380,914
Total Expenses	18,739,527	11,714,260	375,989	0	13,852,943	9,210,153	4,510,595	2,504,107
Profit before								
income tax	56,011,427	27,846,689	232,933	0	54,201,441	27,501,376	1,577,053	345,313
Income tax								
expense	0	0	0	0	0	0	0	0
Net Surplus	56,011,427	27,846,689	232,933	0	54,201,441	27,501,376	1,577,053	345,313

The accompanying notes form part of this concise report.

# FINANCIAL STATEMENT

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Economic Entity	
	2009	2008
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from business undertakings	4,195,380	2,069,127
Grants, fees and other income received	40,391,548	8,918,274
Interest received	223,429	109,556
Payments to suppliers and employees	(13,278,618)	(7,634,063)
Net cash provided by (used in) operating activities	31,531,739	3,462,894
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capital works in progress	(31,550,227)	(28,256,534)
Purchase of property, plant and equipment	(3,215,924)	(1,945,888)
Purchase of investments	(9,085,414)	(4,794)
Net cash provided by (used in) investing activities	(43,851,565)	(30,207,216)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital grants received	0	21,816,497
Proceeds from borrowings	10,721,750	5,632,749
Repayment of borrowings	0	0
Other grants received	0	0
Net cash provided by (used in) financing activities	10,721,750	27,449,246
Net increase(decrease) in cash held	(1,598,076)	704,925
Cash at beginning of financial year	7,979,149	7,274,224
Cash at end of financial year	6,381,073	7,979,149

The accompanying notes form part of this concise financial report.



Youth Housing Support Mid North Coast, Yarram & District Health Service, and Young Women Housing Collective for their cooperation and assistance over the past year.

Signed in accordance with a resolution of Directors dated this 28th September 2009.

**Stephen Bevington**  
MANAGING DIRECTOR

*“The key for CHL has always been to have the foundations for growth set firmly in place which has allowed for this gradual expansion in the operations of the organisation. We are pleased to play an important role in growing the affordable housing stock in regions of the World where there is dire need - to help people achieve stability in their lives”.*

Steve Bevington, Managing Director, CHL.

# CORPORATE GOVERNANCE STATEMENT

## INTRODUCTION

Directors and management are committed to ensuring sound governance principles are maintained and applied in governing Community Housing Ltd and its controlled entity (CHL). This statement sets out the guiding principles 1-8 adopted by CHL to achieve sound corporate governance.

The Company is not listed and therefore is not required to comply with ASX Corporate Governance Council's Principles of Good Corporate Governance however, as a leading community-housing organisation CHL is committed to:

- Being responsive to diverse needs;
- Individual choice in housing;
- Working in co-operation with its partners to assist the development of sustainable communities.

### Principle 1: Lay solid foundations for management and oversight

The Board of Directors is responsible to the members for the corporate governance of CHL.

A strategic balance is maintained between the responsibilities of the Board and the Managing Director who is accountable to the Board for the management of the companies within the policy and authority levels prescribed and approved by the Board.

### Principle 2: Structure the Board to add value

The Board determines board size and composition, subject to limits imposed by the Constitution.

According to the constitution up to nine directors can be appointed to the Board. These appointments include one non-executive Chairperson, seven non-executive directors and one executive director as defined by these Principles. To govern effectively the Board of Directors maintains a relevant mix of skills to meet the needs of CHL.

To assist the Board in discharging its responsibilities, it has established an audit committee, corporate governance committee and project committee. The committees have mandated operating procedures, which are governed by their respective terms of reference.

Each committee is chaired by a non-executive board member and entitled to:

- obtain at the companies expense, independent professional or other advice as per the directors access to professional advice policy; and,
- resources and Information from the company including direct access to CHL employees and advisors as required.

### Principle 3: Promote ethical and responsible decision-making

It is the policy of CHL to conduct business to the highest standards of honesty, integrity, respect and fairness when dealing with all its customers and employees. Both employees and Board members are required to meet these high standards.

CHL takes seriously its obligations to comply with all regulations, as well as common law obligations, and again requires all employees to do the same as per the Code of Conduct and Ethics (see the CHL website at [www.chl.org.au](http://www.chl.org.au)).

### Principle 4: Safeguard integrity in financial reporting

The Managing Director and Chief Financial Officer provide the audited financial statements to the Audit Committee and the Board and ensure that the financial statements of CHL present a true and fair view, in all material respects of the company's financial condition and operational results in accordance with the Australian Accounting Standards. The role of the Audit Committee is to assist the board to:

- prepare the Company's financial statements;
- monitor the Company's internal financial controls, risk management and compliance requirements;
- recommend the appointment of the external auditors and their remuneration;
- review the scope of the audit;
- review the level of audit fees;
- monitor the performance of the external auditors;
- liaise between the board and the external auditors; and,
- examine the external auditors' evaluation of internal controls and management response.

# FINANCIAL STATEMENT

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2009

	Retained Earnings \$	Reserves \$
<b>ECONOMIC ENTITY</b>		
<b>Balance at 1 July 2007</b>	6,141,449	(31,198)
Surplus for the period	27,846,689	0
Transfer to capital maintenance reserve	0	0
Foreign currency translation reserve	0	(28,085)
<b>Balance at 30 June 2008</b>	<b>33,988,138</b>	<b>(59,283)</b>
Surplus for the period	56,011,427	0
Transfer to capital maintenance reserve	0	0
Foreign currency translation reserve	0	(16,300)
<b>Balance at 30 June 2009</b>	<b>89,999,565</b>	<b>(75,583)</b>
<b>PARENT ENTITY</b>		
<b>Balance at 1 July 2007</b>	3,895,532	(31,198)
Surplus for the period	345,313	0
Transfer to capital maintenance reserve	0	0
Foreign currency translation reserve	0	(28,085)
<b>Balance at 30 June 2008</b>	<b>4,240,845</b>	<b>(59,283)</b>
Surplus for the period	1,577,053	0
Transfer to capital maintenance reserve	0	0
Foreign currency translation reserve	0	(16,300)
<b>Balance at 30 June 2009</b>	<b>5,817,898</b>	<b>(75,583)</b>

# FINANCIAL STATEMENT

## CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2009

	Economic Entity		Community Housing Limited	
	2009	2008	2009	2008
	\$	\$	\$	\$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	6,381,073	7,979,149	2,494,150	3,563,085
Trade and other receivables	5,586,650	6,506,699	4,120,451	3,427,836
Other current assets	9,127,487	43,235	44,602	48,235
<b>TOTAL CURRENT ASSETS</b>	<b>21,095,210</b>	<b>14,529,083</b>	<b>6,659,203</b>	<b>7,039,156</b>
NON-CURRENT ASSETS				
Capital Work in Progress	33,313,470	30,286,796	2,350,112	143,668
Property, plant and equipment	91,837,787	64,466,038	3,641,494	2,110,568
<b>TOTAL NON-CURRENT ASSETS</b>	<b>125,151,257</b>	<b>94,752,834</b>	<b>5,991,606</b>	<b>2,254,236</b>
<b>TOTAL ASSETS</b>	<b>146,246,467</b>	<b>109,281,917</b>	<b>12,650,809</b>	<b>9,293,392</b>
CURRENT LIABILITIES				
Trade and other payables	10,843,364	10,450,394	4,014,300	4,111,242
Short-term borrowings	0	0	0	0
Short-term provisions	480,116	267,558	79,857	15,982
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,323,480</b>	<b>10,717,952</b>	<b>4,094,157</b>	<b>4,127,224</b>
NON-CURRENT LIABILITIES				
Non interest bearing liabilities	28,406,895	58,869,540	2,741,552	971,704
Long-term borrowings	16,354,499	5,632,749	0	0
Long-term provisions	237,610	132,821	72,785	12,902
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>44,999,004</b>	<b>64,635,110</b>	<b>2,814,337</b>	<b>984,606</b>
<b>TOTAL LIABILITIES</b>	<b>56,322,484</b>	<b>75,353,062</b>	<b>6,908,494</b>	<b>5,111,830</b>
<b>NET ASSETS</b>	<b>89,923,983</b>	<b>33,928,855</b>	<b>5,742,315</b>	<b>4,181,562</b>
EQUITY				
Retained earnings	89,999,566	33,988,138	5,817,898	4,240,845
Reserves	(75,583)	(59,283)	(75,583)	(59,283)
<b>TOTAL EQUITY</b>	<b>89,923,983</b>	<b>33,928,855</b>	<b>5,742,315</b>	<b>4,181,562</b>

### Principle 5: Make timely and balanced disclosure

The Board has adopted a policy to ensure that the provision of information is made in a timely manner that is factual and expressed in a clear and objective manner to key stakeholders including clients, supporting agencies, funding bodies and members. Mechanisms employed to communicate include:

- information technology such as the CHL website and email;
- newsletter;
- various meetings; and
- Annual Reports.

### Principle 6: Respect the rights of CHL members

CHL seeks to ensure that the companies respect the rights of members and facilitates the effective exercise of those rights.

This is achieved by:

- promoting an effective communication strategy that ensures all members are aware of the company's strategy and goals;
- encouraging full participation of members at the AGMs to ensure a high level of accountability and understanding of the company's strategy and goals;
- ensuring that the external auditor is available at the AGM to answer questions about the conduct of the audit and the preparation and content of the auditors report.

### Principle 7: Recognise and manage risk

The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

The Board has delegated to the Audit Committee responsibility for implementing the risk management system.

The Audit Committee will submit particular matters to the Board for its approval or review. Among other things it will:

- oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- assist management to determine the key risks to the businesses and prioritise work to manage those risks; and,
- review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and,
- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practises are in place that is directed towards achieving the following objectives:

- compliance with applicable laws and regulations;
- preparation of reliable published financial information; and,
- implementation of risk transfer strategies where appropriate, for example, insurance.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back quarterly to the Audit Committee.

### Principle 8: Remunerate fairly and responsibly

One of the tasks for the Governance Committee is to deal with remuneration. The principal functions include reviewing and recommending the remuneration for the non-executive directors and Managing Director.

A program of regular performance appraisals and objective setting for senior management and other staff has been established.

From 1 January 2008 Non-Executive Directors may receive an aggregate amount not exceeding \$50,000 from each of Community Housing Ltd and Community Housing (Vic) Ltd per annum plus all reasonable travelling and other expenses properly incurred by the director in connection with the affairs of the company.

CHL is a public company limited by guarantee. Hence, none of its directors holds an interest, but each, as a member of CHL, is liable to the extent of their undertakings under CHL's Constitutions.

CHL maintains Directors' and Officers' Liability insurance to insure CHL's officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as an officer of the Companies other than a wilful breach of duty in relation to CHL.

The constitutions of group companies allow for the inclusion of indemnities in favour of persons who are or have been a director or officer of CHL. To the extent permitted by law, CHL indemnifies every person who is or has been a director or officer against any liability incurred while acting in that capacity in good faith and; against costs and expense incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters and operates to the extent that the loss or liability is not covered by a valid current insurance policy.



*Hand over of property keys to a CHL Tenant*

# PROJECT DEVELOPMENT, DESIGN & CONSTRUCTION

## PROJECT DEVELOPMENT

2008/09 has been a successful year for the Project Development team, with a total of 530 new dwellings approved. These include projects that extend CHL's reach outside Victoria and Tasmania for the first time, with new design and construction projects approved in New South Wales and South Australia.

In Victoria, new projects are located broadly across Melbourne and the State. In New South Wales, CHL has projects in Coffs Harbour, Port Macquarie, Guilford, and Wyong in northern metropolitan Sydney.

In South Australia CHL is building in the Salisbury/Playford and Marion areas around metropolitan Adelaide.

In Tasmania, new projects will be located largely in Launceston and Hobart.

CHL was successful in attracting State government capital contributions for projects totaling 271 dwellings in Victoria, 50 in Tasmania, 50 in South Australia, and 76 dwellings in New South Wales.

Some of these projects include:

### Brimbank, Victoria

A 60 unit mixed-income project that will consist of free-standing houses on single lots and a series of apartments. Public transport is a short walk away and there is excellent access to health and disability services, schools, and retail shops.

### Hastings, Victoria

A 20 unit project that will combine units for the general public and people with a disability. This project is a partnership with Frankston & Mornington Peninsula Carers Inc (a local disability support services group), Disability Services within DHS, and the Mornington Shire Council.

### Bega, NSW

A 10 unit project which has a strong focus on environmentally-sensitive design. The project is not connected to the mains water or sewerage systems, and as such needs sustainable solutions. Each house has a 45,000L rainwater tank, grey water is fed through primary and secondary treatment facilities onsite, and composting toilets are used.

After the first round allowances were distributed as part of the Federal Government's National Rental Affordability Scheme (NRAS), CHL was by far the most successful organisation in the country, receiving rental subsidies for a total of 507 dwellings, 13% of the total 4000 incentives awarded. State-by-state, these 507 allowances were comprised of 317 in Victoria, 40 in NSW, 100 in Tasmania, and 50 in South Australia.

*"CHL design and construction division is committed to innovation, quality and affordability. The designs across all locations are always created keeping the needs and lifestyle of the local community in mind while being contemporaneous, environment friendly and low cost."*

John Canny, Manager  
Design and Construction Division

# FINANCIAL STATEMENT

## CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Economic Entity		Community Housing Limited	
		2009 \$	2008 \$	2009 \$	2008 \$
<b>Revenues</b>					
	2				
Transitional Housing Management		5,202,476	4,702,791	0	0
Long Term Management		66,564,692	32,339,288	4,101,946	1,306,469
Project		2,102,972	2,246,670	1,713,810	1,270,751
East Timor operations		880,814	272,200	271,892	272,200
<b>TOTAL REVENUES</b>		<b>74,750,954</b>	<b>39,560,949</b>	<b>6,087,648</b>	<b>2,849,420</b>
<b>Direct Expenses</b>					
Transitional Housing Management		3,017,462	2,677,515	0	0
Long Term Management		8,083,756	1,427,154	1,542,957	564,287
Project		1,018,269	1,740,224	1,018,269	970,559
East Timor operations		424,234	128,552	48,246	128,552
<b>Indirect Expenses</b>					
Transitional Housing Management		1,951,449	2,020,121	0	0
Long Term Management		3,187,921	3,339,780	844,688	459,795
Project		471,583	75,545	471,583	75,545
East Timor operations		584,853	305,369	584,852	305,369
<b>TOTAL EXPENSES</b>		<b>18,739,527</b>	<b>11,714,260</b>	<b>4,510,595</b>	<b>2,504,107</b>
Profit before income tax		56,011,427	27,846,689	1,577,053	345,313
Income tax expense		0	0	0	0
<b>Net surplus</b>		<b>56,011,427</b>	<b>27,846,689</b>	<b>1,577,053</b>	<b>345,313</b>

# DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

## INFORMATION ON CHL CONCISE FINANCIAL REPORT

The financial statements and disclosures in the concise financial report have been derived from the 2008/09 Annual Report of Community Housing Ltd and controlled entity (CHL).

To receive a hard copy of the Annual Report (free of charge), visit [www.chl.org.au](http://www.chl.org.au) or call our Company Secretary on: (03) 9856 0050 or email: [vlad.steinberg@chl.org.au](mailto:vlad.steinberg@chl.org.au).

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on CHL consolidated financial statements and the information contained in the concise financial report has been derived from the full 2008/09 Financial Reports.

## STATEMENT OF FINANCIAL PERFORMANCE

The Surplus from overall activities for the reporting period is \$56,011,427 compared to a surplus of \$27,846,689 recorded in the 2007/08 financial year.

Revenue from overall activities totalled \$74,750,954 (F/Y 2007/08 \$39,560,949) an increase of 89% from the previous year. This was mainly attributable to the gain on reduction of capital grant liabilities to the Victorian government. Expenditure for the year totalled \$18,739,527 (F/Y 2007/08 \$11,714,260) an increase of 60% from the previous year.

## STATEMENT OF FINANCIAL POSITION

The Economic Entity continues to maintain a strong financial position with Total Assets of \$146,246,467 an increase of 34% over the previous financial year due primarily to increases in Property and Capital Work In Progress. Total Liabilities stood at \$56,322,484 a decrease of 25% from last year, largely due to the reduction in non interest bearing capital grant liabilities.

## STATEMENT OF CASH FLOWS

The Economic Entity continues to report a strong cash balance of \$6,381,073 at the end of the financial year. Cash inflows of \$31,531,739 were mainly provided by grants, fees and other business undertakings (Operating Activities) and a further \$10,721,750 were provided through external borrowings (Financing Activities). Apart from payments to suppliers and employees these funds were mainly utilised to invest in property assets, investments and capital work in process during the reporting period.



## DESIGN AND CONSTRUCTION

CHL's Design and Construction continued to expand its service delivery capability into Tasmania and NSW. At the end of 2008/09, staff numbers total 36 FTE which includes architects, quantity surveyors, and other building professionals.

The Construction team built, acquired, or upgraded 354 properties across metropolitan Melbourne and regional areas including Geelong, Shepparton, Bendigo, Ballarat, and Bairnsdale.

In Tasmania, operations are well established with a Construction Coordinator working from the Devonport office and managing the building of 15 dwellings. A further 35 homes have design approval to commence in 2009/10.

NSW has 35 properties that have received development approval to commence early in the 2009/10. These include locations such as Bega, Grafton, and mid-north coast area.

During the year, a property acquisition division was established in the Epping office, with two staff responsible for acquiring 390 building sites and 95 existing properties across Victoria, NSW, and Tasmania.

The Australian-based Design and Construction division works closely with CHL's international operations in Timor Leste and Chile to share knowledge and ideas for better work practices, material usage, and greater efficiency in the design and construction process.

The use of international internships has commenced with an architect from CHL Chile gaining experience in with CHL's Australian team to assist with documentation of CHL projects more broadly.

CHL in Victoria has continued to work closely with indigenous communities upgrading 106 properties across northern Melbourne and Gippsland. Through CHL's building program in Victoria, it has been able to provide employment within communities and engage indigenous subcontractors who have in some instances carried out up to 90% of upgrade works.

Innovative, efficient, and responsive design with an emphasis on energy efficiency and the environment continues as the main focus of the Design team. An outstanding accomplishment for the team in 2008/09 was the development and introduction of a new

design range that enables energy ratings to exceed the mandatory five star standard, in most cases reaching or exceeding six stars.

The team has also further developed its capacity to design affordable housing projects in new housing estates. Careful attention to urban design issues by our architects has ensured the successful development of housing projects in these largely medium density estates.

The Construction team has embraced the responsibility of being a sustainable builder. CHL continues to develop its environmental building program, managing its sites to ensure minimum wastage, pollution energy, and water usage.

CHL's excellence in Design and Construction was recognised in 2008/09 with CHL receiving the prestigious Housing Industry Association Victorian Housing Award for Best Special Purpose Housing. Further, the team also received the Delfin/Lendlease Grand Master Award for best multi unit development.



CHL received the 2008/09 HIA Housing award for the Best Special Purpose Housing

# CHL VICTORIA

## LONG TERM HOUSING SERVICES

### OVERVIEW

The Victorian Government's Affordable Housing Growth Strategy, Federal Nation Building Stimulus Package and National Rental Affordability Scheme (NRAS) have provided CHL with tremendous opportunities to grow the number of affordable housing units under management, and further develop its statewide housing portfolio. The majority of this new housing will become available for tenanting in 2009/10. The creation of these new properties reinforces the need to consolidate service standards via improved systems and processes in order to manage the growth ahead.

As a result a number of changes have been introduced:

- A new position of Victorian State Manager was created to oversee longterm housing and homelessness services.
- A new 'Asset Manager' position with Victorian portfolio responsibility was created to allow CHL to action plans for a maintenance service in Victoria over the 2009/10 financial year, and improve the responsiveness of maintenance requests to tenants, as well as undertake over-all management of facilities and assets.

CHL continued to develop a new bespoke IT system and the first module (financial) was implemented at the end of this financial year. The tenancy module is expected to be completed in January 2010, and further work on the property maintenance and asset management modules will continue until June 2010.

A Quality Audit Workplan has been undertaken with the purpose of maintaining continuous improvement to services. This will ensure staff have consistent work practices and streamlined policies to assist more effective service delivery to tenants and other key stakeholders.

In the 2009/10 financial year, CHL will continue to focus on:

- achieving successively greater integration between the Long Term Housing and Homelessness Services divisions
- maintaining accreditation, and
- further developing a culture of continuous improvement.

## MANAGEMENT AND OPERATIONS

During the year, CHL's longterm housing portfolio expanded by almost 200 properties across Victoria including Shepparton, Pakenham, Craigieburn, Roxburgh Park, Truganina, Inverloch, Caroline Springs, and Melton.

At the end of the financial year, Housing Services had 15 staff operating across five regional offices in Victoria.

In addition to its headquarters in Box Hill, CHL(Vic) now has offices in Bairnsdale, Morwell, Albert Park, Epping, and Bendigo with consideration being given for the establishment of new offices in Shepparton and either Ballarat or Geelong in 2009/10.

## MAINTENANCE

With the need to maintain the increase in CHL's asset base, a feasibility study is being undertaken by the Asset Manager to compare the viability of an in-house maintenance unit versus a head contractor type arrangement. In either case it is expected that the maintenance unit will commence early in the financial new year.

## ABORIGINAL HOUSING

CHL continues its development of housing services in collaboration with three Aboriginal community-based organisations. CHL manages a portfolio of 130 properties under lease from the Central Gippsland Aboriginal Cooperative, the Gippsland and East Gippsland Aboriginal Cooperative and the Lake Tyers Aboriginal Trust.



## CHILE

### OVERVIEW

CHL commenced activities in South America in October 2008 opening an office in Valparaiso and employing staff: a secretary, an architect and a manager.

The first project commissioned is a 44 unit housing project in San Jose de Maipo, a midsized village 40km from Santiago in the lower part of the Andes Mountains. The project partner is "Techo para Chile" (Roof over Chile) a social housing developer agency associated with the catholic church.

CHL developed its project concept through a consultative approach with Techo para Chile and the community cooperative Brisas de Maipo, which represent the future tenants. The future tenants presently live in poor informal slum circumstances with no certainty of tenure. This project will provide them with their first homes which they can call their own. The project offers nearly 60m<sup>2</sup> of usable floor space per dwelling, exceeding the government's mandated minimum space of 52m<sup>2</sup>.

In May 2009, the master plan of the project was delivered to the Municipality and the Ministry of Housing and was approved at both levels.

While progressing the development of this project, considerable administrative work relating to the establishment of the new office was completed, and included the launch of CHL's Spanish language website, the establishment of communication to relevant authorities, and the ongoing networking to potential future client groups.

*"Globalisation is crucial to reinforce the regional brand. If you don't know what's existing all around the world you don't know what you've got at home. So CHL's exposure to international competition not only shows the expertise, but also strengthens what's already done at home."*

Michael Bier, Country Director, CHL Chile

# INTERNATIONAL DEVELOPMENT

## TIMOR LESTE

### OVERVIEW

2008/09 was a period of increasing calm throughout Timor Leste, and although the new Timorese Government has had some difficulties in implementing projects, there are increasing signs of development in the civil and commercial sectors.

CHL is participating in this wave of development with the company's first commercial residential design and construction project underway, and more in the pipeline. This increased construction activity has meant significant growth for the company and has underlined the ongoing need to develop the skills of CHL employees. This is both challenging and exciting.

CHL continued to work with the Timorese Government to implement housing projects for vulnerable people, and to provide advice on developing and financing housing. CHL has also focused on partnerships with other NGO's and community groups to hasten the development and implementation of building projects.

Timor Leste operations were also supported with the launch of CHL's Tetum-language website, a communications initiative that will primarily assist in its work with the government and other support providers.

### MANAGEMENT AND OPERATIONS

CHL established a subsidiary, CHL Industries, during 2008/09. It is through this company that CHL delivers its construction projects, while CHL plays a support and development role.

CHL Industries expanded its staff from 40 to 120, 98% of which are Timorese. CHL also created a number of supervisory positions to support its increased construction activity filled by Timorese nationals. This growth has meant the development of new policies and procedures across the organisation and the development of construction standards on which CHL's work is based.

CHL moved into new office premises on the Comorro Road in central Dili .

## DEVELOPMENT ACTIVITY

Construction activity increased by 300% over 2008/09, and will likely experience similarly dramatic growth in the coming year. The challenge for CHL will be availability of skilled staff at all levels of the organisation, an essential requirement for effective growth. In response, CHL has drafted a training framework which includes professional internships in site supervision and drafting, as well as workplace training of trade staff.

CHL Industries completed the first project during the year – a refurbishment of the Minister for Education's official residence. In addition, CHL Industries started two multi-unit housing projects with a third to start in the second half of 2009. In addition CHL has begun design work for three private dwellings that will also be completed in the second half of 2009.

During the year, CHL worked with a number of organisations to develop projects such as a residential centre for people with physical disabilities in Dili, schools in Dare and Dili and training and youth centres in Dili.



## PROPERTIES UNDER MANAGEMENT

The Housing portfolio expanded by 209 properties during the year in Victoria.

	2008-2009	2007-2008	2006-2007	2005-2006
Properties	763	554	465	347
Tenancies	918	683	649	542

## RENT CHARGED

Housing Services achieved a rent collection of 98% for rent.

RENT COLLECTED	2008-2009	2007-2008	2006-2007	2005-2006
Rent collected	\$5,100,120	\$3,481,571	\$2,968,047	\$2,448,310
Rent Charged	\$5,178,286	\$3,522,570	\$3,099,992	\$2,511,758

## TENANT SURVEY

Tenants continue to express a high level of satisfaction with the services provided. The annual tenant survey is provided to all long-term tenants, this year the response rate was 27%.

TENANT SURVEY	2008-2009	2007-2008	2006-2007	2005-2006
Overall satisfaction with the service provided by CHL	91%	90%	92%	91%

## HOMELESSNESS SERVICES

### OVERVIEW

CHL provides homelessness services as part of the Victorian State Government's Transitional Housing Management Program in two regions, Gippsland and Eastern Metropolitan Melbourne. The service provides an immediate homelessness response for people who are homeless or at risk of homelessness. The service assesses people's immediate housing need and offers short term crisis housing options, access to transitional housing, information and support to access the private rental market, and financial assistance for housing and referral to support services.

Demand for homelessness services remained consistent with previous years, with a slight increase in demand in Gippsland over the year and a slight decrease in the Eastern Region.

The Homelessness Services programs assisted a combined total of more than 6,000 individual households with a total 17,000 client contacts.

Included in this figure were 3,082 clients who were the beneficiaries of financial assistance through the Housing Establishment Fund (HEF). Many low income households face considerable financial challenges entering the private rental market, and HEF assists households to access and sustain private rental housing through the provision of a modest grant to pay rent in advance, rent arrears, the costs of moving house, or of establishing services for a new tenancy. HEF is also used to provide short term or overnight crisis accommodation

for individuals and families who are homeless with no immediate housing options. In the Eastern region 633 households were provided with crisis assistance, and in Gippsland 331 households were assisted.

The Eastern Region in Box Hill distributed \$605,202 in financial assistance and the Gippsland service provided \$224,240 in assistance. Additional HEF support of \$62,246 was provided by the Department of Human Services following the February Black Saturday Bushfires to assist families displaced through the loss of their homes.

CHL was successful in having its contract with the Victorian Department of Human Services for the delivery of Homelessness Services for a further three years from 1 July 2009.

### TRANSITIONAL HOUSING

Homelessness Services manage 388 transitional properties across the Eastern Metropolitan and Gippsland regions, this year housing 528 families, couples, or individuals.

Due to a lack of affordable housing exit options for tenants, there has been an overall trend for increasing periods of tenure for tenants in transitional housing. This is reflected by the increasing waiting

times for public housing as well as an increasing number of tenants now classified as the highest priority 'segment one' on the public housing waiting list.

The private rental market, particularly in the eastern region, is difficult to access due to rising rents and a shortage of affordable housing. Longer tenancies and fewer available vacancies are creating bottlenecks for future clients of the Service who are often placed in a position where their short term housing options are not always appropriate. For example, low cost motels, rooming houses, and caravan parks.

Despite these challenges, Homelessness Services continues to work in partnership with community support agencies to find the best possible transitional housing solutions for those in need. The partnership approach also allows those tenants in the transitional housing system to establish successful tenancies and prepare for their move into secure long term housing.

### TRANSITIONAL PROPERTIES IN MANAGEMENT ON 30 JUNE 2009

	2008-2009	2007-2008	2006-2007	2005-2006
Transitional properties in management on 30 June	388	409	394	398
Possible tenancies	531	539	543	542
Total households accommodated	1113	-	-	-
Average length of stay	30 weeks	31 weeks	27 weeks	-



## ABORIGINAL HOUSING

CHL's emerging presence in NSW includes its involvement with aboriginal communities to undertake the management of 130 properties directly allocated for aboriginal housing.

## HOMELESSNESS SERVICES

In addition to partnerships with support providers to deliver housing, CHL provides Youth Housing Support Service in the Hastings and Macleay areas, and Accommodation Brokerage & Housing Support Service in Coffs Harbour. Both services were funded by DOCS.

The Youth Housing Support Service provides a pathway for young people to secure tenancies in community housing. Also, casual support was provided to clients without a supported tenancy or young people living independently in community housing properties.

The Accommodation Brokerage & Housing Support Service assists clients with accommodation, travel and shower vouchers, as well as providing support for clients and their families who are experiencing difficulties procuring or maintaining long term housing.

## CHL NSW KEY STATISTICS

	2008	2009
Total allocated properties	35	1,172
Properties under management	0	715
Tenancies under management	0	737
Accumulated government capital grants	\$2.875 million	\$27.18 million
New tenancies including transfers	n/a	321
Arrears	n/a	\$15,352
Arrears per tenancy	n/a	\$20.83
Maintenance Requests	0	655
Responsive	n/a	\$80,573
Preventive	n/a	\$15,075
Planned	n/a	\$370,014
Supported Tenancies	n/a	20%
Partnerships	7	33
Staff	1	20
Office	1	5

# CHL NEW SOUTH WALES

## LONGTERM HOUSING SERVICES

CHL was successfully registered as a Grade A registered community housing provider with Growth Provider status in NSW in 2008/09, and was allocated a total of 457 properties under a variety of programs to be handed over in the future.

By June 2009, CHL had a total allocation of 1,172 properties across 12 local government areas, contributing to slightly more than one-third of CHL's total housing portfolio. The total number of properties managed is estimated to increase to almost 3,300 properties across the next three years.

The total allocation includes properties transferred from Community Housing Mid North Coast Ltd (CHMNC). The merger of CHL and CHMNC in April 2009 was well received by tenants, staff and directors of CHMNC. The merger of the two organisations further strengthens opportunities in the northern region of NSW to develop more affordable housing. The Merger Implementation Plan was delivered in a timely and cooperative manner with the support of the Community Housing Division of Housing NSW.

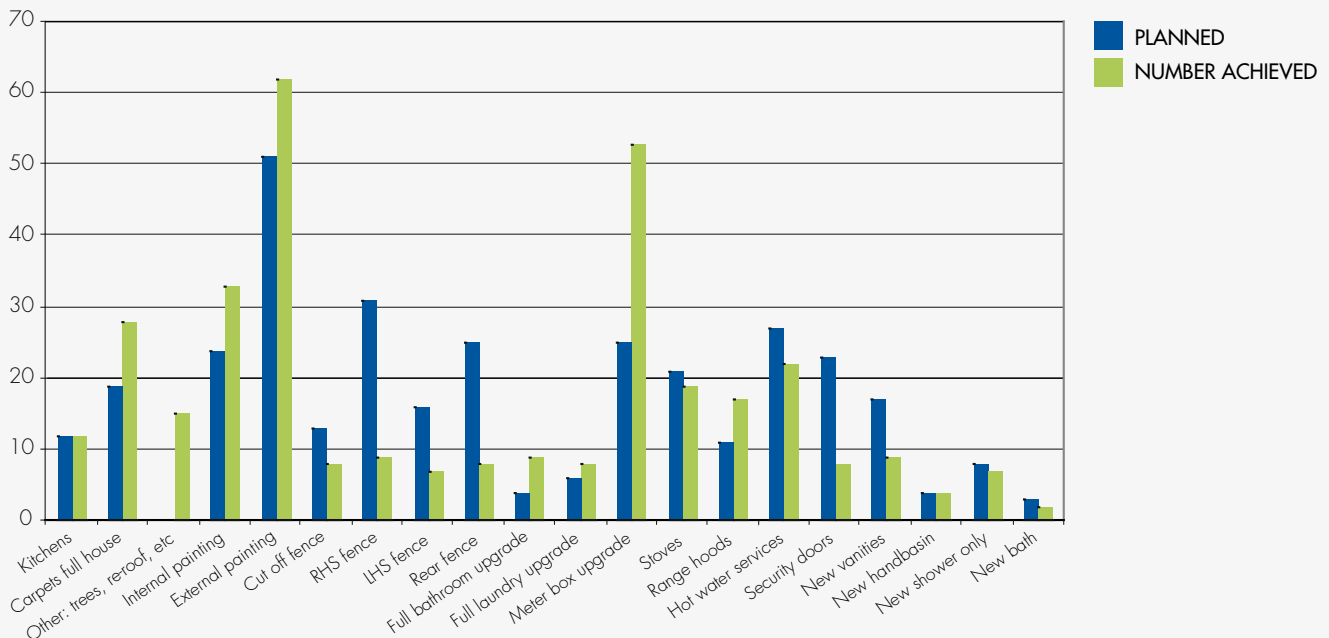
## ASSET MANAGEMENT

CHL received \$254,000 under the State Government's Maintenance Stimulus Package in the final quarter of 2008/09, with a total of \$324,000 of work completed on time. This included \$70,000 of work paid by CHL out of its planned maintenance budget. All this work was delivered as part of a planned maintenance program as specified in CHL's Asset Maintenance Plan.

A highlight of this work was CHL's timely response to flood damage in four Coffs Harbour properties on 1 April. Two tenants had to be relocated immediately and returned to their homes after the works were completed.

CHL achieved its annual target for the three-year rolling Property Inspection Program which includes the implementation of a regular smoke alarm service as well as establishing termite property inspection contracts.

### CHL NSW Planned Work Report 2008/2009





## SERVICE DEVELOPMENT

During the year, Homelessness Services successfully achieved State Government accreditation under the Housing Assistance Service Standards. This involved an extensive review of agency service practice, policy and procedure to ensure CHL maintains high service standards and client accountability. This milestone was a great credit to all the staff and teams involved.

Additionally, the Homelessness Services team worked closely with the Housing Services division and the Department of Human Services to develop and implement the 'Opening Doors' service coordination framework. Opening Doors is a 'practice and systems approach to provide timely and effective access to homelessness and social housing services to people seeking assistance.' The implementation phase is progressing well with a view to full implementation and extension through 2009/10.

## CHALLENGES

The growth of CHL as a Housing Association and an affordable housing provider presents significant opportunities for people who are homeless or who have unsustainable housing arrangements. The ongoing challenge for Homelessness Services is to assist people with affordable housing solutions that meet their particular needs.

In the year ahead, Homelessness Services will be working with other CHL business units to further develop an integrated housing response that allows homeless people to gain access to affordable housing.

	2008-2009	2007-2008	2006-2007	2005-2006
Number of client contacts	17057	18284	17217	15487
Post Prison Pathway Program contacts	885	996	957	825
Housing Establishment Funds distributed	\$829442	\$710094	\$716733	\$940,544
Average payment	\$237	\$217.50	\$303	\$301
Total assists	3082	3176	3188	3092
Rent In Advance	1404	1090	1227	1169
Rent In Arrears	391	341	435	407
Crisis/Overnight Accommodation	944	1372	573	1042
Relocation costs	240	225	249	189
Bond	11	11	28	45
Other	68	20	641	183
Voluntary Contributions	\$176,701	\$184161	\$218793	\$346,781

# CHL

## TASMANIA

### OVERVIEW

CHL commenced tenancy operations in Tasmania in March 2009 with the employment of one staff member operating of a new office in Devonport. CHL took hand over of four new units in Latrobe and Devonport. Construction is continuing on 11 new units in Burnie and hand over of the first of these occurred in June 2009.

CHL expects the 35 additional properties to be completed in the first six months of 2009/10, providing more affordable housing opportunities in the north of the state. Work is now underway to finalise the second portfolio of 50 properties which is funded through capital grants from the Tasmanian Government and NRAS incentives from the Federal Government. This portfolio is distributed between Launceston and Hobart requiring CHL to expand operations down the east coast.

A great deal of the initial time was invested in building excellent relationships with local service providers, particularly in the North West region. Key stakeholders in the success of CHL in Tasmania include the Housing Tasmania Burnie office, and social service providers Anglicare and Shelter.

Growing affordable housing in Tasmania is an exciting challenge and represents a 'green fields' opportunity for CHL to apply its years of experience into a new region of the country. As work progresses, CHL is well placed to make a significant contribution to the provision of affordable housing and continue to build and strengthen its network of affordable housing partners across the state.

*"CHL's housing expansion has been supported by the proportional growth in the business support services. The focus has been on the development of Infrastructure of Business to support current and future operations and asset growth".*

Vlad Steinberg, Company Secretary



*This has been a very exciting year for CHL. With the focus on growing affordable housing stock in Australia, we have also enhanced our service delivery to be able to cater for a broader client group including low to middle income families, singles, people living with a disability and older people. This helps to create a rich diversity in the community."*

Brett Wake, State Housing Manager, CHL VIC