

# Urban Communities Annual Report 2014



# Urban Communities Creating Great Places To Live

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# Our Business

**Urban Communities Limited (“Urban Communities”) combines property, facilities and owners’ corporation management with community building to create great places to live.**

**Because we are place-based, we go further to make our places great.**

**Because we are place-based we always think we’ve got further to go.**

**5 So let’s go.**

# Chairman & CEO's Report

The 2014 financial year was important for Urban Communities. It was the final year of our first five-year strategic plan and the first year of a new five-year strategy. As a result, 2014 provided the opportunity to reflect on the past and to consider the future.

Five years ago, Urban Communities was a small company dedicated to shaping the redevelopment of the Kensington Housing Estate in the inner west of Melbourne. We had fewer than ten staff and less than \$1.8 million in revenue.

Today, Urban Communities' work spans four sites across two states with a further development in Caulfield, Victoria on the horizon. We employ more than thirty staff, have revenues of \$4.1 million and our reach into the communities where we work is extensive. We have delivered on our commitment to creating great places to live.

We are in a strong position to begin our next five-year strategic plan. In thinking about what comes next for Urban Communities, we thought hard about who we are, and what we stand for. We have four core beliefs:

- We are a change agent – we aim to influence the way residents, governments and the private sector view mixed tenure communities.
- We believe that having high proportions of people with complex issues does not limit the creation of healthy and diverse communities. Diversity is a strength and a feature of truly great places to live.
- We believe that creating healthy and diverse communities does not require higher operating or capital costs, relative to less diverse communities.
- We believe that innovation and the application of good business principles are the foundation of our success.

Our beliefs provide a strong base for what Urban Communities does next. They ensure that our future – like our past – will focus on placemaking.

Urban Communities will always create great places to live. We will continue to advocate for – and deliver – strong, healthy, mixed community developments. To achieve this, we will continue to invest in our people and our systems so that we continually improve the ways we meet the needs of our communities, clients and stakeholders. As part of this, we are committed to working constructively with our key stakeholders – including governments, business and regulatory agencies.

We also want to continue to push for new and innovative solutions to creating strong, mixed communities. To this end, we will work with partners in both the public and private sectors to identify new funding, development and management options that increase the capacity of the social housing sector.

Urban Communities has achieved much in the last five years. But, as we realised in 2014, that was just the beginning. We have many more ideas and much more energy and commitment yet to give.

So let's go. Further.

**The Hon Michael Duffy**  
Chairman

**George Housakos**  
Chief Executive Officer

# All of us

## In Kensington

George Housakos  
Chief Executive Officer

Cindy Krizmanic  
Director of Operations

Matthew Torney  
Director of Strategy

Anita Canals  
Compliance Manager

Deb Wilson  
Community Engagement  
Manager

Peter Zamouzaris  
Place Manager

Laura Berto (maternity  
leave)  
Property Manager

Hannah Kebede  
Property Manager

Nikolina Chircop  
Customer Service Officer

Alex Mitchell  
Owner's Corporation  
Liaison

Dana Jackanic  
Owner's Corporation  
Support

## In Fitzroy

Ashley Lance  
Senior Facilities Manager

Kylie Hudson  
Place Manager

Crystal Barclay  
Property Manager

## In Coburg

Guy Mills  
Senior Finance Manager

Kerry Stevenson  
Assistant Accountant

Pratik Purohit  
Assistant Accountant

Germaine Wattis  
Customer Service Officer

## In Adelaide

Geoff Barclay  
Place Manager

Reuben Paul  
Property Manager

Simon Edes  
Community Development  
Assistant

## Our Enterprise Team

Jeff Iljazi  
Enterprise Supervisor

Manjar Acieng  
Cleaner

Sompong Anawatchayanon  
Cleaner

Konstandinos Bokos  
Cleaner

Darko Jajcevic  
Cleaner

Randall Hadley Keasler  
Cleaner

Richard Mugabo  
Cleaner

Hang Thi Nguyen  
Cleaner

Nilmini Perera  
Cleaner

William Stuart Royston  
Cleaner

Ryun Sharp  
Cleaner

Peter Skevis  
Cleaner

Mahendirakumar Kalimuthli  
Cleaner

Ray Neary  
Gardener

Jeffrey Williams  
Handyman

## Board of Directors

Michael Duffy  
Chairman

Brian Forrest  
Deputy Chairman

Ian McHutchison  
Director and Chair,  
Audit & Compliance

Kathy McLean  
Director

Barry Shepherd  
Director

Megan Hughes  
Director

Brian Joyce  
Director

George Housakos  
Chief Executive Officer  
& Company Secretary





# A day in our life...

## Yusuf and the Make a Move project

Urban Communities works closely in the community with other organisations to respond to local needs. The Make a Move project is the result of one of these collaborations.

The Kensington Neighbourhood House identified an emerging need among men in Kensington who wanted to upgrade their driving qualifications to a medium rigid license to improve their employment opportunities. However, drivers need a good foundation level of English and literacy and demonstrated experience in driving medium rigid vehicles before they can gain employment in the driving industry. These men needed help with learning both the required theory and practical skills as the first step in this pathway. Thanks to a RACV Community Foundation grant this project was able to meet those needs.

The Kensington Neighbourhood House provided both the language and literacy training and referrals to Barkly's Driving School who provided the practical driving component. Ten local men successfully sat the Medium Rigid Driving Test.

Yusuf participated in the project. When Yusuf passed his test, he headed straight to Vic Roads to upgrade his licence. Since then he's updated his CV and has just commenced looking for full-time work as a truck or bus driver. "I've been here (in Australia) since 2008. I've been a taxi driver and do some volunteer community work. I like driving taxis but it's long hours for not much money. If I did not have to leave my home country because of the war I would be driving a bus or truck there. Now I have more skills and opportunity to [drive] one here."

# Another day in our life...

## MSS

Since its inception, Urban Communities' vision has been to use all of the resources available to it – including the contractors engaged on site – to deliver great place making outcomes. Its collaboration with its security contractor, MSS, is an example of this approach in action.

Urban Communities has a long-standing relationship with MSS and together we work hard to tailor our services to meet the specific needs of our communities. As a result MSS is now much more than a security contractor.

MSS staff now work directly with our property management team to trial different monitoring approaches and engagement activities that provide insight into what our communities are like after Urban Communities' offices close at night. Together we have created a call centre able to receive calls from residents and owners 24/7 and capable of responding to emergency situations or coordinating trades and communicating to staff afterhours. This offers a much more responsive service which has, in turn, significantly reduced maintenance complaints.

As Urban Communities grows, it is looking to extend its work with MSS to respond to residents in new ways, including recruiting staff with different skills to enable us to provide holistic, integrated services day and night.



# And another day in our life...

## Kick Start project

Our integrated approach – which brings together staff with a variety of skills to manage a diverse, mixed-tenure community – is a key source of our innovation. Some of our best ideas happen when we stop to look at our work from a different point of view. One such idea is our Kick Start program. It came from a discussion between a couple of our Property Managers, one of whom deals primarily with private tenants, and the other who works with public housing tenants. They noticed that quality goods such as furniture and household items were often left behind by vacating private residents. They also saw deceased estates – where entire households of goods including functional whitegoods and bedframes – had been thrown away.

For some of our residents, furnishing an apartment can be difficult. Our team wondered whether it would be possible to repurpose some of these unwanted but perfectly good items within our communities. Further, the team came up with the idea of converting smaller non-essential items such as pictures or DVD's into cash to enable us to purchase essentials like cooking equipment or bedding with a view to providing a Kick Start for people in our communities who do not have these basics.

The Kick Start project is in its formative stage. It has begun to recycle unwanted goods back into the community. We have helped a handful of tenants who have had specific needs for household items, and are developing systems to source, store, manage and allocate items as they become available. The project is already self-funding, and over time, we anticipate that the project will grow, and will include other community engagement features.





# Key Statistics

Public & Social properties under management **578** (580)

Affordable properties (including NRAS)  
under management **144** (132)

Affordable/Social properties owned and managed  
**15 - 4 social, 11 affordable** (15)

Private properties under management **136** (108)

Residential properties under owners corporation  
management **979** (979)

Commercial properties under owners corporation  
management **12** (12)

Owners Corporations managed **20** (15)

Approximate number of residents **2500** (2500)

Public rental arrears as % total of rent charged **<1%** (<1%)

Affordable rental arrears a % total of rent charged **<1%** (<1%)

Social rental arrears as % of total rent charged **<1%** (<1%)

Private rental arrears as % of total rent charged **<1%** (<1%)

Tenancies occupied **98%** (100%)

Tenancies sustained **98%** (95%)

Approximate community building funding  
leveraged **\$85.5K** (\$122K)

Community initiatives **77** (162)

*Note: Previous year's results in brackets*

# Financial Report Summary

## Results for the year

**Revenue for the year 2013-2014 rose to \$4.1m from \$3.7m in 2012-2013. This equates to an increase of 11%, due in part to the income for the Urban Communities Cleaning and Grounds project.**

Expenditure rose to \$3.8m from \$3.4m, an increase of 11%. This was largely due to the employment of skilled staff.

Urban Communities moved from the reported surplus of \$248k in 2012-2013 to a surplus of \$278k in 2013-2014.

The total equity of the company increased from \$4.7m at the end of 2013 to \$5m at the end of 2014. The balance sheet also shows a current ratio of 2.1 and a debt/asset ratio of 22%.

*The following pages are a summary from the financial reports of Urban Communities Limited, which are independently audited.*

# Financials

## Income and Expenditure Statement for Year End 30 June 2014

	2014	2013	2012
	\$	\$	\$
<b>Revenue</b>	<b>4,117,862</b>	<b>3,697,368</b>	<b>2,633,961</b>
<b>Expenditure</b>			
Employee costs	1,973,969	1,497,989	1,053,365
Office expenses	87,860	83,063	65,737
Regulatory expenses	21,988	15,919	25,410
Property expenses	82,326	125,172	79,509
Maintenance Fund	1,128,642	1,021,385	1,025,474
Depreciation Expense	155,998	162,326	164,957
Finance Costs	55,798	69,269	79,877
Other expenses	333,403	474,170	179,886
<b>TOTAL</b>	<b>3,839,984</b>	<b>3,449,293</b>	<b>2,674,215</b>
<b>Surplus for the year</b>	<b>277,878</b>	<b>248,075</b>	<b>-40,254</b>

# Financials

## Balance Sheet for Year End 30 June 2014

	2014	2013	2012
	\$	\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	907,633	314,411	751,151
Trade and other receivables	775,237	1,243,228	286,669
<b>Total current assets</b>	<b>1,682,870</b>	<b>1,557,639</b>	<b>1,037,820</b>
<b>Non-current assets</b>			
Property, plant and equipment	4,686,558	4,790,738	4,930,310
<b>TOTAL ASSETS</b>	<b>6,369,428</b>	<b>6,348,377</b>	<b>5,968,130</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	632,146	538,917	433,541
Provisions	153,193	83,249	56,453
<b>Total current liabilities</b>	<b>785,339</b>	<b>622,166</b>	<b>489,994</b>
<b>Non-current liabilities</b>			
Borrowings	623,000	1,043,000	1,043,000
<b>TOTAL LIABILITIES</b>	<b>1,408,339</b>	<b>1,665,166</b>	<b>1,532,994</b>
<b>NET ASSETS</b>	<b>4,961,089</b>	<b>4,683,211</b>	<b>4,435,136</b>

# Financials

Urban Communities Limited  
ABN 99 123 899 052

## Statement of Cashflow for Year End 30 June 2014

	2014	2013	2012
	\$	\$	\$
<b>Cash flows from operating activities:</b>			
Receipts from contributions & activities	4,604,798	2,852,218	2,788,346
Payments to suppliers	-3,491,500	-3,205,258	-2,422,661
Interest received	7,539	8,323	11,135
Interest paid	-55,798	-69,269	-79,877
<b>Net cash provided by operating activities</b>	<b>1,065,039</b>	<b>-413,986</b>	<b>296,943</b>
<b>Cash flows from investing activities:</b>			
Payment for property, plant and equipment	-51,817	22,754	-4,188
<b>Net cash used in investing activities</b>	<b>-51,817</b>	<b>22,754</b>	<b>-4,188</b>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings	-420,000		
Proceeds from (payment to) related parties	0	0	-66,611
<b>Net cash provided by financing activities</b>	<b>-420,000</b>	<b>0</b>	<b>-66,611</b>
<b>Net increase/ (decrease) in cash held</b>	<b>593,222</b>	<b>-436,740</b>	<b>226,144</b>
Cash at beginning of financial year	314,411	751,151	525,007
<b>Cash at end of financial year</b>	<b>907,633</b>	<b>314,411</b>	<b>751,151</b>

These financials are a summary from the independently audited financial report of Urban Communities Limited for the year ended 30 June 2014.

## Directors' Declaration for the year ended 30 June 2014

The Directors have determined that the Company is not a reporting entity and that this special purpose Financial Report should be prepared in accordance with the accounting policies described in Note 1 to the Financial Statements.

The Directors of Urban Communities Limited declare:

- The Financial Statements, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying Notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - Comply with Accounting Standards described in Note 1 to the Financial Statements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
  - Give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the Financial Statements.
- In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This Declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



**George Housakos**  
Director

Melbourne, 30 September 2014

# Governance

## Board

### **Chairman: The Hon Michael Duffy ONZ (appointed to Board 2007)**

Michael is a solicitor who has held a number of senior positions within community organisations in Australia. These include positions as a Board member of Hanover Welfare Services and Chair of the Dandenong Youth Employment Project. Michael has also held senior positions within government including the position of Federal Attorney General (1990 – 1993), Minister for Trade Negotiations and Member of Cabinet (1987-1990), and Minister for Communications (1983 – 1987). In 1990 he became a Member of the Order of New Zealand for work on the Closer Economic Relations Agreement with New Zealand. He was appointed Chair of Urban Communities in 2008.

### **Deputy Chairman: Brian Forrest (appointed to Board 2008)**

Brian Forrest, LL.B, is currently the Deputy Chairman of the Racing Appeals and Disciplinary Board and a Director of Intralot Australia and Taranway Pty Ltd. Previously, he was the Chairman of the Victorian Casino and Gaming Authority. Brian has also served as the Deputy President of the Commonwealth Administrative Appeals Tribunal, Chairman of the Crimes Compensation Tribunal (Vic) and Deputy President of the Administrative Appeals Tribunal (Vic). Brian was a lawyer in private practice for 25 years.

### **Ian McHutchison OAM (appointed to Board 2008)**

Ian has a legal background and is a member of the advisory committee of the Fellowship for Indigenous Leadership (FIL) and a Board member of the Eva Tilley Memorial Home and MECWA. In 2009 he was awarded the Order of Australia Medal for services to the community.

### **Kathy McLean (appointed to Board 2008)**

Kathy is a partner with executive search firm Fish & Nankivell, where she runs a practice specialising in senior roles in values-based organisations including government, education, welfare, sport and charity. Kathy has qualifications in the arts and business and has particular expertise in working at the intersection of the public and private sectors.

### **Barry Shepherd (appointed to Board 2010)**

Barry has been in the property industry for more than 45 years and ran his own property business prior to becoming a Director of Becton (retired 2010). Barry was responsible for marketing all Becton's residential projects in Australia together with retirement projects. Barry was previously Chairman of the Melbourne City Council Inner City Residential Committee and was a member of the Department of Infrastructure's Industry Advisory Panel. Barry is currently involved in the development and construction of various medium sized residential

apartment and town house projects around inner Melbourne. He regularly travels overseas to keep up with the latest in international medium density housing trends.

### **Megan Hughes (appointed to Board June 2014)**

Megan is a freelance consultant with Hughes Schwab Pty Ltd, where she works on a number of projects for the public and not-for-profits sectors. Megan has qualifications in Business Administration and Arts. Megan also has qualifications in Law which led to her being admitted as a Barrister and Solicitor of the Supreme Court of Victoria in 1998.

### **Brian Joyce (appointed to Board December 2014)**

Brian has extensive experience in hospitals, health and human services management and operations. A former Regional Director at the Department of Human Services, Brian has held a number of other senior executive positions in the Victorian Public Service (VPS). Prior to joining the VPS, Brian was Finance Director, Box Hill Hospital and Manager, Finance and Services, of the Victorian Branch of the Health Insurance Commission and Medibank Private. Since retiring from the VPS Brian has served as a Director of Northern Health Service; a government appointed administrator of a disability support service and an advisor to the Youth Justice Custodial Services Taskforce. Brian has also undertaken service review work in the human services sector. Brian is a Certified Practising Accountant and holds a Master of Administration (Monash).

### **Chief Executive Officer / Company Secretary: George Housakos (appointed to Board 2007)**

George worked in the not-for-profit sector and the property industry for 15 years prior to his appointment as Chief Executive Officer of Urban Communities. Before taking up his position at Urban Communities, George's experience included over 10 years senior management experience in fields such as property and tenancy management, social business development and management, employment, training and community engagement initiatives and research and advocacy for the alleviation of poverty in highly disadvantaged communities including inner city public housing estates.

## Management

**George Housakos**  
Chief Executive Officer

**Cindy Krizmanic**  
Director of Operations

**Matthew Torney**  
Director of Strategy

**Ashley Lance**  
Senior Facilities Manager

**Guy Mills**  
Senior Finance Manager

**Anita Canals**  
Compliance Manager

# Partners

**We say thank you to our many partners and acknowledge the valuable contribution they make in joining us to create great places to live.**

78 Seniors Inc  
 Adelaide City Council  
 Adelaide West End Association  
 Adult Community and Further Education  
 African Women's Network  
 AMES  
 Atherton Gardens Community Liaison Committee and working groups  
 Auckland City Council  
 Australian Community Support Organisation  
 Australian Federal Police  
 Australian Football League Multicultural Program  
 Beck Property Group  
 BizTech Solutions  
 Bradrod Building Services  
 Brotherhood of St Laurence

Buckmaster Hawkey  
 Centrelink  
 CHFV  
 Chinese Federation of Victorian Associations  
 City of Melbourne  
 City of Moreland  
 City of Yarra  
 CityLink Neighbourhood Connections  
 Co Health  
 Coburg IGA  
 Common Ground  
 Connie Benn Centre  
 Consumer Affairs Victoria  
 Edward Thomas Real Estate  
 Employsure  
 Fifty-Six Threads Cafe  
 Fitzroy Adventure Playground (Cubbies)  
 Flemington and Kensington Community Legal Centre  
 Government of South Australia - Urban Renewal Authority  
 Grant Thornton Australia  
 GROW Limited  
 Hands On Approach to Environmental Sustainability  
 Hanover Welfare Services  
 Harry's Splash of Colour

Hello Yes Coffee  
 HomeGround Services  
 Hotham Mission  
 Housing Choices Limited  
 Housing for the Aged Action Group – HAAG  
 Housing SA, Department for Communities and Social Inclusion  
 Indo Chinese Elderly Refugee Association  
 J & M Real Estate  
 J & J HR Consultants  
 Jacobs Group  
 James Sutherland Plumbing  
 Ken Hall Plumbers  
 Kensington Adventure Playground (The Venny)  
 Kensington Association  
 Kensington Elderly Chinese Friendship Association  
 Kensington Community Liaison Committee and Community Development Sub Committee  
 Kensington Community Recreation Centre  
 Kensington Neighbourhood House  
 Kensington Public Tenants Association  
 Living Learning Australia  
 Lucalex

Macquarie Bank  
 McKean Park Lawyers  
 Melbourne Community Toy Library  
 Melbourne Drug Unit – Vic Pol  
 Melbourne Metropolitan Fire Brigade  
 Mind Australia  
 Moores Legal Pty Ltd  
 Moreland Energy Foundation  
 MSS Security  
 MyConnect  
 New Zealand Council for Infrastructure Development  
 Newton's Pharmacy  
 Nicholson Street Community House  
 North West and Melbourne North Police  
 On the House Holdings  
 Origin Energy  
 Owners Corporation committee members  
 Ozanam House  
 Places Victoria  
 Propost  
 R.M. Noke  
 RACV Community Foundation

REA Group  
 React Property Maintenance  
 Reglink Australia  
 Reshape Development  
 Residential Tenancies Board Association  
 RMIT University  
 Rockend  
 SA Ambulance Service  
 Salvation Army  
 Second Bite  
 Social Traders  
 Somali Women's Development Association  
 South Australia Police  
 South Australian Metropolitan Fire Service  
 Spectrum Fire  
 St John's Youth Services  
 Terri Sheer Insurance  
 Thomas Embling Hospital  
 Tormax  
 Tyrone Electrical Services  
 United Lifts  
 Verifire  
 VicHealth  
 Victoria Police  
 Victorian Department of Health and Human Services

Victorian Department of Transport, Planning and Local Infrastructure  
 Victorian Office of the Registrar of Housing Agencies  
 Victorian Federation of Chinese Associations  
 Victorian Multicultural Commission  
 Victorian Office of Multicultural Affairs and Citizenship  
 Victorian YMCA  
 Vincent Care  
 Waratah Clinic  
 Wellington City Council  
 Westpac  
 Wheel Women  
 Willis Australia  
 Wintringham  
 Wombat Housing and Support Services

# Urban Communities Annual Report 2014

## **Urban Communities**

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Kensington Victoria 3031  
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3/14-20 Nicholson Street  
Coburg Victoria 3058  
Telephone: 03 9371 2077

150 Brunswick Street  
Fitzroy Victoria 3065  
Telephone: 03 9371 2088

104 Waymouth Street  
Adelaide South Australia 5000  
Telephone: 08 8211 6492

Email: [ucl@urbancommunities.com.au](mailto:ucl@urbancommunities.com.au)

## **Urban Communities comprises**

Urban Communities Limited  
ABN 99 123 899 052

Urban Communities Property  
Corporation ATF

The Urban Communities Trust Fund  
ABN 62 628 492 139

[www.urbancommunities.com.au](http://www.urbancommunities.com.au)