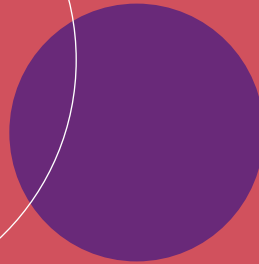


**havelock
housing**

Safe Homes Secure Futures

ANNUAL REPORT 2020 - 2021



Havelock Housing Association acknowledges and respects the Traditional Owners and Custodians of the Canberra region, the Ngunnawal people, and to Elders past and present. We are grateful that we share this land today, and sorrowful for the costs of that sharing. It is our hope and belief that together we are moving to a place of equity, justice and partnership in the future.

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IMPACT SNAPSHOT 2020/2021



We have a dedicated **Housing Team** of 6 staff responsible for a total of 217 properties providing homes to 463 tenants across various housing portfolios. Eligible tenants are from the lowest income quintiles, and have high and complex needs, and/or are living with a disability.



Demographics of our diverse cohort of 463 residents this year, ranging from 18 to 80 years of age, coming from 35 countries and with 65% identifying as male and 35% identifying as female.



Our **Disability Housing** program provided 193 tenants homes in 94 properties, including supported group accommodation and independent living properties, working closely with 24 disability service providers.



Havelock House continues to enjoy near 100% occupancy accommodating residents with high and complex needs, including students from interstate and overseas. We provide safe and secure homes for around 100 people on average, living in 21 shared units.



Other Housing Portfolios provided around 113 tenants with homes in 102 properties, including Gungahlin Singles Accommodation (GSA), the Housing Asset Assistance Program (HAAP), Mental Health, Justice Health, Alcohol and Drug Services, Summer Housing and our Shared Equity properties.



With a dedicated team of 5 staff, our **Community Development** program includes a weekly Chat Room, our Social Inclusion Sports Program, a Community Gardening Program and facilitates links to community support services. We provide new residents with welcome packages, access to our emergency pantry, a weekly laundry service and donated foodstuffs. Over 50% of residents engaged with our CD activities this financial year.



We have a dedicated **Tenancy Support Coordinator** who works closely with Property managers and residents from across all housing portfolios to provide support and referrals to relevant services. We continue to provide in-house counselling services for two-half days a week through **Avenue Counselling Services**. Over 60 residents accessed around 370 counselling sessions in this financial year.



Social Inclusion through Sport and Physical Activity Program is a grant funded by the Department of Health, this program provided 126 activities including gardening, Korean martial arts, tennis, yoga, social, cultural and sporting excursions, bike riding and maintenance, ten pin bowling, Tai Chi, basketball, a walking group and table tennis. Over 60 individual residents participated in these activities, with an average of 13 participants in each program.



All residents were provided continuous up to date **COVID-19 emergency planning information, and support, hygiene and cleaning products and PPE, online counselling services, and emergency pantry and other donated food supplies**. We arranged for testing and vaccination vans onsite and further developed our **Infectious Diseases Management Plan, related Policies and Procedures and our Emergency Services Directory**.



We are very grateful for the following **Funding and Other Support:** Department of Health Grant – Social Inclusion through Sport and Physical Activity Program (to end 2022), ACT Health Directorate COVID-19 Mental Health and Well-Being Innovation Grant, Community Services Directorate COVID Stimulus Rapid Response Grant 2.



Havelock staff are fully experienced and skilled in the areas of property management, community development, finance, governance and corporate services management. During this financial year staff undertook professional development related to their roles, including Mental Health First Aid, Excel training, First Aid, Lifeline training, and NDIS and Infection Control Training.



We continue to be supported by our wonderful **Community Partners**, including Bunnings Majura Park, Helping ACT, SleepSafe - Streetsmart Australia, Vinnies Van, Oz Harvest, Orange Sky Laundry, Brumby's Lyneham, and Knead Bakery. Their generosity makes a huge difference to the lives of residents every day.

Chairman's Report



As Chair of the Management Committee of the Havelock Housing Association, I am proud to present the 33rd Annual Report of the Association.

In 2020/21, Havelock Housing continued its mission in very challenging times of looking after almost 400 vulnerable Canberrans in properties across the territory including the heritage-listed Havelock House on Northbourne Avenue. Despite the COVID pandemic, it was a year of achievement with many things to acknowledge and celebrate:

- Significant expansion of Havelock's community development programs including onsite counselling services, general community development programming and the Department of Health funded Inclusion through Sport and Physical Activity program that has made a significant difference in the lives of many Havelock clients
- Financial surplus and strong balance sheet
- Comprehensive review and updating of internal policies
- Securing land for expansion of the Havelock property portfolio

The period ahead for Havelock Housing is very exciting with a focus on investing in the future via strategic partnerships and expanding our portfolio of properties. Operating a not-for-profit community housing provider is not without challenges, however Havelock's culture and commitment to learning, adapting and getting better at our core mission will hold us in good stead going forward.

Thanks to the Havelock staff for their tireless dedication and commitment to Havelock's clients. Havelock Housing and the achievement of its mission is not possible without its staff and the extraordinary job they do.

Thanks to Andrew Rowe for his contribution as Havelock Housing CEO. Thanks also to Tim Sunwoo for his contribution as interim CEO from August to October 2021 particularly during the ACT lockdown.

I would also like to welcome Janelle Goulding to the role of Havelock Housing CEO. Janelle commenced in October 2021 and brings a wealth of knowledge and experience to the organisation.

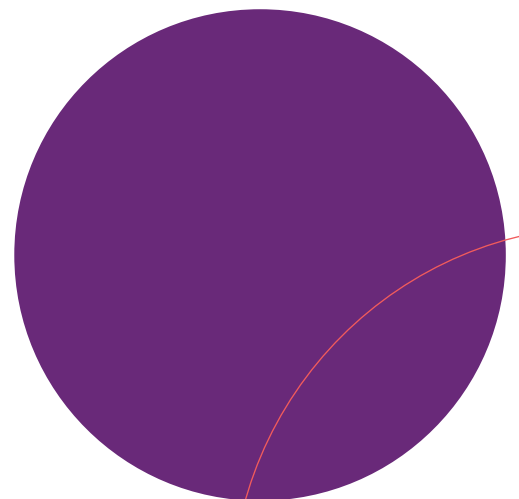
Thank to my fellow members of the Management Committee for their ongoing dedication and support - Vice Chair Christine Murray, Treasurer Adrian King, Carol Croce, Louise Gray, Daniel Landon and Craig Shannon. The hours they contribute to Havelock Housing is impressive and they play an important part in the ongoing success of the Association. I would like to also acknowledge the eight years Craig Shannon served as Chair of Havelock Housing. I thank Craig for his dedication, wisdom and leadership over many years and am grateful that he continues to serve Havelock Housing on the Management Committee.

I would also like to acknowledge the ongoing support of the ACT Government and particularly thank Louise Gilding, Michelle Anderson and all the team at Housing ACT.

I commend this report to you and thank you for your ongoing support of Havelock Housing.

A handwritten signature in black ink, appearing to read 'Dan Carton', followed by a long horizontal line extending to the right.

Dan Carton
Chairman



CEO's Report



Havelock Housing Association has a long and proud history of serving vulnerable people in Canberra.

Reflecting on the year that was certainly challenging, we are more than ever convinced of our purpose and mission. We have come together to provide essential services in the ravages of COVID-19. In spite of the enormous challenges faced by all, we have progressed on revitalising our Community Development and Sports Grant Programs and are planning for growth for the future through acquisition of government-released land, upon which we will work closely with the community to develop sorely needed housing for the vulnerable in Canberra.

We have emerged through the year as a sustainable and viable organisation, and we are confident that we will continue to be able to offer services and to develop new partnerships well into the future. The difficulties of the past year cannot supersede the accomplishments of people we support, and the tireless staff of Havelock Housing, and for this reason we feel strongly that we should share these with our valued partners.

We are grateful for the invaluable support we receive from our government partners, the advocates for social justice, other likeminded not-for-profit organisations, and all the individuals that touch Havelock Housing to make a difference – all part of the valuable community that always seem to come together in times of need to produce amazing outcomes.

In this report you will see highlights of great moments throughout the year of which we are humbled to have been a part of.

Tim Sunwoo
(Interim CEO)



OUR ACHIEVEMENTS HOUSING

OUR HOMES

Our dedicated Housing Team is proud to have provided and managed tenancies for 463 people during the past year in a total 217 properties (including two congregate living properties).

On average around 100 people live in Havelock House at any one time, (including around 30 students). We are proud to be the largest provider of Disability Housing in the ACT, managing tenancies for 193 people with disability living in 94 specifically tailored properties. Another 112 tenancies were managed for people who are living in 102 other properties managed by Havelock on behalf of Housing ACT such as Gungahlin Singles Accommodation (GSA), the Housing Asset Assistance Program (HAAP), Summer Housing and our shared equity properties. We provided service to tenants living in properties under the Mental Health, Justice Health and Alcohol and Drug Services (MHJHADS) portfolio where there will be 4 properties up and running by the end of 2021. We have nurtured our partnership with YWCA Canberra to continue providing a home for older women through the Homes4Homes program.

Our new Property Management Team members have brought their wealth of experience in property development and management, the homelessness sector, and importantly their knowledge and skills in supporting people with high and complex needs to our organisation, to the great benefit of all of our tenants and residents.

The Housing Team works closely with the Community Development staff to ensure that our Enquiry, Intake and Assessment processes are client focused, equitable, streamlined and as responsive as possible in a context where demand for housing exceeds supply. The team also works very closely with our partners at Housing ACT, MARSS, One Link, Samaritan House and other social housing providers in the ACT in an attempt to ensure that every one of our vacancies is matched to those most in need in our community in an efficient and equitable way.

The Property Managers have committed to undertaking professional development and training over the coming months to ensure that our housing services remain client focused, highly professional and effective into the future.

The coming year is filled with exciting challenges and opportunities for our Housing Team. There will be new development opportunities and new partnerships to pursue and the ongoing commitment to bringing new properties online to provide homes for those in need.



“Since the programs started here, I have made friends and people are more open and friendly with each other and it’s made a big difference to us all.”

HAVELOCK'S RESIDENT PROFILE

Disability Housing Support Providers - Able Australia, Anglicare, Aruma, Bloomfield Support Solutions, Care Plus Services, Caring Approach, Catholic Care, Circles of Life, Community Connections, Disability Trust, DUO, Everyman, Feroscare, Focus ACT, Hartley Lifecare, Kalinga Australia, Koomarri, Livability Australia, Loving Care Community, Paragon Support, Quest Solutions, Sunnyfield, Valmar

Disability Housing

**183 residents in
94 properties**

Havelock House

**96 residents in
21 shared units**

**134 houses and
62 apartments in
63 suburbs**

across the ACT

Other Havelock Homes

**112 residents in
102 properties**

From

**35 different
countries**

Havelock owned Properties

**21 residents in
21 properties**

Residents'

**ages range between
18 to 80 years**

Residents of HHA all have

**incomes in
quintiles 1 and 2**

and are eligible for social housing support



OUR COMMUNITY

It was another year of significant achievements in strengthening our CD Team’s capabilities, in the area of tenancy support, and in furthering the impact of our Community Development Program.

Our commitment to ‘client focused outcomes’ remains central to our strategic planning and implementation of everything we do. Our CD team has grown from two to four staff and an Executive Manager, to include a CD Team Leader, a CD Coordinator, a Tenancy Support Coordinator and an Administrative Support Officer.

Our team’s main goal is to ensure that tenants from across all Havelock’s housing portfolios are well-connected with the community and supported personally. We help them to maintain their tenancies and provide them with new opportunities to engage with relevant services and a wide variety of social and physical activities. Our commitment to ‘housing first principles’ and our client focus underpins all our approaches to our CD work.

Our general CD activities regularly attract over 50% of all residents and provide a forum for social enjoyment, access to information and additional support, connection within their own community and an increased sense of social inclusion and cohesion. During this financial year, the team implemented a total of 184 activities for 89 unique attendees who attended a total of 972 times. Services we’ve brought in as part of the Community Development Program include Directions Health Services, Community Options, Canberra Institute of Technology, ACT Government Active Travel, Funnyworks Oz, NEST (Ozharvest), Personnel Group, Volunteering ACT, Legal Aid, ACT Dental Services, CARE Financial and Livability Australia.

We appointed a full time Tenancy Support Coordinator (TSC) to a new role in March 2021. The TSC works closely with the CD and Property Teams to support tenants whose tenancies may be at risk for various reasons. These tenants have minor to complex needs, including poor mental health, AOD challenges, conflict with other residents, and hoarding and squalor issues. The TSC also works closely with tenants to identify and link them with additional supports needed, such as in-house counselling and other community support services.



“ I had never visited any of these places in our community before and doing it with others was the best. I would never normally do these types of things by myself.”



Mental Health and Wellbeing Support

The COVID-19 Emergency Grants program helped us to engage psychological / counselling services at HH and we continued funding these services once the grant allocation was expended. Our highly experienced and qualified Counsellor, Maria Stark from Avenue Counselling Services visits Havelock House two half days a week, and appointments are always fully subscribed. In this financial year 61 clients (42 male, 19 female) attended 370 counselling sessions and without exception every client provided positive feedback. Many residents book regular counselling sessions, and this service is of great benefit to individuals and to our community as a whole, since congregate living arrangements can sometimes present challenges to those living with poor mental health.

All HHA staff are fully trained themselves in Mental Health First Aid Training (MHFA) – a great achievement, given the size of our organisation. This has been of significant benefit to both staff and residents and helps us to identify signs and symptoms of anxiety, depression and other mental health challenges, and helps us to provide timely and appropriate responses and support. In this financial year we also undertook additional mental health training with Lifeline as part of our continuous improvement agenda.

Our COVID-19 Mental Health and Wellbeing Innovation Grants Program (MHWIGP) activities focused on identifying and nurturing leadership within our resident cohort. Through this grant, we were able to provide training and mentoring through various forums and workshops on such topics as self-care, goal setting and responding to anger. Around 24 residents were involved in these activities overall.

COVID-19 Response and Support

Our response to COVID-19 and the associated restrictions and challenges continued to be comprehensive and included:

- Providing up to date information, guidance and support to HH residents around COVID-19.
- Working closely with Government Departments, including Housing ACT, ACT Health, OneLink and our sector partners to ensure our health and support messaging conformed to quality standards.
- Providing visual information, PPE, hygiene products and cleaning supplies and support to residents.
- Working with health partners to provide onsite testing and vaccination clinics for residents and also helping other residents to register for vaccinations off site.
- Providing an emergency food pantry and food supplies for residents, supported by donations from Helping ACT, Oz Harvest, Brumbies, Knead Bakery and Bunnings.
- Updating our COVID-19 Policies and Procedures, our organisational Emergency Services Directory and an Infectious Diseases Management Plan, including lockdown scenario planning and a comprehensive database of information around resident vulnerabilities and needs.



OUR COMMUNITY PARTNERSHIPS

We are extremely grateful to Bunnings Majura Park for supporting us in this financial year again through food donations especially around Christmas and for support around our community garden.

The BBQ which we built with Bunning's support is used regularly by residents and the CD program and has enhanced our courtyard and garden area in Havelock House.

Another significant and enduring partnership for us which began over a year ago is through our friends from **Helping ACT**. Led by Mr Mohammed Ali, this wonderful organisation is a strong ally and friend to Havelock and their support has helped us to sustain our emergency pantry over what has been a challenging year, especially during COVID. Residents are very grateful for this support, and we look forward to continuing this strong friendship into the future.

We have really valued the support to our residents from other generous companies and organisations during the year. These include **Brumbies** in Lyneham and **Knead Bakery** in Campbell both of whom donate bread and other bakery goods to us on a weekly basis. Notably **OzHarvest** brings fresh food donations to Havelock House weekly, and these significantly add to the food security, health and well-being of our residents, and is very important to us all.

Other support has come from **SleepSafe** and their partnership with **Sheridan**. Their generosity means that every new resident to Havelock is provided with new sheets and towels on arrival – and makes them feel both welcomed and valued. This support is very important to us all here and is much appreciated.



“I love being part of the “Havelock Sports Crew”, it makes me happy when I am moving my body and having fun. I really liked basketball and especially when I learned to score a hoop.”





Havelock Housing – Building Communities Project

Our Health Department grant funded **'Social Inclusion through Sport and Physical Activity Program'** has now been running for around a year. Called the 'Building Communities Project', it funds activities with a focus on health and physical activity, included community gardening, Korean martial arts, tennis, yoga, community and cultural and sporting excursions, bike riding and maintenance, ten pin bowling, Tai Chi, basketball, walking groups and table tennis. In all, we implemented 126 varied sport and physical activities, with 61 unique attendees who attended a total of 437 times overall. Feedback from participants has been universally positive throughout the year.

This is a significant achievement for a new program, since over 50% of all residents in Havelock House engaged with our team on some of the activities. Our program has helped to 'reawaken' old habits and enjoyment of sport and physical activity for many residents, and has helped them build self-confidence, resilience, friendships, mental and physical health and well-being.

We were very proud to sign an MOU with Northside Community Services during this financial year, and we partnered with many other sporting and community organisations across the ACT to build our program's reach and effectiveness. We are very excited to go into our second year of this program, built on previous successes and with plenty of new ideas to explore with our new Coordinator.



havelock housing
Building Communities

Community Development - Looking Forward

Our Community Development team works very closely with all residents, our Housing and Property Team members and all other staff across the organisation. Staff collaborate closely to ensure equitable, empathetic, timely and compassionate support to those with whom we work. Besides being highly rewarding for all staff across the organisation, our focus on support and engagement has led to measurable and positive outcomes and impact for our residents.

While the pandemic has created huge challenges for us in maintaining our high quality of service, we have continued to find innovative ways to retain our support to residents to try to make their lives less challenging and more connected. At the same time, we have continued to look for ways to improve the monitoring, implementation and evaluation of program outcomes and impact across the organisation, while contributing to improved policies, procedures and practices. We look forward to another exciting and busy year ahead, beyond the COVID restrictions, and can't wait to get all our programs back up and running as soon as possible.



"I think this Sport and Physical Activity Program is really worthwhile. It helps us communicate with other residents, we make friends, it is fun, gives us more energy and makes us all feel better."

ADVOCACY AND SECTOR ENGAGEMENT



Since 1989, Havelock House itself, and the organisation as a whole, have provided a homes for many thousands of people who may otherwise be experiencing housing stress or homelessness.

Demand for housing in the ACT has never been higher than it is today and our waiting list for accommodation with Havelock House and our external properties continues to grow, reflecting this continuing crisis. The current estimate from sector research is that about 14,000 people in the ACT are experiencing housing stress. There is no doubt that a significant increase in social housing is needed, and Havelock continues to contribute to the policy discourse across the sector with other organisations such as:

- ACT Council of Social Services – sharing our knowledge and experience and contributing to policy development.
- Community Housing Industry Association (ACT) – as a regional member contributing to policy development, research and advocacy initiatives

Supplementing this sectoral activity, we continue to build and strengthen our relationships with members of the ACT Government and Commonwealth Parliament to increase awareness of our social impact and the importance of housing policy reform. We will continue our positive engagement with all those who have a responsibility and interest in social and community housing development and reform, from all walks of life and across the political and social spectrum.

Complementing these efforts, is our ongoing commitment to increasing the reach and social impact of Havelock Housing. Our reputation as a community housing provider with a commitment to Housing First principles and a clear focus on social inclusion, community engagement and quality support services, is growing stronger all the time.

These strengths have stood us in very good stead during a prolonged period when COVID-19 has thrown up all kinds of challenges for everyone, particularly for those who are homeless, or those at risk. With the lockdown, the loss of paid employment for many has led to increased financial insecurity and has further added to the extreme rates of rental stress across the ACT. These financial stresses, along with border closures have had a big impact on international students and many older people, including older women, for whom homelessness is increasing at a higher rate than for others in the population.

We remain committed to strengthening our organisation in order to provide services to those in need in the Canberra community. Our ongoing strategy is continue investing and grow our property portfolio in order to provide safe and secure low-cost housing to those most in need, such as those on the lowest incomes, families and older women. We will continue to work closely with others in our sector and make a lasting and positive impact in our community.

STRENGTHENING OUR ORGANISATION

Organisations do an enormous amount of work behind the scenes in order to improve the quality of their services and systems, to make them stronger and more resilient.

This last year has been no exception with the continuous development of many aspects of our administrative processes, corporate services, strategic planning, reporting and program implementation. Notable achievements for this year included:

- closer collaboration with Housing ACT and the National Regulatory System for Community Housing Team (NRSCH) to enhance both our compliance reporting and reporting on outcomes and impact.
- ongoing review of our entire Property Management policies and procedures ensuring alignment to current tenancy legislation, tenant communication and official notices, improvements to maintenance and property inspection reporting, and an improved informative Tenant Welcome Pack.
- revising and updating our Residential Tenancy Agreements and Occupancy Agreements.
- updating our procedures for improved litigation processes.
- further development of documentation in relation to our disability portfolio.
- increasing our Property Team's capability with the appointment of new Property Management staff and in-house Maintenance Manager.
- increasing our resident support capability and effectiveness by appointing a full time Tenancy Support Coordinator to work across all housing portfolios.
- continuously improving our data capture and integrity in our online management systems.
- updating our IT capability through a Community Services Directory grant which provided up-graded hardware and infrastructure for all staff allowing remote office working capabilities
- systematically ongoing review of our organisational policies and procedures to ensure they reflect best practice and are fit for purpose.
- increasing our Corporate Services Team's reach and impact in the areas of internal quality control, financial compliance and reporting, auditing functions and accounting processes.
- providing ongoing professional development opportunities for staff in a range of role-related areas.

"I think this program has had a big impact on my mental health. I am at an age where I need to keep up my connections with others, I need to be with other people and to feel a sense of belonging."



OUR FINANCIAL PERFORMANCE

From a significant operating deficit of \$641,802 in 2014, we are pleased to announce that the Association has now recorded its 7th consecutive year of operating surplus. This year's surplus of \$794,330 is a significant achievement for the Association given the impact of Covid19 flowing through this period.

The continuing impact of the pandemic has seen lower rental income returns this financial year. This is a combination of low intake of both international and local students and the inability to accept tenants in general due to lockdown restrictions. The Association also passed through rent relief for tenants whose income were affected by the pandemic, plus full relief of rent to our Not for Profit tenants who occupy our commercial offices. There has also been extended vacancy periods caused by maintenance delays on vacant housing stock.

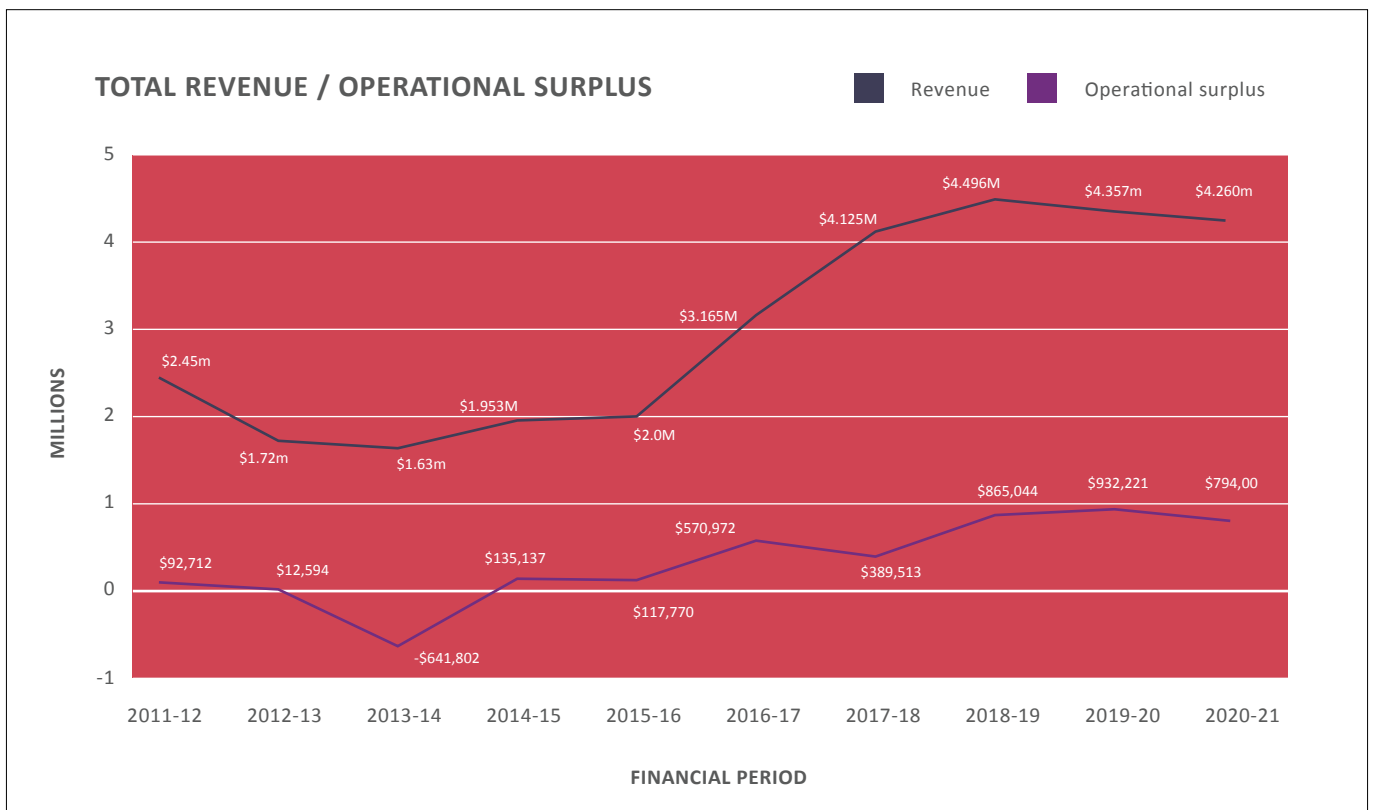
Whilst an additional 13 new properties were acquired through 2020-2021, these were in the latter half of the financial year and due to the pandemic and other factors, these properties took extended periods of time to occupy. The pandemic has also influenced our rental arrears and bad debts, however, we continue to be proactively and empathetically managing our residential tenants observing the strict Tenancy Moratorium Principles set by Housing ACT. Our rent arrears for this financial period still represent less than 0.6% of total rent receipts.

The Association continues to review and implement improvements to its business strategies ensuring better productivity and reducing its cost to income ratio. Whilst operating expenses have increased, this is in line with budgeted strategies for rebuild and growth of the Association.

The accumulated surpluses have attributed to our current cash holding now in excess of \$4m. We have now allocated a portion of these funds for 2 multi dwelling property developments over the next 12 months. This commitment strengthens our reputation in the sector as one of Canberra's largest, longest serving and committed Community Housing Providers.

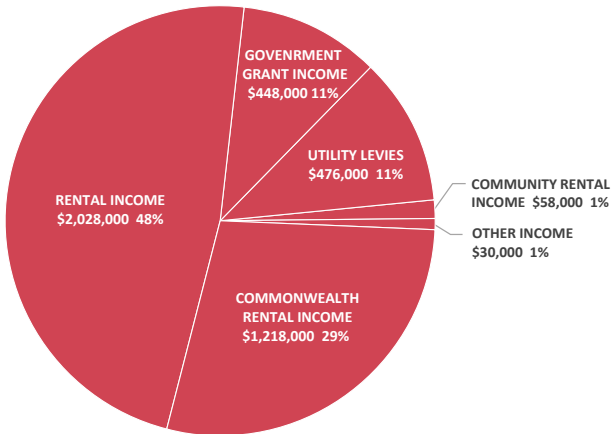
In line with local property growth, our land & building assets are expected to increase by a conservative \$2m when revalued over the coming months.

The Association acknowledges the on-going financial support by Housing ACT and the ACT Government through rent relief and additional support services to our tenants.

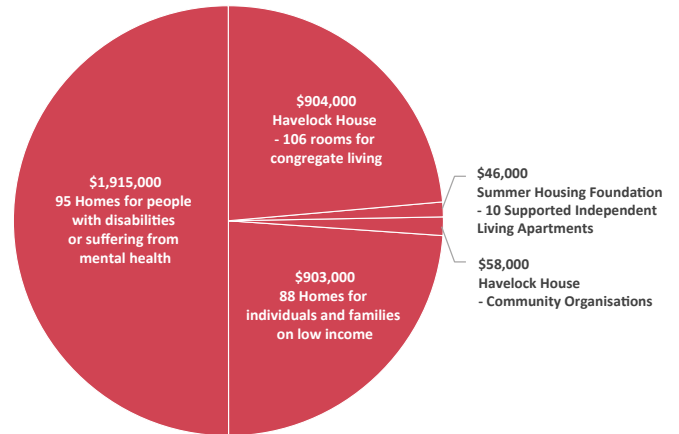




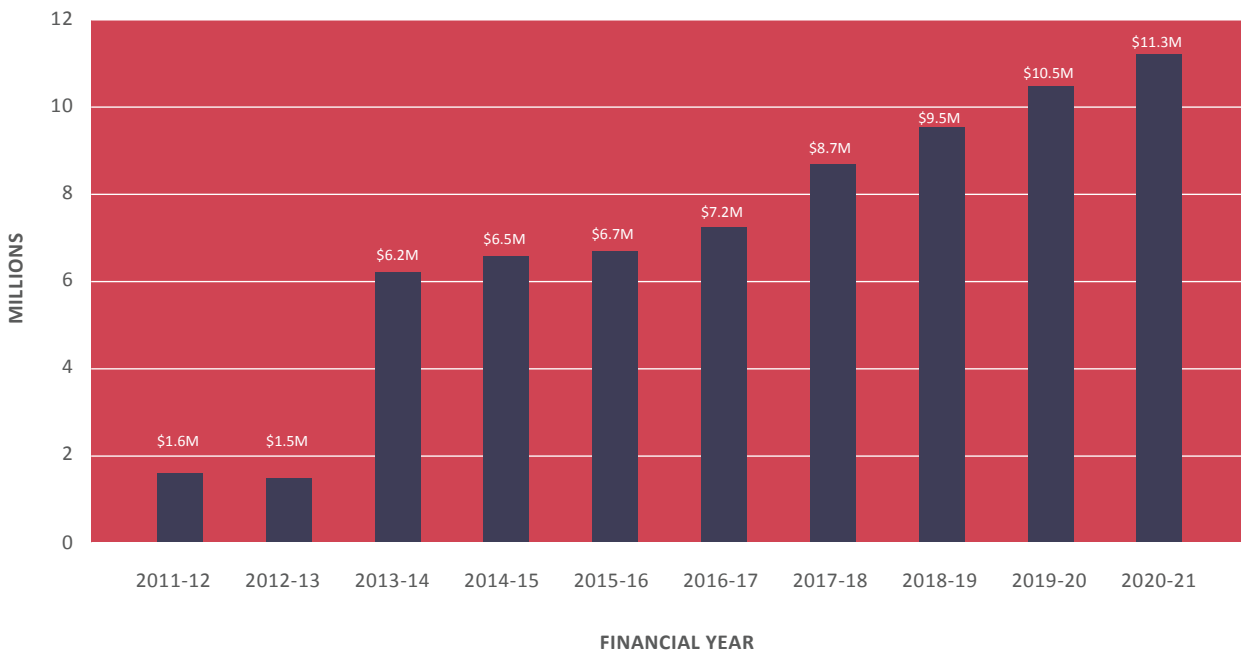
2021 REVENUE BREAKDOWN



2021 Breakdown of Rental Income



EQUITY



BOARD PROFILE



Christine Murray

Christine Murray is a Partner of Meyer Vandenberg Lawyers. She has extensive experience in commercial and property law, and advises property businesses, government departments, banks and builders. With 20 years of practicing law in the ACT, Christine has acted for a number of Canberra's leading property developers and investors. In addition to being a business owner and lawyer, Christine teaches construction law at the Canberra Institute of Technology (CIT). Christine joined the Havelock Housing Association's Management Committee in 2014 and became Deputy Chair in 2016.



Dan Carton

Dan Carton is currently Chair of Havelock Housing. Dan was formerly Chief Economist and Head of Sales and Portfolio Management at Defence Housing Australia. Dan is currently Director of Carton Associates where he works in variety of industries and fields including housing, funds management, renewables, economic development, and PropTech. Dan is a Non-Executive Director of the Canberra Race Club and was formerly on the board of Solar Share Canberra.



Carol Croce

Carol Croce has over 45 years' experience in the not-for-profit community sector in Australia and the United States, nearly half in executive management positions. Carol has 18 years' experience working in the Australian housing sector and is a recognised and respected expert in this field. She was the Executive Director of the Community Housing Federation of Australia (CHFA), the national industry body representing community housing providers nationwide that transitioned into the Community Housing Industry Association (CHIA). Carol is now the Director of her own consulting business, Carol Croce Consulting. Her clients include the National Affordable Housing Providers (NAHP), the national industry body representing NRAS providers. She is a current member of the Management Committee for Havelock Housing Association in Canberra and a Board Director of WelcomeMat, a tenant-matching portal for affordable housing.



Adrian King

Adrian King is a partner with PwC and has over 20 year's professional experience working with PwC in Canberra, Sydney and London. Prior to joining PwC Adrian worked with the then Department of Education, Employment and Workplace Relations. Adrian was a member of the Institute of Chartered Accountants Regional Council from 2008 until 2014 and is a Fellow of Chartered Accountants Australia and New Zealand. Adrian's professional experience includes areas such as governance advice, performance improvement, risk and controls optimisation, internal audit and financial assurance. He is married to Clare, and they have two school age kids.



Louise Gray

Louise Gray is the COO and Company Secretary of CARE Australia, with responsibility for the company's corporate services, including Finance, HR, IT, compliance and governance. Her career has spanned senior executive roles in federal government, domestic not-for-profit and international aid organisations. She Chairs the Trust Alliance, is the Chair of Epilepsy ACT and a Board member of Epilepsy Australia. She Chairs the People and Culture Sub-Committee for Havelock Housing Association and brings a strong interest in diversity and inclusion. Louise was previously the Deputy CEO and Chief Operating Officer at Carers ACT, ACT Manager of National Disability Services, and First Assistant Secretary at the Department of Immigration and Citizenship. Her achievements were recognised on the national stage when she was a finalist in the 2000 Telstra Young Business Woman of the Year Awards.



Craig Shannon

Craig Shannon, is one of the longer serving members of the Havelock Housing Management Committee, having served in the past as chair for seven years and now continuing in his role as a member of the Committee. Craig was recently appointed to the role of CEO at ClubsACT and has an extensive CV which includes having served as CEO of People with Disabilities ACT. As a born and bred Canberra resident with a lineage of six generations, Craig has a deep commitment to the Canberra community and the local community sector. Craig brings to the Havelock Management Committee his long-standing commitment to the Canberra community's development, combined with his extensive advocacy and consultation skills.



Daniel Landon

Daniel Landon has been a member of the HHA Management Committee since June 2020. He studied economics and arts at the Australian National University, and completed a sociology honours thesis on homelessness, which focused on how to overcome 'blame the victim' representations of homeless persons. He has been a journalist, magazine editor, and political staffer. He has extensive experience working with and for the Canberra community, including paid and volunteer roles.

HAVELOCK HOUSING ASSOCIATION

FINANCIAL REPORT FOR THE YEAR ENDED

30 JUNE 2021

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HAVELOCK HOUSING ASSOCIATION INCORPORATED

COMMITTEE'S REPORT FOR THE YEAR ENDED 30 JUNE 2021

Your committee members submit the financial report of Havelock Housing Association Incorporated for the financial year ended 30 June 2021.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Dan Carton	Christine Murray
Adrian King	Craig Shannon
Carol Croce	Daniel Landon
Louise Gray	

Principal Activities

The principal activities of Havelock Housing during the financial year were to provide suitable, secure and housing:

- For people on low to moderate incomes
- For people with special needs and
- For people with a disability.

Havelock Housing also provided Community and Social Engagement Programs to our tenants.

Significant Changes

In April 2020 the ACT Government provided rent relief to all Housing ACT properties managed by Community Housing Providers as part of the COVID-19 Stimulus Package. The relief package was extended into this financial year (31 December 2020) and provided approx. \$700,000 in additional cash flow.

The Association passed a component of this savings in the form of rent relief and waiver of rent arrears to those who were impacted by income loss as a result of CV19, plus funding of support services including Mental Health Counselling, food pantry, sanitising and cleaning equipment. We continue to also work with our new partnerships with community groups who support Havelock Housing with charitable donations and other forms of support.

Whilst the rent relief package finished 1 January 2021 – we continue to provide support services plus assess individual requests for rent relief on a case by case basis.

The Association is now in partnership with Summer Housing Foundation managing tenancy arrangements for 10 apartments that fall under Supported Individual Living (SIL) for individual tenants that qualify for NDIS funding. This was the first tranche of properties received in October 2020 and we are expecting a further 10 properties to come on line by the end of October 2021. These properties are managed under a tenancy management fee arrangement.

During this financial year the Association was provided tenancy management over an additional 3 properties from Housing ACT. Each of these purpose built communal living dwellings accommodate 4 tenants and a 24/7 support worker under the Mental Health, Justice Health and Alcohol and Drug Services (MHJHADS) program.

A major boost to the Association was our Community Development Team securing \$343,890 in grant funding to add a 'Sports Program' as part of the support services we provide to our tenants. This is a part of Federal Government (Department of Health) 'Driving Social Inclusion through Sport & Activity' initiative and the grant will fully fund our program over a 30 month period (to 31/12/2022) allowing tenants to participate in sports and social activities.

Operating Result

The result from ordinary activities amounted to a net surplus of \$794,330. This is under our initial budget estimate, however, it is acknowledged that the pandemic has attributed to below rental income forecasts, mainly with increased vacancy periods due to Lockdown restrictions and access to trade services hindering ability to perform maintenance. This is also reflected in the under spend in our maintenance expenditure.

The Association is also working strongly across all programs to improve our occupancy rate including local Care Providers in filling long term vacancies in the Disability Housing portfolio.

As part of the Association rebuild and growth strategy, there is noted increase in employee costs to cover additional staff appointments, including a part-time Property Manager to embed the Summer Housing program, an in-house Maintenance Manager offsetting reliance on contractors/ turnaround for smaller maintenance projects and a Strategic Partnership Manager covering Media and Communication and to develop corporate partnerships. There were also additional consultancy expenses to review and acquire additional properties and or vacant land for development. The Association has been successful in tender for a redevelopment site in Giralang and a townhouse site in Whitlam – these projects are expected to commence 2022.

In line with the operating surplus and grants held in advance, cash assets have increased to \$4.2m. Building assets are scheduled to be revalued in 2021 / 2022.

Increase in liabilities are primarily the grants funds received in advance to fund the remaining 18 months of the 'Sports Program' (to 31/12/2022).

Please refer to note 1a of the financial statements for further details.

Signed in accordance with a resolution of the Members of the Committee.



Mr Dan Carton, Chair



Mr Adrian King, Treasurer

Dated this25th.....day of October 2021

HAVELOCK HOUSING ASSOCIATION INCORPORATED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue	2	4,258,510	4,357,558
Operating expenses			
Rent expense		(700,083)	(1,021,968)
Employee benefits expense		(1,450,778)	(1,243,596)
Utilities and rates expense		(445,484)	(451,653)
Maintenance expense		(288,878)	(288,736)
Depreciation and amortisation expense		(184,828)	(173,977)
Insurance expense		(26,027)	(23,548)
Professional and audit fees	3	(20,900)	(20,300)
Telephone & internet expense		(17,126)	(26,247)
Provision for impairment of receivables		(11,270)	(2,422)
Motor vehicle expense		(17,622)	(5,246)
Finance expense		(1,543)	-
Other expenses		(299,641)	(167,644)
Total Operating expenses		(3,464,180)	(3,425,337)
Surplus from operations		794,330	932,221
Other comprehensive income			
Movement in asset revaluation reserve		-	-
Total comprehensive income attributable to the members		794,330	932,221

The accompanying notes form part of these financial statement

HAVELOCK HOUSING ASSOCIATION INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	4	4,160,393	2,892,408
Trade and other receivables	5	25,203	71,162
Prepayments		18,304	24,429
TOTAL CURRENT ASSETS		4,203,900	2,987,999
NON-CURRENT ASSETS			
Property, plant and equipment	6	7,716,019	7,832,210
Intangible asset	6	5,489	10,979
TOTAL NON-CURRENT ASSETS		7,721,508	7,843,189
TOTAL ASSETS		11,925,408	10,831,188
CURRENT LIABILITIES			
Trade and other payables	7	549,798	308,013
Financial liabilities	8	12,163	-
Employee benefits	9	60,121	47,809
TOTAL CURRENT LIABILITIES		622,082	355,822
NON-CURRENT LIABILITIES			
Financial liabilities	8	33,630	-
TOTAL NON-CURRENT LIABILITIES		33,630	-
TOTAL LIABILITIES		655,712	355,822
NET ASSETS		11,269,696	10,475,366
EQUITY			
Asset revaluation reserve		5,250,362	5,250,362
Retained earnings		6,019,334	5,225,004
TOTAL EQUITY		11,269,696	10,475,366

The accompanying notes form part of these financial statements.

HAVELOCK HOUSING ASSOCIATION INCORPORATED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Asset revaluation reserve	Retained Earnings	Total
	\$	\$	\$
Balance as at 1 July 2019	5,250,362	4,292,783	9,543,145
Surplus attributable to members	-	932,221	932,221
Balance as at 30 June 2020	5,250,362	5,225,004	10,475,366
Surplus attributable to members	-	794,330	794,330
Balance as at 30 June 2021	5,250,362	6,019,334	11,269,696

The accompanying notes form part of these financial statements

HAVELOCK HOUSING ASSOCIATION INCORPORATED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from clients		3,899,457	4,103,251
Payments to suppliers and employees		(3,070,246)	(3,539,080)
Government grants		448,030	196,866
Interest received		9,641	25,738
Interest paid		(1,543)	-
Net cash from operating activities	10	<u>1,285,339</u>	<u>786,775</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	6	<u>(63,147)</u>	<u>(33,770)</u>
Net cash used in investing activities		<u>(63,147)</u>	<u>(33,770)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loan		56,600	-
Repayment of loan		<u>(10,807)</u>	-
Net cash used in financing activities		<u>45,793</u>	<u>-</u>
Net increase in cash held		1,267,985	753,005
Cash and cash equivalents at beginning of financial year		<u>2,892,408</u>	<u>2,139,403</u>
Cash and cash equivalents at end of financial year	4	<u><u>4,160,393</u></u>	<u><u>2,892,408</u></u>

The accompanying notes form part of these financial statements.

HAVELOCK HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Havelock Housing Association Incorporated is an association incorporated in the ACT under the *Associations Incorporations Act (ACT) 1991*.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

Havelock Housing Association Incorporated has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of Havelock Housing Association Incorporated.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Associations Incorporations Act (ACT) 1991* and the *Australian Charities and Not-for-profits Commission Act 2012*.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Havelock Housing Association Incorporated's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(g).

a) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

b) Income tax

Havelock Housing Association Incorporated is exempted from income tax due the exemption granted under section 6.2 of section 50-30 of the Income Tax Assessment Act 1997.

c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in Havelock Housing Association Incorporated's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in Havelock Housing Association Incorporated's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

HAVELOCK HOUSING ASSOCIATION INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

e) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

f) Goods and Services Tax ('GST') and other similar taxes

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

g) Critical Accounting Estimates

Havelock Housing Association Incorporated evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the organisation. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

HAVELOCK HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 2. REVENUE AND OTHER INCOME		
Rental income	2,028,215	2,144,185
Commonwealth rent assistance income	1,217,817	1,240,809
Government grant income	407,300	178,969
Gas/electricity levy	476,245	512,239
Community rental	58,421	80,763
Management fees	16,682	-
Interest income	9,641	25,738
Other income	44,189	74,855
Government Stimulus	-	100,000
	<u><u>4,258,510</u></u>	<u><u>4,357,558</u></u>

Accounting policy

Revenue recognition

Havelock Housing Association Incorporated recognises revenue as follows:

Rental income

Rental income is recognised when it is due.

Grants

Grant revenue is recognised in profit or loss when Havelock Housing satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before Havelock Housing is eligible to retain the contribution, the grant will be recognised in the Statement of Financial Position as a liability until those conditions are satisfied.

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

NOTE 3. AUDITOR'S REMUNERATION

Remuneration of the auditor of Havelock Housing for:

Auditing or reviewing the financial report	<u><u>20,900</u></u>	<u><u>20,300</u></u>
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NOTE 4. CASH AND CASH EQUIVALENTS

Cash on hand	700	700
Cash at bank	1,900,692	1,390,248
Term deposits	2,259,001	1,501,460
	<u><u>4,160,393</u></u>	<u><u>2,892,408</u></u>

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

HAVELOCK HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 5. TRADE AND OTHER RECEIVABLES		
Rental in arrears	40,357	21,282
Less: Provision for impairment	(15,154)	(6,749)
Accrued income	-	50,000
Other receivables	-	6,629
	<u>25,203</u>	<u>71,162</u>

Accounting policy

Trade and other receivables including rental income are recognised at amortised cost, less any allowance for expected credit losses.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSET

Leasehold Land and Buildings*

Leasehold land at fair value	2,855,000	2,855,000
Buildings at fair value	4,887,000	4,887,000
Accumulated depreciation	(355,000)	(232,825)
	<u>7,387,000</u>	<u>7,509,175</u>

Leasehold Improvements

Leasehold Improvements at cost	508,326	509,019
Accumulated depreciation	(262,709)	(236,100)
	<u>245,617</u>	<u>272,919</u>

Plant and Equipment

Equipment at cost	218,492	213,022
Accumulated depreciation	(197,510)	(189,311)
	<u>20,982</u>	<u>23,711</u>

Motor vehicles

Motor vehicles at cost	87,066	36,356
Accumulated depreciation	(24,646)	(9,951)
	<u>62,420</u>	<u>26,405</u>

Total property, plant and equipment

	<u>7,716,019</u>	<u>7,832,210</u>
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Intangible Asset

Website development at cost	<u>5,489</u>	<u>10,979</u>
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* The ACT Government's interest in the leasehold land and buildings is secured by way of mortgages. Refer to Note 15.

HAVELOCK HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 6. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSET (CONTINUED)

Movement in the carrying amounts for each class of non-current asset between the beginning and the end of the current financial year:

	Leasehold Land and Buildings	Leasehold Improvements	Plant and equipment	Motor vehicles	Website Development	Total
	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July 2020	7,509,175	272,919	23,711	26,405	10,979	7,843,189
Additions	-	6,968	5,469	50,710	-	63,147
Depreciation	(122,175)	(34,270)	(8,198)	(14,695)	(5,490)	(184,828)
Carrying amount at 30 June 2021	7,387,000	245,617	20,982	62,420	5,489	7,721,508

Accounting policy

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

Leasehold land and buildings

Leasehold land and buildings are measured at fair value less accumulated amortisation and impairment losses.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity.

The fair value of the leasehold land and buildings is obtained on a periodic basis by an independent valuer.

Revaluation

On 30 June 2018, an independent valuer, JLL conducted a comprehensive revaluation of all land and buildings. Revaluation adjustments were made on a class basis.

Any revaluation increments are credited to an asset revaluation reserve. Revaluation decrements for a class of asset are recognised directly in the surplus/deficit except to the extent that they reverse previous revaluation increments for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

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

HAVELOCK HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 6. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSET (CONTINUED)

Accounting policy (continued)

Depreciation

The depreciable amount is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

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

Class of fixed assets	Depreciation rate
Buildings	2.5%
Motor vehicles	12.5%
Plant and equipment	10% - 33%
Leasehold improvements	10%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

These gains and losses are included in the income statement. When revaluated assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

	2021	2020
	\$	\$
NOTE 7. TRADE AND OTHER PAYABLES		
Trade payables	90,398	123,765
Accrued expenses	36,597	-
Rent received in advance	120,681	104,696
Grant received in advance	205,341	-
PAYG	25,460	19,596
Other payables	71,321	59,956
	<u>549,798</u>	<u>308,013</u>

Accounting policy

These amounts represent liabilities for outstanding goods, services and rent (landlord) payments under our Service Funding Agreement as at the end of the financial year. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are paid within agreed terms of trade.

NOTE 8. FINANCIAL LIABILITIES

CURRENT

Motor vehicle loan	<u>12,163</u>	-
	<u>12,163</u>	-

NON-CURRENT

Motor vehicle loan	<u>33,630</u>	-
	<u>33,630</u>	-
	<u>45,793</u>	-

A loan agreement was signed on 17 August 2020 by the Incorporated Association to purchase a motor vehicle. The loan is for 3 years.

HAVELOCK HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 9. EMPLOYEE BENEFITS		
CURRENT		
Annual leave provision	59,176	47,809
Time-in-lieu provision	945	-
	<u>60,121</u>	<u>47,809</u>

Accounting policy

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

NOTE 10. CASH FLOW INFORMATION

Reconciliation of Cash Flow from operations with profit after income tax

Surplus after income tax	794,330	932,221
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus:		
- Depreciation expense	184,828	173,977
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- Decreases / (increases) in trade and other receivables	45,959	(65,162)
- Decreases / (increases) in prepayments	6,125	(6,174)
- Increases / (decreases) in accounts payable and other payables	241,785	(246,375)
- Increases / (decreases) in employee benefits	12,312	(1,712)
	<u>1,285,339</u>	<u>786,775</u>

NOTE 11. FINANCIAL INSTRUMENTS

Financial risk management objectives

Havelock Housing's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

Market risk

Foreign currency risk

Havelock Housing is not exposed to any significant foreign currency risk.

Price risk

Havelock Housing is not exposed to any significant price risk.

Interest rate risk

Havelock Housing is not exposed to any significant interest rate risk.

Credit risk

Havelock Housing is not exposed to any significant credit risk.

Liquidity risk

Vigilant liquidity risk management requires Havelock Housing to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

HAVELOCK HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11. FINANCIAL INSTRUMENTS (CONTINUED)

Havelock Housing manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail Havelock Housing's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 year and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2021		\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	126,995	-	-	-	-
Other payables	-	422,803	-	-	-	-
Total non-derivatives		<u>549,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Weighted average interest rate	1 year or less	Between 1 year and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2020		\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	123,765	-	-	-	-
Other payables	-	184,248	-	-	-	-
Total non-derivatives		<u>308,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 12. FAIR VALUE MEASUREMENTS

Havelock Housing Association Incorporated does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

HAVELOCK HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 12. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in level 3.

Valuation techniques

Havelock Housing selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by Havelock Housing are consistent with one or more of the following valuation approaches:

- *Market approach*: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach*: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- *Cost approach*: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, Havelock Housing gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair value of Havelock Housing's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements:					
Leasehold land and buildings	6	-	7,387,000	-	7,387,000
Total assets recognised at fair value		-	7,387,000	-	7,387,000

NOTE 13. RELATED PARTY TRANSACTIONS

The Committee Members of Havelock Housing throughout the year were as follows:

Dan Carton	Christine Murray
Adrian King	Craig Shannon
Carol Croce	Daniel Landon
Louise Gray	

HAVELOCK HOUSING ASSOCIATION INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 13. RELATED PARTY TRANSACTIONS (CONTINUED)

A Committee Member listed above is a partner with a firm that was involved in a consultancy paper on development options. The committee member abstained from being involved in any procurement decision to engage this service. It should be noted that the evaluation is no longer receiving any further consideration.

NOTE 14. KEY MANAGEMENT PERSONNEL

Any person(s) having authority and responsibility for planning, directing and controlling the activities of Havelock Housing, directly or indirectly, including its committee members, is considered key management personnel.

	2021 \$	2020 \$
Key management personnel compensation:		
Aggregate compensation	<u>456,724</u>	<u>610,714</u>

NOTE 15. CONTINGENT LIABILITIES

The ACT Government holds mortgages over 18 Association properties acquired with funds from a Commonwealth grant scheme between 1993-97 and 2004-05. These acquisitions pre-dated the National Regulatory System for Community Housing, and in the absence of this the mortgages were established to secure the use of the properties as social housing.

Under the terms and conditions of the mortgage, the mortgage would only be crystallised and actionable by the ACT Government if there is a breach of any of the specified conditions as set out in clause 3 of the annexure to the Memorandum of Mortgage. Examples where Havelock Housing would be liable to settle the liability to the ACT Government would be where Havelock Housing:

- Ceases to use the property for the agreed purposes
- Fails to maintain the property adequately
- Becomes insolvent/bankrupt, seeks to come to an arrangement with its creditors or otherwise cannot continue to trade, etc.
- Wishes to sell or otherwise dispose of the property
- Seeks to remove the mortgage.

In 2014, the ACT Government was consulted about the appropriate treatment of these mortgages on Havelock Housing's accounts, with the resulting decision that no liability was recognised on Havelock Housing's Balance Sheet, and the mortgages were instead disclosed as a contingent liability.

Havelock Housing initiated discussions with the ACT Government to negotiate an outcome that allowed these assets to be recycled or renewed. These discussions are on-going at this point.

Havelock Housing and Housing ACT have identified that there may be historical amounts owing to Housing ACT for invoices that relate to "fire call out" and "Tenant Responsible Maintenance" matters. Housing ACT have indicated favourable terms to rectify any amounts identified. At this time the amount outstanding cannot be determined. An assessment by the Committee indicates that it is unlikely that any significant liability will arise. The Committee are of the view that no material losses will arise in respect of the "fire call out" matters at the date of these financial statements.

NOTE 16. COMMITMENTS

Havelock Housing has a 5-year Managed Service Plan on 2 office photocopiers – the agreement expired in August 2021. A new rental arrangement has been entered into under a rental arrangement.

As part of the Sports Program, the Association acquired a new 12 seater bus financed through an Asset Purchase Arrangement through Bendigo Bank. The principal and interest are fully funded through the grant.

HAVELOCK HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 17. EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for Havelock Housing up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect Havelock Housing's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

NOTE 18. ASSOCIATION DETAILS

The registered office of Havelock Housing is:

Havelock Housing Association Incorporated
85 Northbourne Avenue
TURNER ACT 2612

HAVELOCK HOUSING ASSOCIATION INCORPORATED
COMMITTEE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2021

In the opinion of the Committee

1. The financial report, including notes, as set out on pages 5 to 19 are in accordance with the *Associations Incorporation Act (ACT) 1991*, and the *Australian Charities and Not-for-profits Commission Act 2012*, and
 - (a) Comply with the Accounting Standards; and
 - (b) Give a true and fair view of the Association's financial position as at June 30 2021 and of its performance for the year ended on that date.
2. In the Committee Member's opinion there are reasonable grounds to believe that Havelock Housing will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



.....
Mr Dan Carton, Chair



.....
Mr Adrian King, Treasurer

Dated this 25th day of October 2021

RSM Australia Pty Ltd

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Havelock Housing Association Incorporated for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.



RSM Australia Pty Ltd



Ged Stenhouse
Director

Canberra, Australian Capital Territory
Dated: 1 November 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HAVELOCK HOUSING ASSOCIATION INCORPORATED

Opinion

We have audited the financial report of Havelock Housing Association Incorporated, which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the committee's declaration.

In our opinion, the financial report of Havelock Housing Association Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2021 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Havelock Housing Association Incorporated in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Havelock Housing Association Incorporated's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Report


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

In preparing the financial report, management is responsible for assessing Havelock Housing Association Incorporated's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Havelock Housing Association Incorporated or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'RSM'.

RSM Australia Pty Ltd

A handwritten signature in black ink that reads 'Ged Stenhouse'.

Ged Stenhouse
Director

Canberra, Australian Capital Territory
Dated: 1 November 2021



havelock housing
Building Communities

