



**a place  
for every  
single  
person**

annual report 2014



### ***Our vision for the world...***

Our vision is for a world where every person has access to a safe, secure and affordable home; a world where human rights are upheld, all people are welcomed and diversity is celebrated; a world where every person has a real opportunity to live out their hopes and dreams – regardless of income or disability; a world where the focus of society and governments is on the health and happiness of the whole person; a sustainable world that can support the hopes and dreams of future generations.



### ***Our contribution to this vision... what we will do...***

We will provide innovative services for people who have experienced homelessness and create flexible pathways into homes and communities.

We will develop and manage an increasing supply of housing that is affordable, sustainable, and safe; that is well designed and maintained and meets the changing needs of a diverse community.

We will do more than just providing affordable housing – we will create opportunities for the people who live in our housing to participate in decision making, build social connections, gain access to community resources, develop confidence and skills, discover their gifts and talents and contribute to their community.

We will work in partnership with others to change community attitudes and government policy and ensure that access to good quality and affordable housing is upheld as a basic human right.



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## meet brigitte

I grew up in Melbourne but moved to Sydney as a teenager. In my mid 20's I moved with my son to Austria where my mother was born. While living in Austria I had a blood vessel in my brain rupture and I suffered an acquired brain injury which means I now struggle to remember things as well as finding it difficult to read and write. I also developed epilepsy and have to take a bunch of pills to avoid having seizures.

I decided to move back to Australia and I was lucky enough to be offered a public housing unit in Woolloomooloo right near the harbour. I lived there with my partner and son. Unfortunately my partner developed cancer and passed away about 3 years ago. I ended up moving back to Melbourne to be closer to family during this difficult time and stayed with my mum and step father.

Just when I was getting my life back on track and had enrolled in a training course I got hit by a car on my way to school. I was referred to Yarra Community Housing by one of my health providers and moved into McIntyre Drive in November 2012.

I really love my unit and although it's not Sydney Harbour I am near the water again. I also have recently got a boyfriend who also lives at the property and we look after each other as we both have our health problems.

My hopes for the coming year is that my new boyfriend's operation relieves some of his health issues and reconnecting with my son and granddaughter that I have not seen for months.



# homelessness can happen to anyone

*This year the focus of our annual report is on the broader issue of homelessness and housing affordability. Through our work we know that homelessness is not something that happens to “other” people. We know that people from a broad range of backgrounds, including those who have had successful professional careers, can experience the sort of personal crises that result in the loss of all their social and financial support structures including their family, their job and their health.*

This loss of key support structures can, in turn, result in people finding themselves without access to any secure housing and on the journey into homelessness. We also know that the experience of homelessness itself can be very destructive and lead to a worsening of the personal issues that contributed to the initial crisis. Homelessness can become a vicious trap.

*There are*  
**105,237**  
PEOPLE CURRENTLY  
**HOMELESS**  
*in Australia*

THE CURRENT RATE OF  
*homelessness*  
in Victoria is  
**OVER 4 PEOPLE**  
**IN EVERY**  
**1,000**

There are approximately **173,000** Australians waiting for public housing. Despite this Australia has fewer public housing units than it did in the 90's. Since then the population has grown by over **2 million people.**

# from the chair and ceo



2013-14 was the first year of our new Strategic Plan and we'll summarise the highlights under its six strategic priorities.

**It has been another very busy and productive year and we have made great progress towards our vision of becoming an organisation that is exceptional at assisting people in our community to make the journey from homelessness to having a secure home and a sense of belonging. We want to create great places for people to live – places for every single person.**

## *Strategic Priority 1*

More Affordable Housing For Those On The Lowest Incomes – Particularly Singles.

- We completed the award winning Prouse Place project for people with a severe disability in partnership with Mind, the Victorian Government and the Federal Government. See page 12.
- We began to explore options and strategies of how we might develop new housing for low income singles without relying on capital funding from government.

## **WE WOULD LIKE** *to highlight*

some of the key achievements  
**of the organisation**  
OVER THE LAST YEAR

## *Strategic Priority 2*

Improved Services To People Who Are Homeless.

- We successfully completed an accreditation process for all our funded homelessness services.
- We renovated our service base in Seddon to improve facilities for clients and extend the co-location of staff from other organisations to further integrate our services.

### ***Strategic Priority 3***

#### **Improved Outcomes for the People Who Live In Our Housing.**

- We completed the first stage in a 3 year project to research, implement and evaluate a best practice model of long term housing for people with high support needs.
- We implemented a new approach to assessing people's needs before they become YCH tenants.
- We implemented new approaches to prevent people from falling into rent arrears.
- We implemented new approaches to reduce the time taken to fill vacant units.
- We completed an evaluation of the social and financial performance of our remaining rooming houses.
- We completed a property data base that allows us to better predict and plan for future maintenance on our properties.
- We reviewed and increased the scope of our cleaning and gardening services.

### ***Strategic Priority 4***

#### **Increased Opportunities For Community And Economic Participation.**

- We established the new Client and Tenant Advisory Group to provide advice to the YCH Board and staff.

- We established a new structure for property based meetings to hear tenant concerns.
- We supported a range of new community projects for our tenants.
- We established new pathways for our tenants to engage in training and employment.

### ***Strategic Priority 5***

#### **Improved Outcomes In Research And Advocacy.**

- We established a strategic partnership with Swinburne University.
- We created a new Research and Advocacy Manager position.
- We participated in advocacy and policy development in relation to the vision for social housing in Victoria, the reform of the homelessness service sector and a new early intervention facility in Wyndham.

### ***Strategic Priority 6.***

#### **Supporting Our People To Achieve – Building Organisational Capacity .**

- We successfully implemented a new integrated business software system that integrates our accounting, tenancy management and asset management functions and provides enhanced capacity for information and analysis.

- We significantly upgraded our Information Technology infrastructure and support systems to improve network speed and stability.
- We introduced a new Reward and Recognition policy.
- We reviewed and improved our process for handling complaints.
- We introduced training on the principles of trauma informed practice.
- We developed a new set of organisational values.

We would like to finish by saying thank you to all the people who contribute to the work we do. We thank our clients and tenants who have contributed their valuable ideas over the year and have assisted us in getting better at what we do. We thank all our partner organisations and consultants. We thank every staff member for the particular contribution they make to the overall achievement of our vision and purpose. We have a great team that we can be proud of. Finally we would like to thank our very hardworking Board of Directors, for their passion and wisdom in guiding the organisation.



Jane Evans – Chairperson



Rob Leslie – CEO



# what we do



*Yarra Community Housing is a registered Affordable Housing Association and one of the largest providers of community housing in Victoria. We have a long history of providing housing options for some of the most disadvantaged and marginalised members of the community. Our particular focus is to create pathways for people to move out of homelessness, establish themselves in long term housing, receive the support they need, develop a sense of “home” and participate in their community.*

## *We work with people in the following ways ...*

### **Immediate help for people who are experiencing homelessness...**

We provide a range of crisis services for people experiencing homelessness – including help with a plan to get back on their feet, referral to other forms of assistance, financial aid, and help with moving into the private rental market.

### **Temporary housing and support...**

We provide emergency and short term (3- 18 months ) housing for previously homeless people including families, singles and young people. The housing is linked with support and people are assisted to make the transition from homelessness back to living in secure, long term housing.

### **Long term community housing...**

We design, develop, own and manage long term housing properties that provide accommodation for low income people who pay rents based on their income. The majority of our long term housing is designed for single people but we also provide housing for families. The properties range from large high density apartment buildings in the inner city to detached houses in the outer suburbs. Our larger properties include a café, an arts centre and various social enterprises. Many of the properties are integrated with support services provided by our partner organisations.

Our particular approach to providing long term housing includes the following elements which we believe are key in the development of a sense of 'place' and 'home' for people.

***Inclusion ... people with the lowest incomes and the highest level of housing needs are welcomed and included.***

.....

***Affordability ... people who live in our housing have enough income to pay the rent, live a dignified life, and participate in their community.***

.....

***Security ... people are able to live in our housing for as long as they want.***

.....

***Sustainable Design ... the housing is located close to transport and services, is attractive, provides a high level of amenity and is energy and water efficient.***

.....

***Participation ... people who live in our housing and those who access our homeless services have opportunities to participate in YCH organisational decision making and in broader community and economic life.***





## meet paul

I had a great life with a job that took me across Australia as a Mechanical Design Draftsperson. I was earning good money and had just bought myself a new HSV Club Sports. Unfortunately after another week of long hours I fell asleep at the wheel on the way to work and ended up crashing into a truck. I suffered some serious head and back injuries but was keen to get back to work. I probably went back to work too quickly and I lost my job as my health was affecting my performance.

I ended up applying for the Disability Support Pension and moved back with my parents but shortly after doing so my mother passed away and my dad moved back to the UK. I was facing homelessness as I could not afford private rent on my Centrelink payment. A neighbour referred me to YCH and they offered me a place in a rooming house. I did not like sharing a toilet and bathroom with strangers but I could not afford to stay elsewhere. In March 2014 I was able to move into a self contained studio apartment.

In September 2014 I applied and joined YCH's Client Tenant Advisory Group. We get together every 2 months to discuss issues, ensure YCH staff hear what we have to say and ask questions about the organisation. Before joining CTAG I was not aware that Yarra Community Housing managed so many different properties. I am still dealing with my health issues but hope when I am better to try to get a job.

## meet ben

Three years ago I moved across from Perth to Melbourne in a hurry as I was in a violent relationship and might not be here to share my story if didn't make this drastic move. Initially, I stayed in a few back packers but ran out of money and was forced to live on the streets. In the first 6 months alone, I moved 19 times and ended up at St Vincent's, after having a breakdown. I accessed YCH Homelessness Services and they reluctantly referred me to an unregistered boarding house which was actually pretty awful.

In 2013 I was accepted into the Council to Homeless Person's Peer Education Support Program (PESP) which is a volunteer program that provides people who have experienced homelessness with the opportunity to improve the homelessness service system by participating in government/community group consultation, presentations, peer facilitated focus groups, interviews and surveys as well as undertaking work with media.

Through PESP I was referred to HomeGround who helped me secure my lovely YCH apartment at Elizabeth St after completing a drug rehabilitation program. The property is in a great location and most importantly I feel safe because there is a 24/7 concierge service downstairs who know me. I have also been able to access a psychologist, dental services, joined the gym and have a space where I can do and share my artwork.

My dream is to establish a gay youth refuge that would provide the support it took me so long to find. I know that it may take awhile to make this dream a reality and I am undertaking Mental Health and AOD studies at TAFE.





# our board and staff

## OUR BOARD



We thank our very talented and committed teams of staff who make it all happen. We recognise their significant contributions to the services of YCH over the last year and we acknowledge the extremely challenging environment in which they work.

YCH is governed by a Board of Directors who provide stewardship and strategic direction, governing on behalf of members. Between them they have strong and varied experience in a range of sectors. More information can be found in our Finance Reports pages 29 and 30.

*To Vera,*

*On behalf of the YCH Directors, staff, tenants and clients I would like to express our deepest thanks for your many years of generous service to Yarra Community Housing over the last 18 years. You have played a very significant part in the journey of the organisation over this time to become one of the leading community housing organisations in Victoria. Your fierce passion for social justice and social inclusion combined with your level headed and practical wisdom have earned you the deep respect of many people and you will be greatly missed. Your generous commitment of so much time, energy and expertise over the years has made a real difference to the lives of some of the most marginalised members of our community.*

*Our best wishes for the future.*

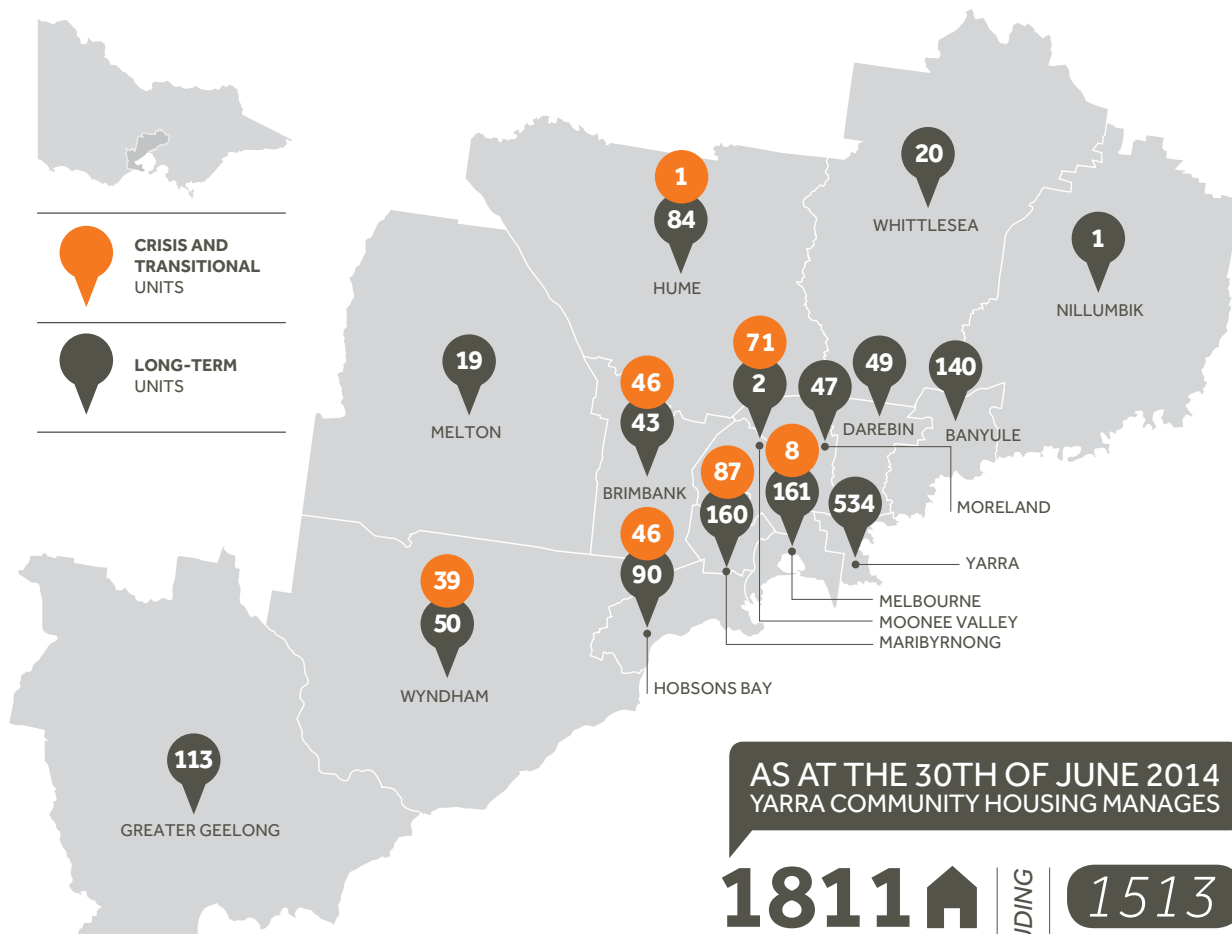
*Rob Leslie*

## THANK YOU





# our properties



AS AT THE 30TH OF JUNE 2014  
YARRA COMMUNITY HOUSING MANAGES

**1811** 

UNITS ACROSS THE  
STATE OF VICTORIA

INCLUDING

**1513**

LONG TERM  
HOUSING UNITS

**& 298** TRANSITIONAL  
& CRISIS UNITS



BALLOAN



*We have a diverse range of long term housing units located in 182 different properties to cater to the differing needs of our tenants, ranging from 1850's terrace houses, to standalone units, to new multi story medium and high density apartment buildings.*

FLOCKHART



NELSON





*This property represents a significant step forward in our journey to design affordable housing projects that better meet the needs of a diverse range of people. This property is more livable, flexible and therefore a better investment for the future.*

### Our latest property development Prouse Place

This is Supported Accommodation Innovation Fund (SAIF) dual disability, housing and support project, developed in partnership with Yarra Community Housing and Mind Australia and completed in early 2014. This project provides supported housing for adults with severe or profound disability. It features complete integration with the surrounding residential area, various features to reduce energy and water use, high security, maximization of light and natural ventilation and a outside space for each unit. There is also a studio apartment for support workers with sleepover capacity and a communal area with indoor and outdoor meeting spaces. This property was one of the first projects to achieve a Platinum Livability rating.

**Units** 6 units comprising: 5 one bedroom ground floor units (two of which are disability modified) and one staff studio apartment.

**Income** 5 disability support pensions plus 1 unit for Mind staff

**Project Cost** \$1.93 million from Australian Government and funding of \$2,452,000 over 4 years to Mind Australia from the Victorian Government for provision of support to residents to promote independence and choice.

**Architect** Stoll Long Architecture

**Builder** Jacman Builders Pty Ltd

**Property Manager** Yarra Community Housing

**Project Partners** Mind and the Australian Government's Supported Accommodation Innovation Fund – Department of families Housing and Community Services and Indigenous Affairs and the Victorian Government.



## meet maryam and abdelkarim

We were both born in Iran, and arrived in Australia to start our new life in 2010. Back in Iran Maryam worked in information technology and has an engineering qualification. Before Abdelkarim had a car accident and lost use of his legs he was a chef.

When we first arrived in Australia we lived in a hotel for few months and then rented a unit in Reservoir. We had registered for public housing when we first arrived with the assistance of a disability agency as we were told that it may be difficult to find wheelchair accessible housing. In mid 2011 we received a call to say that there was wheelchair friendly unit at Pearcedale Parade.

In late 2012 we asked for permission to start a small communal vegetable garden at the back of the property. Some of our friends and tenants helped us to dig out and plant the garden. We really enjoy gardening, not only can we grow healthy chemical free food but it also provides an opportunity to meet other tenants who come an say hello when we are in the garden

Abdelkarim is studying English and hopes to one day be able to get a job as a chef while Maryam has just completed an accounting course at TAFE and has enrolled in a graphic design print course. Maryam hopes to find some paid work and/or continue accounting studies at University.



# what homelessness is, and how it happens

*What homelessness is, and how it happens, is largely misconceived by the wider community. The reality is, more of us are at risk of homelessness than we realise, and for reasons that are not just due to the individual person's circumstances.*

*Homelessness is all but hidden in our community. While we see people rough sleeping, we don't see them in front of us in large numbers. So it is easy to think the problem is not that significant.*

**There is disconnect**  
*between what most people*  
 THINK HOMELESSNESS IS,  
 «« and the reality »»

Homelessness actually means not having a place to call your own. It is not simply the absence of shelter; it means not having a home. So when you think about homelessness in these terms, you begin to see the real picture.

The hidden homeless are those who are couch surfing without any sense of permanency; people living in appallingly overcrowded accommodation without any private space, and people living in boarding houses where personal safety and security of belongings are often at risk.

*How homelessness happens is frequently misunderstood. It is wrong to suggest that people become homeless only because they experience a series of personal crises. The levels of homelessness in our community can also be attributed to policy decisions made on our behalf.*

Say I am an older single woman who works in a factory and rents a flat in the suburbs of Melbourne. As a result of government trade and industry policies, the factory is no longer viable, and it closes. I am made redundant. Most of the other factories have also closed so I can't find a job. I end up seeking government support, and receive weekly unemployment benefits.

*The Newstart Allowance for a single adult in 2014 is \$318 per week including the maximum amount of rent assistance. The recent federal budget proposed that the annual rate of increase of this allowance be further reduced and that people under 30 be forced to wait up to 6 months before they are eligible.*

My weekly rent for my 1 bedroom flat is \$300 per week. I start to use up my redundancy payment while I look for something more affordable. But I can't find anything.

*A recent government report on the private rental market showed that the median rent for a 1BR flat in metropolitan Melbourne was \$300 and that only 0.4% of all 1 BR flats were affordable to a single person on unemployment benefits.*

So I apply for public housing. I am told that because I am not currently homeless I will have to wait "indefinitely".

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*Victoria has the lowest amount of public and community housing of any state in Australia at 3.4%. Recent research suggests that Victoria needs to almost double the current 84,000 units to meet the growing demand from people who can't afford to rent privately.*

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Pretty soon, my savings are gone and I can no longer afford to pay the rent. I move in temporarily with my younger sister who has 3 children and has recently remarried. I sleep on the couch in the lounge room for several weeks but there is pressure to move out. I am not sleeping so I see a doctor. I am diagnosed with anxiety and depression. I am referred to a homelessness service and provided with temporary housing in a motel. My depression worsens.

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*There is currently a shortage in Victoria of safe forms of housing for people in crisis. Often people are housed in motels or private rooming houses that put them at risk. In 2013-14 YCH had 21,706 contacts from families and singles who were experiencing homelessness and seeking crisis assistance.*

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So this is how the cycle happens.

**Homelessness is the result of the interaction of personal issues and policy decisions relating to the loss of low skilled jobs, the lack of affordable housing, an inadequate income support system and insufficient investment to grow public and community housing.**

When we correctly identify homelessness and its causes, we know what the solution looks like. We know that people who are facing or experiencing homelessness need rapid access into good quality, safe and affordable housing linked to the support services they need.

Addressing homelessness does not just save families, rescue lives and express our common humanity. On a pragmatic level we recognise that the cost of increasing levels of homelessness is paid for by the whole community.

There is growing evidence that preventing homelessness through investment in good quality affordable housing in fact saves us money. The hidden cost of homelessness is manifested in the response to mental illness, to substance abuse, to unemployment, in incarceration and the loss of economic participation in the community.

Greater expenditure on programs to support the mentally ill and addicted, to facilitate re-employment and reduce incarceration will do much to manage the rise in homelessness and eventually reduce its impact significantly.

This report contains a range of stories about different people in our community who have had this experience. And it is not all bad news. The stories demonstrate that people can be incredibly resourceful, resilient and courageous in making the journey back from homelessness. The stories also show the transformation that can happen in people's lives when they finally get access to a secure and affordable home.

We encourage you to read the stories from our tenants and staff, and think about what they mean and play your part in making change. Homelessness can happen to anyone.



# our services and stats

## *Our Initial Assessment and Planning*

**Immediate help for people who are experiencing homelessness**

### STAFF PROFILE



### **Brett Bedson**

I started with Yarra Community Housing (YCH) with the merger of MetroWest (MW) and YCH way back in 2008. I am the Housing Services Manager for the Western services which includes the Homelessness Services in Footscray and Werribee, Transitional and Long Term Housing down to Geelong. The rewarding part of my role is seeing positive outcomes for tenants and clients. I love hearing the staff tell the stories of the successes that they have had with people. I also love seeing individual team members grow in the roles and take up extra activities that have an impact on their clients or tenants.

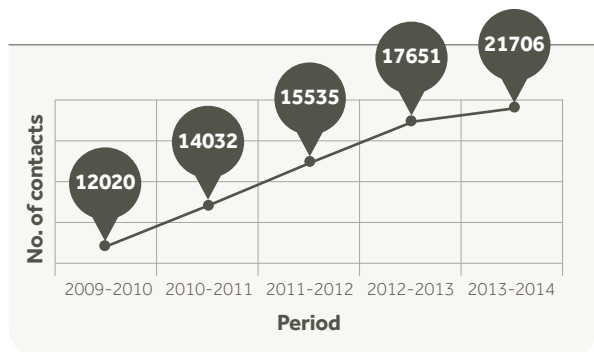
Team members who grow within the organisation is a source of happiness for me and I have been fortunate to see team members move and contribute to other YCH teams and also some that have taken up leadership roles in the organisation.

The challenges that I faced more frequently over the past year or so would have to be the changes in the DHS structure with the loss of program knowledge. Changes to Government policy has also been challenging with the Victorian Homeless Action Plan reforms potentially impacting upon our client group in a significant way. The constant

changing and uncertainty of funding arrangements is difficult for future planning and the sudden reduction of funding to a successful program such as the Private Rental program in the West has been disappointing. The increasing numbers of homeless people that come to our office every single day strengthens my resolve to continue advocating for a better deal for those most disadvantaged in our community.

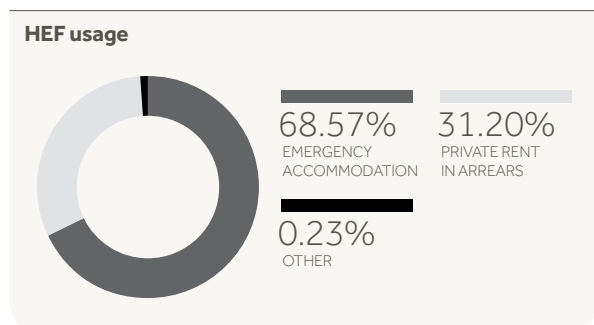
It is great to work for an organisation that is based on clear values and that is strategic in delivering its mission. I enjoy, and am proud of, the work that we do at Yarra Community Housing.

During 2013-14 YCH provided homelessness assistance through 21,706 contacts with clients through our initial, assessment and planning (IAP) services. As shown below there has been a 55% increase in the number of IAP contacts for assistance since 2009/10.



In the last financial year the majority of clients were single people (44%) followed by single with children (24%). 50% of contacts were in person compared with 33% over the phone. Before making contact with the service the majority were living in a house or flat (66%) followed by around 13% who were living in an improvised dwelling, car, squat, park or the street.

During 2013-14 the IAP service provided financial assistance through 2208 HEF assists from the Housing Establishment Fund (HEF).



The private rental brokerage program (PRB) assisted a total of 171 female adults and 77 male adults accompanied by 281 children to establish 177 tenancies in the private rental market and also helped to maintain 7 existing tenancies.

#### **An example of an IAP and PRB Client...**

I used to share a house with 17 of my family members and was paying about \$200 per week in rent. After an incident at home where I was attacked the police helped to move me from the house and put me in touch with St Kilda Crisis centre. They found me some accommodation in a motel and put me in touch with YCH's IAP Service who got me into a backpackers and helped me to put in an application for a reduced rent apartment with Mission Australia. YCH paid for my bond and rent in advance through the PRB program and I organised my furniture through St Vincent De Pauls.

By the time I connected with YCH I had not eaten in a couple of days which is really dangerous when you are diabetic. I was directed to Lentil as Anything to eat and have continued to go there since as I have made many good friends and now volunteer there on weekends. I was really happy with the financial and practical support provided by YCH. I was however frustrated by the time it took to speak to a worker and there were lots of very stressed people around every time I visited the office.

I lost my job as a forklift operator but found a job Monday to Friday as a telecommunications manager maintaining mobile networks soon after I moved into my apartment. I have also continued my part-time work as an events management supervisor for the City of Melbourne which I have been doing for many years. Since getting settled I have also completed Cert IV's in HR, frontline management and business management and I'm hoping to do further study in electronics and engineering to give me a better chance at career progress. In the future I would like to see more of my family some of which I have started to reconnect with. I also have not had a holiday in many years and would like to travel around Australia in a camper van.

Name withheld

## meet ty

At 39, I had a full time job I was a truck driver carting steel, I had a house with a mortgage and in my recreational time I enjoyed dirt bike riding. One day I had a tumble on my bike and I went home but I didn't feel too good so went to the hospital. I had a broken neck I was very lucky because I was centremeters from me being a paraplegic. They took some bone from my hip and fixed me up but not enough to go back to work straight away. Being on the dole I quickly lost everything I had worked for all my life. My son had to stay at a friend's place so he could stay at school and I was sleeping rough.

A friend suggested I go to YCH for assistance. I met with Kathleen and Oscar at Werribee and was assessed and told I was flagged for a Transitional property when one became available. In September 2013 I moved into my house with my son, he was able to keep attending the same school thankfully as it isn't too far for him to travel. I was linked with Wombat housing and they have helped me apply for an office of housing property. I know I will have to move again and I don't mind but I love this house and the area, the only thing I would improve is a phone line to have the internet, for my son. My dreams are to re-enter the workforce and have a home for my son and I.





# our transitional housing

## Temporary Housing and Support

Emergency and short-term housing for previously homeless people.

DURING 2013-14 YCH MANAGED 473 TRANSITIONAL TENANCIES.

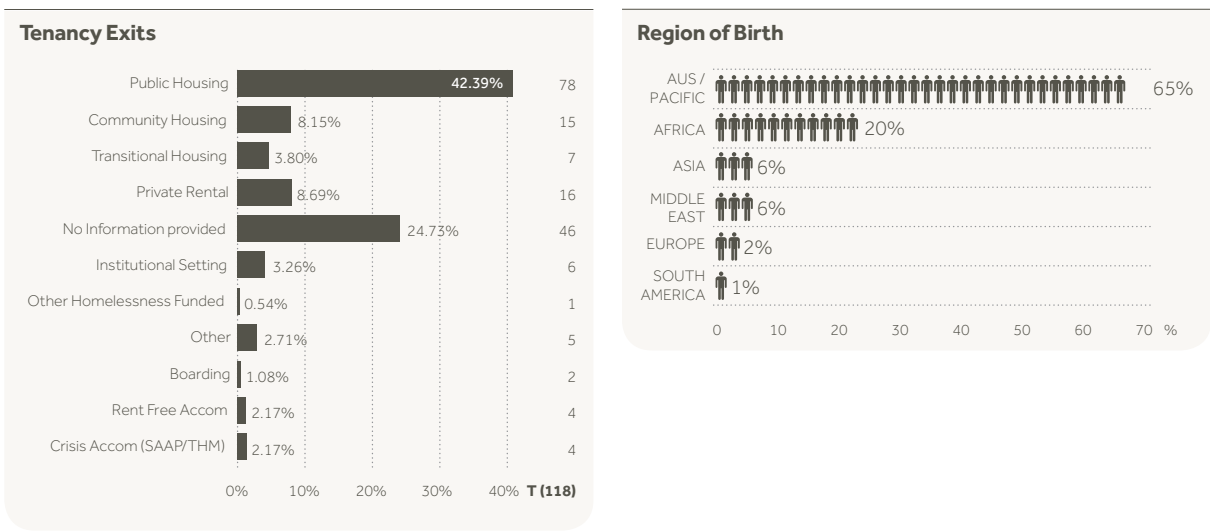
**OF THE 184**  
TENANCIES EXITING  
**the transitional**  
HOUSING PROGRAM:

**50%** gained  
transitional **public**  
OR COMMUNITY  
 **housing**

**with only 8.6%**  
being able to access  
**PRIVATE RENTAL**

**38%** of the  
primary tenants were  
BETWEEN THE AGES OF  
**>> 25 & 39 <<**

closely followed  
**BY 34%**  
WHO WERE BETWEEN  
**18 & 24**



## meet cletus

I came to Australia from Sri Lanka 24 years ago as a skilled migrant; I worked at James Hardie making tools. I started buying a house and in 1997 I entered into a marriage arranged by my parents. I brought my wife to Australia but it didn't work out and after three years we divorced. I started from scratch again after this and was in the process of buying a flat in Thornbury but I was depressed and started drinking heavily. I lost my job and became a taxi driver but I was still struggling with addiction. I then lost my driver's license so I could not work and for the first time in coming to Australia I had to go to Centrelink benefits. This was really hard and caused my depression to worsen along with my drinking.

I got into a fight and ended up in jail for six months. After I got out I was staying at Ozanam house and was court ordered to have a counselor that is how I met Charlie. He got me into detox and from there I went into Rehab. After Rehab I lived in a share house in North Melbourne and was linked in with Marlin from Vincentcare HDDP who got me into my YCH transitional property in Spotswood in July 2012.

Whilst I was there I started studying to be a chef as I have always had a passion for cooking. I have moved into YCH long term housing unit in Altona and I've also been given the opportunity of work at a local café at the Western Bulldogs Ground and I'm hoping that this job will work out. I enjoy my unit, I play bingo in the common room the social club organizes and I'm feeling a bit more on track – I've been sober for four years now.



# our long-term housing

## *Long Term Community Housing*

Immediate help for people who are experiencing homelessness

### STAFF PROFILE



#### **Caoimhe McMullan**

My role as a Tenant Access and Participation Worker is always interesting, varied and can be challenging at times. I really enjoy working with our tenants, their support workers and being part of the Yarra SPACE and Northern Tenancy Teams. Yarra SPACE brings together a multi-disciplinary team using an assertive outreach model with the objective of providing an integrated housing management and support service.

Many of the tenants enter our housing from homelessness or crisis services and it is my role to provide assistance to maintain their tenancies, including coordinating access to support services and community resources. Before I left Ireland I was working in a Community Drugs Project and I am enjoying the opportunity to learn about working in the community sector in Australia.

### STAFF PROFILE



#### **Dr Jennifer Borrell**

I joined Yarra Community Housing as Research Advocacy Manager in April 2014. The purpose of my role is to inform the organisation's practice and directions and to strengthen our advocacy work. In future, I will be assisting YCH to speak out more effectively on behalf of low income and disadvantaged Australians – especially in the areas of homelessness and housing affordability.

I feel privileged to have this opportunity to share my skills for the benefit of service users and the broader community. I look forward to learning more from the people we support and my co-workers and making sure they are heard in our ongoing evaluation work. The staff are so supportive and it is heartening to be in a place where people truly live out the organisation's vision.



# during 2013-14

**YCH** *provided long term  
affordable housing to*  
**1867**  **PEOPLE**

**AND** *completed* **8337** *maintenance  
requests*

Of these tenants:

- 75 percent are on Centrelink incomes and 25 percent are low income employed.
- 40 percent are female and 60 percent male with an age varying from 17 to 92 years, and an average age of 43. Of these tenants 5 percent identified as being Aboriginal or Torres Strait Islander.
- 75 percent were also in greatest need, meaning that prior to being housed at YCH they had experienced homelessness, or they were at risk in their previous accommodation.

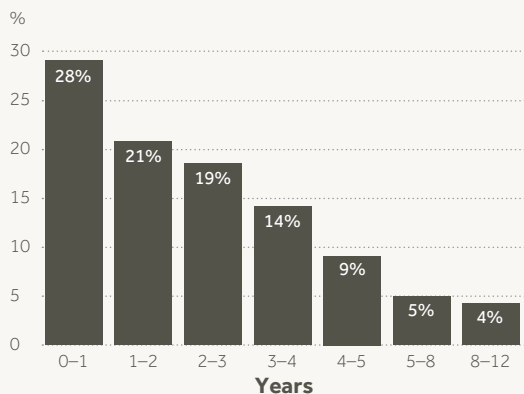


We would like to highlight an underrepresentation of female tenant profiles in our report this year. This is because many of the women we house have been made homeless due to domestic violence and do not feel safe sharing their stories.

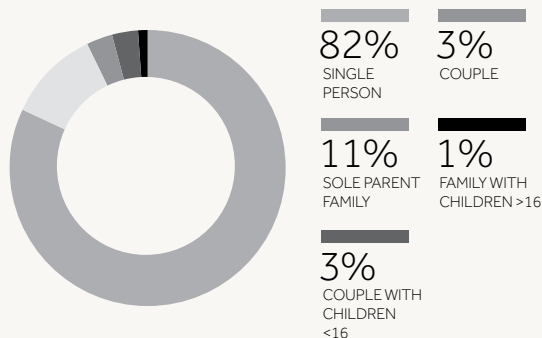
In 2010-11 over a quarter of all service users cited family violence or abuse as the reason for their homelessness.

Government funded agencies report that one in every two women with children seeking homelessness services was escaping a violent home situation.

## Length of Stay



## Household Composition





## meet marie

I had been working in schools as an Integration Aid for children with disabilities for over thirty years but unfortunately due to health issues I could not continue doing this physically challenging work. I decided to go back to university to further my studies in Psychology as I hope to one day support women to get on with their lives; potentially focusing on settlement assistance for young migrant women or helping young mums stay in school or find work.

The private rental studio apartment I was living in was having problems with a cockroach infestation and I was now on a limited income. I moved into a predominantly male YCH rooming house with shared facilities which is not ideal and I'm now waiting for a studio apartment to become available.

I have not had an easy life but I'm proud to say that I have brought up two lovely daughters. I am originally from Queensland but moved to Melbourne as one of my two daughters was facing a lot of homophobia in the sunshine state. I recently got involved with the art workshops being held in a nearby YCH property as I have always been interested in art and I have now delivered my first workshop to other tenants. The feedback was really positive so I plan to do more workshops in the future.





A black and white photograph of a city street scene. In the foreground, two cars are parked on the street. Behind them are several multi-story buildings. The buildings on the left have ornate, classical-style facades with decorative moldings and balconies. The buildings on the right are more modern, with flat roofs and large windows. A large orange square is overlaid on the center of the image, containing the text 'our finances' in white. Below this, a thin white horizontal line is followed by the text 'for the year ended 30 june 2014' in white. On the far right edge, there is a vertical grey bar with white text.

# our finances

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for the year ended  
30 june 2014

# yarra community housing limited

## financial report

*for the year ended 30 june 2014*

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# directors' report

The directors present their report together with the financial report of Yarra Community Housing Limited for the year ended 30 June 2014 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

## Directors' names

The names of the directors in office at any time during or since the end of the year are:

- Jane S. Evans
- Mark Daniels
- Vera Boston
- Christine Black
- Richard Howard
- Michael Johnstone
- Lou Panaccio
- Peter Strack
- Pamela Williams (appointed 14 November 2013)
- William Robb (resigned 14 November 2013)

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

## Company Secretary

The following person held the position of company secretary at the end of the financial year:

- Craig Colgan

Qualifications: *Bachelor of Commerce, Masters in Information Systems, Chartered Accountant*

Experience: *Senior executive experience in a number of non-profit and for-profit organisations.*

## Results

Once again the past year has been one of significant progress for Yarra Community Housing ("YCH") in consolidating the significant growth in our housing stock over recent years. The last of the current batch of YCH development projects was completed at Prouse Street, Geelong within budget and has been fully tenanted. As at the 30th June 2014 YCH manages 1,811 units across Victoria, including 1,513 long term housing units and 298 crisis & transitional units.

In summary YCH is in a sound financial position. In the last financial year, 2013-14, YCH was able to meet all operating costs, pay the interest on our loans, make a loan capital repayment of \$882,000 (2013: \$553,159) and achieve a cash surplus of \$712,629 (\$1,731,399). This was achieved despite a very challenging environment of increasing costs associated with maintaining our properties. The loan capital repayments are part of the company's long term plan to have the loans fully repaid by the year 2036. The company has also been able to reduce the borrowing costs on the loan facility for the year in review through negotiation of better terms with NAB.

The delivery of exceptional customer service, value for money and sustainable growth remain core objectives for YCH. While State and Federal capital funding has reduced in recent times YCH remains committed to increasing the supply of affordable housing available to Victoria's most marginalised people. To this end the company has invested additional resources in engaging with the philanthropic sector and exploring alternate sources of funding for future housing development projects.

During the year \$1,227,543 (2013: \$1,263,738) was allocated to the YCH Lifecycle Replacement Maintenance (LRM) Reserve which on June 30th 2014 totalled \$5,114,504 (2013: \$3,886,961). The LRM Reserve represents the future cost of replacing various elements of a building as each element reaches the end of its economic life. By up-grading and replacing these building elements the company will ensure that the portfolio of properties continue to provide amenity to tenants and retain their value into the future.



The Statement of Comprehensive Income includes a movement in a cash flow hedge reserve of \$518,399 (2013: \$172,876). YCH has fixed the interest rate it pays on its loan portfolio by entering into interest rate swap agreements with NAB and this movement in the cash flow hedge reserve is a result of the current market rates being lower than the fixed rates YCH pays. The purpose of entering into the interest rate swap agreements is to remove the uncertainty of interest rate fluctuations and allow the company to budget with certainty into the future.

The accompanying financial statements for the year show YCH made a loss of \$4,071,272 (2013: \$2,246,186) after revenues of \$18,870,937 (2013: \$18,688,939), operating expenses of \$22,423,810 (2013: \$20,762,249) and a negative movement in the cash flow hedge reserve of \$518,399 (2013: \$172,876). The loss of \$4,071,272 for the year is arrived at after deducting a 'non cash' depreciation expense of \$6,074,683.

As at 30 June 2014 YCH had net assets of \$245,699,843 (2013: \$249,771,115).

The financial information included above has been taken from YCH's Financial Statements 2013-14.

## Review of operations

A review of the operations of the company during the financial year and the results of those operations found that:

The organisation completed the construction of 6 units of new affordable housing in Wyndham funded through the Commonwealth Government, Supported Accommodation Initiatives Fund. The project was completed on time and within budget.

During the current year the operations of the organisation were focused on the ongoing provision of affordable housing and homelessness assistance services to low income households. As at the 30th June 2014 YCH manages 1,811 units across Victoria, including 1,513 long term housing units and 298 crisis & transitional units. During 2013-14 YCH provided homelessness assistance to 21,706 clients through our initial, assessment and planning services.

## Significant changes in state of affairs

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

## Company objectives

The strategic priorities of the Company are set out in the Strategic Plan 2013-2016 and are summarised below;

- 1 More affordable housing for those on the lowest incomes – particularly singles
- 2 Improved services to people who are homeless
- 3 Improved outcomes for people who live in our housing
- 4 Increased opportunities for community and economic participation
- 5 Improved outcomes in research and advocacy
- 6 Building organisational capacity

## Principal activities

To carry out the company's strategies and to achieve its short term and long term objectives, the company engaged in the following principal activities during the year.

First, to own and manage long term affordable housing.

Second, to provide a range of services to assist homeless households including crisis housing, transitional housing and information and referral services.

Third, to design and develop new affordable housing projects.

No significant change in the nature of these activities occurred during the year.

## Company Performance

The company has a three year Strategic Plan for the period July 2013 – June 2016 and measures its performance in relation to the achievement of its stated strategic priorities.

As a registered Affordable Housing Association, the Company is required to meet the Performance Standards established by the Office of the Registrar of Housing Agencies and reports annually on performance against these Standards.

As a funded Homelessness Service, the Company is also required to meet the performance standards of the Department of Human Services assessed through an ongoing accreditation process. The Company also monitors its performance through an additional set of internal Key Performance Measures.

### After balance date events

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

### Likely developments

The focus of the Company over the next year will continue to be on building organisational capacity and increasing opportunities for the social and economic participation for tenants.

### Environmental regulation

The company's operations are not impacted by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### Dividends paid, recommended and declared

The Company's Constitution precludes the payment of dividends.

### Information on directors

<b>Jane S. Evans</b>	Appointed director September 2012, Chair
<i>Qualifications</i>	Graduate Diploma in Business Administration, Diploma Australian Institute of Company Directors Course
<i>Experience</i>	Held a number of executive and board positions in various commercial and not-for-profit organisations with emphasis on strategic planning, governance and risk management.

### Mark Daniels

*Qualifications*

*Experience*

Appointed director July 2006, Vice Chair  
Bachelor of Arts, Grad Dip Ed, Grad Dip Urban Policy and Planning  
Head of Market and Sector Development Social Traders.

### Vera Boston

*Qualifications*

*Experience*

Appointed director February 2005  
Master of Public Policy & Management, Bachelor of Arts, Graduate of Information Science (Librarianship)  
Various senior positions in Local Government, Women's Health and Primary Health, including as CEO of North Yarra Community Health. Strong interest in housing and homelessness issues and the interrelationships between health, wellbeing and housing.

### Christine Black

*Qualifications*

*Experience*

Appointed director November 2012  
Bachelor of Arts (Architecture) and Master of Social Policy  
Currently working as a social policy consultant in various human service fields. Held a number of executive and advisory positions within government and the not-for-profit sector specialising in social policy fields, including housing, homelessness, human rights, justice, women's health, early childhood development and child care.

### Richard Howard

*Qualifications*

*Experience*

Appointed director November 1998  
Bachelor of Occupational Therapy, Post Graduate Diploma in Health Administration  
Senior Clinician, Community Homelessness Outreach Psychiatric Service, St Vincents Health Services.

**Michael Johnstone** Appointed director September 2012

*Qualifications* Graduate, Land Surveying, Graduate Town and Country Planning, Advanced Management Program Harvard Graduate School of Business.

*Experience* Executive, general management and corporate experience with emphasis on global real estate, finance and investment. A member of the Salvation Army Advisory Board and was Chairman of the Cairnmillar Institute. Currently a non-executive Director of a number of companies in both ASX listed and private sectors.

**Lou Panaccio** Appointed director April 2013

*Qualifications* Bachelor of Economics, Chartered Accountant, Member of the Australian Institute of Company Directors.

*Experience* Chartered accountant with strong management experience in business and healthcare services. Currently Executive Chairman of Health Networks Australia, Executive Chairman (from July 2011) of Genera Biosystems Limited (director from November 2010), Non-executive Director

of Sonic Healthcare Limited (from July 2005), Non-executive Chairman of the Inner Eastern Community Health Service in Victoria and Non-executive Chairman of Avita Medical Limited (from July 2014).

**Peter Strack**

*Qualifications*

*Experience*

Appointed director December 2008  
Dip Mechanical Engineering, Grad Dip Community Development

Community Support Worker, 20 years within Community Sector.

**Pamela Williams**

*Qualifications*

*Experience*

Appointed director November 2013

Bachelor of Economics (Hons), AICD Company Director's Course

Senior executive experience in government and consulting, currently Victorian Department of Health Director of Regions and Regional Strategy.

**William Robb**

*Qualifications*

*Experience*

Appointed director November 2003, Chair, resigned November 2013

Master of Business Administration, Bachelor of Commerce

Retired commercial and financial manager.

## Meetings of directors

Directors	Directors' Meetings		Finance and Audit		Risk and Compliance		Governance	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Jane S. Evans	11	11	—	—	6	5	3	3
Mark Daniels	11	10	—	—	—	—	5	5
Vera Boston	11	10	—	—	7	7	—	—
Christine Black	11	8	—	—	—	—	5	5
Richard Howard	11	10	—	—	7	5	—	—
Michael Johnstone	11	11	8	7	—	—	—	—
Lou Panaccio	11	8	4	3	—	—	2	2
Peter Strack	11	11	8	7	—	—	—	—
Pamela Williams	7	7	—	—	3	2	—	—
William Robb	4	4	3	3	—	—	—	—



### Members' guarantee

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute to a maximum of \$2 each towards meeting any outstandings and obligations of the Company. At 30 June 2014, the number of members was 111 (19 Organisational and 92 individual members (2013:119)).

### Indemnification of officers

Directors and Officers of Yarra Community Housing Limited are covered by insurance provided by the Department of Human Services through the Victorian Managed Insurance Authority (VMIA). The cover indemnifies Directors and Officers for third party claims for wrongful acts including alleged or actual breach of duty, breach of trust, neglect, error, misstatement, misleading statement, omission, breach of warranty or authority or other act wrongfully committed. The cover is for the Board as a whole, including new Directors during the year and past Directors. Indemnity limits are \$20 million per any one claim. In addition, Yarra Community Housing Limited has entered into a Deed of Indemnity with each Director. The Deed indemnifies the Director against any claims except in respect of any claim for which the Company is, or would be, prohibited from indemnifying an officer of the Company pursuant to the Corporations Act, including any excluded liability which is the result of any fraud, dishonesty, the commission of a criminal offence, or breach of any Director's duty owed to the Company by the Director.

### Auditor's independence declaration

A copy of the auditor's independence declaration under APES 110 *Code of Ethics for Professional Accountants* in relation to the audit for the financial year is provided with this report.

### Proceedings on behalf of the company

No person has applied for leave of 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.

Signed on behalf of the Board of Directors.



#### Director

Jane S. Evans



#### Director

Michael Johnstone – *Convenor Finance and Audit Committee*

Dated this 9th of October 2014

# auditor's independence declaration

## *to the directors of yarra community housing limited*

In relation to the independent audit for the year ended 30 June 2014, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of APES 110 *Code of Ethics for Professional Accountants*; and
- (ii) No contraventions of any applicable code of professional conduct.



**M J HARRISON**  
**PITCHER PARTNERS**

*Partner*  
*Melbourne*

Dated this 9th of October 2014

An independent Victorian Partnership ABN 27 975 255 196

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Melbourne | Sydney | Perth | Adelaide | Brisbane  
An independent member of Baker Tilly International

# statement of comprehensive income

for the year ended 30 june 2014

	Note	2014 \$	2013 \$
<b>Revenue</b>			
Grant income		3,879,581	4,377,503
Rental income		14,407,823	13,792,817
Interest and other revenue		583,533	518,619
	3	18,870,937	18,688,939
<b>Less: Operating expenses</b>			
Depreciation and amortisation expense	4	(6,074,683)	(6,007,119)
Employee benefits expenses		(5,530,975)	(5,132,003)
Housing program expenses		(6,634,443)	(5,315,980)
Borrowing costs	4	(2,154,160)	(2,308,335)
Administration expenses		(1,372,274)	(1,321,410)
Other expenses		(657,275)	(677,402)
		(22,423,810)	(20,762,249)
<b>Deficit before income tax expense</b>		(3,552,873)	(2,073,310)
<b>Other comprehensive</b>			
<i>income Items that will not be reclassified to profit and loss</i>			
Movement in cash flow hedge reserve	15	(518,399)	(172,876)
		(518,399)	(172,876)
Other comprehensive income for the year		(518,399)	(172,876)
<b>Total comprehensive income</b>		(4,071,272)	(2,246,186)



# statement of financial position

as at 30 june 2014

	Note	2014 \$	2013 \$
<b>Current assets</b>			
Cash and cash equivalents	7	7,932,737	7,220,108
Receivables	8	389,496	310,830
Other assets	9	480,161	579,386
<b>Total current assets</b>		8,802,394	8,110,324
<b>Non current assets</b>			
Property, plant and equipment	10	279,371,421	283,938,845
<b>Total non current assets</b>		279,371,421	283,938,845
<b>Total assets</b>		288,173,815	292,049,169
<b>Current liabilities</b>			
Payables	11	2,618,195	1,451,192
Borrowings	12	882,000	882,000
Provisions	13	606,845	637,344
Other liabilities	14	238,361	298,259
<b>Total current liabilities</b>		4,345,401	3,268,795
<b>Non current liabilities</b>			
Borrowings	12	38,068,000	38,950,000
Provisions	13	60,571	59,259
<b>Total non current liabilities</b>		38,128,571	39,009,259
<b>Total liabilities</b>		42,473,972	42,278,054
<b>Net assets</b>		245,699,843	249,771,115
<b>Equity</b>			
Reserves	15	4,423,229	3,714,085
Accumulated Surplus		241,276,614	246,057,030
<b>Total equity</b>		245,699,843	249,771,115

# statement of changes in equity

for the year ended 30 june 2014

	Contributed equity	Reserves	Accumulated Surplus	Total equity
	\$	\$	\$	\$
<b>Balance as at 1 July 2012</b>	–	2,623,223	249,394,078	252,017,301
Deficit for the year	–	–	(2,073,310)	(2,073,310)
Effect of interest rate swaps taken out in relation to the finance facility	–	(172,876)	–	(172,876)
<b>Total comprehensive income for the year</b>	–	(172,876)	(2,073,310)	(2,246,186)
Transfer to LRM Reserve	–	–	(1,263,738)	(1,263,738)
<b>Transactions with owners in their capacity as owners:</b>				
Transfer from accumulated surplus	–	1,263,738	–	1,263,738
<b>Total transactions with owners in their capacity as owners</b>	–	1,263,738	–	1,263,738
Balance as at 30 June 2013	–	3,714,085	246,057,030	249,771,115
Balance as at 1 July 2013	–	3,714,085	246,057,030	249,771,115
Deficit for the year	–	–	(3,552,873)	(3,552,873)
Effect of interest rate swaps taken out in relation to the finance facility	–	(518,399)	–	(518,399)
<b>Total comprehensive income for the year</b>	–	(518,399)	(3,552,873)	(4,071,272)
Transfer to LRM reserve	–	–	(1,227,543)	(1,227,543)
<b>Transactions with owners in their capacity as owners:</b>				
Transfer from accumulated surplus	–	1,227,543	–	1,227,543
<b>Total transactions with owners in their capacity as owners</b>	–	1,227,543	–	1,227,543
<b>Balance as at 30 June 2014</b>	–	4,423,229	241,276,614	245,699,843

By virtue of Yarra Community Housing Limited being a company limited by guarantee, there is no contributed equity.

# statement of cash flows

*for the year ended 30 june 2014*

	Note	2013 \$	2012 \$
<b>Cash flow from operating activities</b>			
Receipts from clients and government		19,035,663	19,185,000
Payments to suppliers and employees		(14,014,159)	(13,302,499)
Interest received		231,482	235,810
Borrowing costs		(2,154,160)	(2,308,335)
<b>Net cash provided by operating activities</b>		3,098,826	3,809,976
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		27,676	16,600
Payment for property, plant and equipment		(1,531,873)	(1,542,018)
<b>Net cash used in investing activities</b>		(1,504,197)	(1,525,418)
<b>Cash flow from financing activities</b>			
Repayment of borrowings		(882,000)	(553,159)
<b>Net cash used in financing activities</b>		(882,000)	(553,159)
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		7,220,108	5,488,709
Net increase / (decrease) in cash held		712,629	1,731,399
<b>Cash at end of financial year</b>	16(a)	7,932,737	7,220,108



# notes to financial statements

*for the year ended 30 june 2014*

## **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commissions Act 2012*.

The financial report was approved by the Directors as at the date of the Directors' report.

The financial report is for the entity Yarra Community Housing Limited as an individual entity. Yarra Community Housing Limited is a company limited by guarantee, incorporated and domiciled in Australia. Yarra Community Housing Limited is a not-for-profit entity.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### **(a) Basis of preparation of the financial report**

#### *Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

### **(b) Revenue**

Director of Housing grants received are recognised when received.

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

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

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

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

### **(c) Income tax**

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

### **(d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks, short-term deposits and cash held at call with financial institutions.

### **(e) Financial instruments**

#### *Receivables*

Receivables are measured at fair value at inception.

#### *Financial liabilities*

Financial liabilities include trade payables, other creditors, loans from third parties and interest rate swap agreements.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative financial liabilities are recognised at fair value.

Non-interest bearing payables are payable on demand and therefore recognised at their face value of inception.

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

## (f) Property, plant and equipment

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

### *Property*

Property is measured on a cost basis.

Freehold land and buildings are measured on a cost basis. The cost of properties contributed by the Government for nil consideration are initially recognised at market value at the date of acquisition.

### *Plant and equipment*

Plant and equipment is measured on a cost basis.

### *Depreciation*

The depreciable amount of all fixed assets is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of fixed asset is not depreciated.

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
Buildings at cost	2.5%	Straight line
Plant and equipment at cost	2.5 to 40%	Straight line
Motor vehicles at cost	15%	Straight line

## (g) Impairment of non-financial assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the company would, if deprived of the asset, replace its remaining future economic benefits, the recoverable amount is assessed on the basis of the asset's depreciated replacement cost which is defined as the current replacement cost less accumulated depreciation calculated on the basis of such cost.

## (h) Leases

Leases are classified at their inception as operating based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

### *Operating leases*

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

## (i) Employee benefits

### *(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

### *(ii) Long-term employee benefit obligations*

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

*Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.*

## (j) Borrowing costs

Borrowing costs can include interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are treated as an expense in the period in which they incur.

### **NOTE 2: ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT OPERATIVE AT 30 JUNE 2014**

The following standards and interpretations have been issued at the reporting date but are not yet effective. The directors' have not yet assessed the impact of these standards or interpretations.

(a) AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*, AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*, AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosure* and AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017)*

AASB 9 *Financial Instruments* improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. When adopted, the standard could change the classification and measurement of financial assets. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income for equity investments that are not held for trading. In the current reporting period, the company recognised \$0 in other comprehensive income in relation to the movements in the fair value of available for sale financial assets, which are not held for trading.

Most of the requirements for financial liabilities were carried forward unchanged. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. The company does not have any financial liabilities that are designated at fair value through profit or loss. The new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss. Therefore, there will be no impact on the company's accounting for financial liabilities.

In December 2013, new general hedge accounting requirements were incorporated into AASB 9. The new model aligns hedge accounting more closely with risk management, and will be easier to apply and reduce the costs of implementation. However, the new model requires extended disclosure. The standard is not applicable until 1 January 2017 but is available for early adoption. The company has yet to assess the impact of new general hedge accounting model on its hedge arrangements. The company has decided not to early adopt AASB 9 at 30 June 2014.

Other standards and interpretations, have been issued at the reporting date but are not yet effective. When adopted, these standards and interpretations are likely to impact on the financial information presented. However the assessment of impact has not yet been completed.

	2014 \$	2013 \$
<b>NOTE 3: REVENUE</b>		
Operating grants	3,304,074	3,102,870
Project management fees	20,217	21,455
Capital grants	555,290	1,253,178
	3,879,581	4,377,503
Rental income	14,407,823	13,792,817
Interest income	231,482	235,810
Other revenue	352,051	282,809
	583,533	518,619
	18,870,937	18,688,939

#### **NOTE 4: OPERATING (DEFICIT)/SURPLUS**

##### **(Deficit)/Surplus has been determined after:**

Borrowing costs	2,154,160	2,308,335
Depreciation and amortisation	6,074,683	6,007,119
Bad and doubtful debts	227,910	213,176
Employee benefits:		
– Employee remuneration	5,530,975	5,132,003
Net gain / (loss) on disposal of non current assets		
– Property, plant and equipment	3,062	(1,209)

##### **Movements in provisions**

– provision for doubtful debts/other receivables	(52,082)	41,265
– provision for employee benefits	(29,187)	(16,347)

##### **Remuneration of auditors for:**

Audit and assurance services		
– Audit of the financial report	33,160	34,655
– Other non-audit services	6,902	–



**2014**  
**\$**

**2013**  
**\$**

## NOTE 5: SEGMENT REPORTING

### (a) Project Development

This segment relates to the development of new affordable housing projects. The Company has implemented a range of internal controls to ensure that the development project risks are managed effectively and that the projects are delivered within budget. All capital grants received for the purpose of completing the capital projects are allocated to this segment apart from the portion of these funds retained by the Company as Project Management Fees and these are used to meet internal project development costs.

#### Revenue:

Capital grants less project management fees	555,290	1,253,178
---------------------------------------------	---------	-----------

### (b) Operating – Provision of housing and associated services

This segment operates and manages affordable housing of both a transitional and permanent nature.

#### Revenue:

Rent	14,407,823	13,792,817
Interest	231,482	235,810
Operating Grants	3,304,074	3,102,870
Project management fees	20,217	21,455
Other revenue	352,051	282,809
	18,315,647	17,435,761

#### Less expenses:

Depreciation and amortisation	(6,074,683)	(6,007,119)
Employee benefits expense	(5,530,975)	(5,132,003)
Housing program expenses	(6,634,443)	(5,315,980)
Borrowing costs	(2,154,160)	(2,308,335)
Administration expenses	(1,372,274)	(1,321,410)
Other expenses	(657,275)	(677,402)
	(22,423,810)	(20,762,249)
Deficit	(3,552,873)	(3,326,488)

	2014 \$	2013 \$
<b>NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Compensation received by key management personnel of the company		
– short term employee benefits	806,632	634,991

Directors of the Company are not paid fees or any other form of remuneration, as required by the Company Constitution.

**The names of the directors who have held office during the year are:**

*Jane S. Evans , Mark Daniels, Vera Boston, Christine Black, Richard Howard , Michael Johnstone, Lou Panaccio, Peter Strack, Pamela Williams (appointed 14 November 2013), William Robb (resigned 14 November 2013)*

**NOTE 7: CASH AND CASH EQUIVALENTS**

Cash on hand	3,350	3,350
Cash at bank	2,489,045	2,027,500
Cash on deposit	5,440,342	5,189,258
	7,932,737	7,220,108

**NOTE 8: RECEIVABLES**

<b>CURRENT</b>		
Trade debtors	213,941	252,991
Impairment loss	(63,250)	(85,815)
	150,691	167,176
<b>Other receivables</b>		
Other debtors	263,805	198,171
Impairment loss	(25,000)	(54,517)
	238,805	143,654
	389,496	310,830

	2014 \$	2013 \$
<b>Impairment of other receivables</b>		
Opening balance at 1 July	85,815	69,550
Charge for the year	227,910	213,176
Amounts written off	(250,475)	(196,911)
Closing balance at 30 June	63,250	85,815

<b>Impairment of other receivables</b>		
Opening balance at 1 July	54,517	29,517
Charge for the year	–	25,000
Amounts written off	(29,517)	–
Closing balance at 30 June	25,000	54,517

#### NOTE 9: OTHER ASSETS

CURRENT		
Prepayments	357,891	441,801
Accrued income	44,282	73,076
Other current assets	77,988	64,509
	480,161	579,386

#### NOTE 10: PROPERTY, PLANT AND EQUIPMENT

<b>Land and buildings</b>		
At cost	302,456,890	301,513,015
Accumulated depreciation	(24,285,276)	(18,473,955)
	278,171,614	283,039,060

<b>Plant and equipment</b>		
Plant and equipment at cost	1,598,630	1,114,905
Accumulated depreciation	(681,678)	(534,774)
	916,952	580,131

	<b>2014</b> <b>\$</b>	<b>2013</b> <b>\$</b>
<b>NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>		
<b>Motor vehicles at cost</b>	560,423	563,513
Accumulated depreciation	(277,568)	(243,859)
	282,855	319,654
Total plant and equipment	1,199,807	899,785
Total property, plant and equipment	279,371,421	283,938,845

#### **(a) Reconciliations**

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

##### ***Land and buildings***

Opening carrying amount	283,039,060	287,564,781
Additions	964,193	1,275,326
Disposals	(329)	–
Depreciation expense	(5,831,310)	(5,801,047)
Closing carrying amount	278,171,614	283,039,060

##### ***Plant and equipment***

Opening carrying amount	580,131	559,722
Additions	502,429	147,409
Disposals	(228)	–
Depreciation expense	(165,380)	(127,000)
Closing carrying amount	916,952	580,131

##### ***Motor vehicles***

Opening carrying amount	319,654	297,252
Additions	65,251	119,283
Disposals	(24,057)	(17,809)
Depreciation expense	(77,993)	(79,072)
Closing carrying amount	282,855	319,654



	2014 \$	2013 \$
<b><i>Total property, plant and equipment</i></b>		
Carrying amount at 1 July	283,938,845	288,421,755
Additions	1,531,873	1,542,018
Disposals	(24,614)	(17,809)
Depreciation expense	(6,074,683)	(6,007,119)
Carrying amount at 30 June	279,371,421	283,938,845

#### **(b) Property, plant and equipment pledged as security**

The Director of Housing has a registered interest in the title of the freehold land and building of Yarra Community Housing Limited. Yarra Community Housing Limited cannot dispose of, use as security for borrowings, or otherwise transact using its property holdings without the prior consent of the Director of Housing.

As at 30 June 2014, several properties had been pledged as security for the borrowing identified in Note 12.

#### **NOTE 11: PAYABLES**

##### **CURRENT**

##### ***Unsecured liabilities***

Trade creditors	910,501	595,548
Sundry creditors and accruals	1,016,419	659,948
	1,926,920	1,255,496

##### ***Secured liabilities***

Cash flow hedge payable	691,275	172,876
Cash flow hedge interest accrual	—	22,820
	691,275	195,696
	2,618,195	1,451,192

	2014 \$	2013 \$
<b>NOTE 12: BORROWINGS</b>		
CURRENT		
<i>Secured liabilities</i>		
Bank loans	882,000	882,000
NON CURRENT		
<i>Secured liabilities</i>		
Bank loans	38,068,000	38,950,000

**(a) Reconciliations (Continued)**

(a) The loans are secured in full by a registered mortgage debenture over several properties within the Company's property portfolio.

(b) The current facility agreement was entered into on 22 June 2012 for \$40,500,000. Under the borrowing terms and conditions of the new facility, the Directors identify that the borrowing facilities are subject to annual review to determine if there has been a material change in the credit risk of the Company from the perspective of the lender. The Directors have assessed that no such deterioration has occurred and accordingly continue to recognise the non current component of the borrowing facility consistent with the documented terms.

**NOTE 13: PROVISIONS**

CURRENT		
Employee benefits	606,845	637,344
NON CURRENT		
Employee benefits	60,571	59,259
Aggregate employee benefits liability	667,416	696,603

**NOTE 14: OTHER LIABILITIES**

CURRENT		
Deferred income	238,361	298,259

	2014 \$	2013 \$
<b>NOTE 15: RESERVES</b>		
LRM reserve	5,114,504	3,886,961
Cash flow hedge reserve	(691,275)	(172,876)
	4,423,229	3,714,085

The Lifecycle Replacement Maintenance (LRM) Reserve represents the cost of replacing various elements of a building as each element reaches the end of its economic life. The Company allocates funds to the LRM Reserve each year to ensure sufficient funds are set aside to meet future LRM costs and maintain the properties to an acceptable standard.

While the LRM Reserve was established as a separate reserve in the balance sheet of YCH for the first time in 2012 YCH has been making allocations to the LRM Reserve since 2010. \$1,227,543 was allocated in financial year 2014 (2013: \$1,263,738) with the balance having been allocated in previous financial years.

The cash flow hedge reserve is used to record the market value of the interest rate swap contract.

#### **NOTE 16: CASH FLOW INFORMATION**

##### **(a) Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	3,350	3,350
Cash at bank	2,489,045	2,027,500
At call deposits with financial institutions	5,440,342	5,189,258
	7,932,737	7,220,108

	2014	2013
	\$	\$

## NOTE 17: CAPITAL AND LEASING COMMITMENTS

### (a) Operating lease commitments

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

Payable		
– not later than one year	149,443	151,192
– later than one year and not later than five years	218,854	319,473
	368,297	470,665

## NOTE 18: RELATED PARTY TRANSACTIONS

No transactions with related parties were entered into during the year ended 30 June 2014.

## NOTE 19: FINANCIAL RISK MANAGEMENT

### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

Interest rate swaps are used to manage the entity's cash flow interest rate risk. The accounting policy for interest rate swaps is detailed in Note 1(e).

The company's exposure to interest rate risk in relation to future cash flows and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:



**2014**

<b>Financial instruments</b>	<b>Interest bearing \$</b>	<b>Non interest bearing \$</b>	<b>Total carrying amount \$</b>	<b>Weighted average effective interest rate</b>
<i>Financial assets</i>				
Cash	7,929,387	3,350	7,932,737	2.9% Floating
Trade debtors	—	150,691	150,691	0.0%
Other receivables	—	238,805	238,805	0.0%
	7,929,387	392,846	8,322,233	
<i>Financial liabilities</i>				
Bank and other loans	38,950,000	—	38,950,000	5.5% Floating
Trade creditors	—	910,501	910,501	0.0%
Other creditors	—	1,016,419	1,016,419	0.0%
Hedging instruments	—	691,275	691,275	0.0%
Deferred income	—	238,361	238,361	0.0%
	38,950,000	2,856,556	41,806,556	

**2013**

<i>Financial assets</i>				
Cash	7,216,758	3,350	7,220,108	3.5% Floating
Trade debtors	—	167,176	167,176	0.0%
Other receivables	—	143,654	143,654	0.0%
	7,216,758	314,180	7,530,938	
<i>Financial liabilities</i>				
Bank and other loans	39,832,000	—	39,832,000	5.5% Floating
Trade creditors	—	595,548	595,548	0.0%
Other creditors	—	659,948	659,948	0.0%
Hedging instruments	172,876	—	172,876	0.0%
Deferred income	—	298,259	298,259	0.0%
	40,004,876	1,553,755	41,558,631	

No other financial assets or financial liabilities are expected to be exposed to interest rate risk.

**NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)****(b) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in statement of financial position and notes to financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

The company's debtors are concentrated in one industry.

**(c) Fair values compared with carrying amounts**

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in statement of financial position and notes to financial statements.

**NOTE 20: MEMBERS' GUARANTEE**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$2 each towards meeting any outstandings and obligations of the company. At 30 June 2014, the number of members was 111 (2013:119).

**NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no matter or circumstance, which has arisen since 30 June 2014 that has significantly affected or may significantly affect:

- (a)** the operations, in financial years subsequent to 30 June 2014, of the company, or
- (b)** the results of those operations, or
- (c)** the state of affairs, in financial years subsequent to 30 June 2014, of the company.

# directors' declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 - 30, are in accordance with the Australian Charities and Not-for-profits Commissions Act 2012; and
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
  - (b) give a true and fair view of the financial position as at 30 June 2014 and performance for the year ended on that date of the Company.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**Director**

*Jane S. Evans*

Dated this 9th of October 2014



**Director**

*Michael Johnstone – Convenor Finance and Audit Committee*

# independent auditor's report

## *to the members of yarra community housing limited*

We have audited the accompanying financial report of Yarra Community Housing Limited, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### ***Directors' Responsibility for the Financial Report***

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

### ***Auditor's Responsibility***

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

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

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

### ***Independence***

In conducting our audit, we have complied with APES 110 Code of Ethics for Professional Accountants.

An independent Victorian Partnership ABN 27 975 255 196

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### *Opinion*

In our opinion, the financial report of Yarra Community Housing Limited is in accordance with the *Australian Charities and Not-for-profits Commissions Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.



**M J HARRISON**  
**PITCHER PARTNERS**

*Partner*  
*Melbourne*

Dated this 9th of October 2014

An independent Victorian Partnership ABN 27 975 255 196

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Art images provided by the Bacash Lane Mural Project







**Yarra Community Housing has a diverse and passionate network of tenants, staff, partners, providers and advisors. Thank you to these organisations and the many many individuals whose ideas, energy, and professionalism drive YCH as an organisation.**

**REGISTERED OFFICE**

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