



Hume Community Housing Association

Annual Report 2015



*We create vibrant,
sustainable and
cohesive communities
through the delivery of
outstanding homes and
equitable services*



Contents

| | |
|----------------------------------------|---------|
| Chair & CEO Report | 4 - 6 |
| Vision, Values and Principles | 7 |
| Our Objectives | 8 |
| Our Impact Measurement Process | 9 |
| Our Environment | 10 - 14 |
| Housing Continuum | 15 - 17 |
| Our Development Project Partners | 18 - 20 |
| Housing Plus | 21 - 27 |
| Valued Customers | 28 - 31 |
| Community Anchor | 32 - 34 |
| Value for Money | 35 - 37 |
| People and Culture | 38 - 42 |
| Hume's Executive Team | 43 - 45 |
| Financial Statement 30 June 2015 | 46 - 70 |
| Our Partners | 71 |

Chair & CEO Report

It has been another successful and productive year for Hume but this year, it is fair to say, has also been momentous.

Our assets base grew from **\$26M** to **\$85M** representing an increase of **227%**, thanks to Hume's tender successes. This has resulted in an extraordinary income and surplus of \$61M for FY2015. Strong finances are vital because without them we can't do the work that ensures we fulfil our purpose and achieve our vision. For Hume, the surplus is a means to an end, rather than an end in itself. It is what allows us to invest in building more homes and meeting the needs of our customers and communities. This is the work that energises the Hume team.

At Hume we have always believed that having access to a stable home within a safe and supportive community is the foundation for a healthy, happy and productive life.

Overall in 2014/15 Hume Housing has proven itself capable of balancing growth and business sustainability with our well-regarded reputation and a proud history of supporting the communities in which we operate.

This year, yet again, we have concentrated our efforts on ensuring that our customers have high quality and more appropriate homes, as well as access to services that are pivotal in enhancing their quality of life and providing opportunities for them to reach their potential. We have succeeded. Examples of how we have succeeded are detailed in this Annual Report.



Guiding Principles

As with previous years, our activities have been determined in line with our guiding principles and value framework. This is all detailed in our strategic plan, which is reviewed each year in the context of changing environmental factors. Our guiding principles remain as relevant as ever. The clear articulation within the plan, of a set of guiding principles and a value framework, has ensured consistency in decision making. These guiding principles and values also communicate to external stakeholders Hume's 'way of doing things'. This Annual Report provides examples of how we have lived up to the standards we set ourselves and how our decision making has been consistent with those principles.

Our Numerous Highlights

As well as the transfer of title of 152 properties to Hume, from NSW Government, we have been successful in numerous other tenders. From securing a site at Warwick Farm to build 14 new homes for affordable and social housing (page 20), with a target customer group of 'women at risk' (page 12), to securing funds as part of a specialist homeless service consortium to employ a youth worker, to rolling out mental health awareness programs and training (page 21). We have also been successful in receiving match funding for our new initiative of 'crowdfunding' for our 'Breaking Brick Walls' partnership program (page 22). In 2014/15, we have broadened our service offering and we have been able to do so, as a result of an exceptionally motivated and determined team, whose drive and enthusiasm are responsible for these successes. This is highlighted by our Employee engagement survey results that are "phenomenal".

This year again we have embraced a commercial approach to driving efficiencies – constantly striving to deliver value for money in all that we do. So we have worked tirelessly to reduce rent arrears and void turnaround times, with success. We have also excelled in the area of compliance, particularly with NRAS, demonstrated by our 100% compliant record determined by the Federal Government and as such being one of the first recipients of the yearly NRAS payment.

Hume also further invested in property construction and development in 2014 in order to meet our guiding principle of providing appropriate accommodation at every stage of life's journey. So, we have built a highly experienced and capable development and construction team. This has resulted in the successful acquisition of a variety of sites in high need areas, along with securing the subsequent development approvals. This will result in the delivery of over 100 new properties in the coming year.

We have also secured the approval of our planned NRAS sites from both State and Federal Government, resulting in Hume securing up to an additional 200 affordable housing properties to manage. This achieved despite challenging legislative change in this area,

We have had an exceptionally busy and successful year and yet there is still so much more we could achieve.

The almost infinite need for our services means we need to be strategic in their provision, so we have also prioritised taking time to measure the impact of our existing programs. The purpose of measuring our impact is to ensure that we are directing our efforts, resources and capabilities to achieve the most positive and valuable social outcomes.

Whats Next

Detailed on the previous page are just a few of the highlights of our achievements against our objectives. Maintaining the same level of determination and focus, everyone at Hume is clear about what we intend to achieve in the coming year.

Our strategic direction will focus on, building an even more risk savvy organisation, where risk is managed and mitigated effectively at every level of the organisation. We will drive efficiencies through a well-planned, researched, and considered IT roadmap. We will communicate more broadly our excellent work and increase our influence and of course, we will continue to focus on capacity and capability building in our team, our customers, our partnerships and our communities.

We are ready to respond to government initiatives through strong governance, understanding our strengths, being clear about our costs commensurate with outcomes and building our partnership base with other key service providers,

like-minded organisations. We recognise our joint customer base, understand their needs and ambitions and will target opportunities that support education and employment, social inclusion and community cohesion projects, alongside our delivery of affordable housing solutions.

We are also committed to strategic partnerships with commercial, finance and infrastructure organisations as we respond to and advocate for the recognition of housing as essential infrastructure.

We will be vocal in challenging the sometimes negative perceptions of social housing and promote the advantages of utilising Community Housing Providers to manage the States social housing program, bringing into place our wrap-around service delivery, which is proven to bring in efficiencies in costs, maintenance, capital upgrades, estate redevelopment and renewal.

Our Appreciation

This annual report is an opportunity to celebrate the commitment and dedication of our employees, customer volunteers and our partners in their daily support of our programs and services. It is in this spirit that Hume's Chair and CEO express our deep pride in the Hume team, employees and Directors alike, for bringing us to where we are and your year on year successes and unwavering commitment. We also express our gratitude to our customers for your ongoing involvement and support, and our thanks to our partners new and old. We would like to note the productive and diligent work completed by our Board of Directors in Hume's strategy and decision making, it has been a pleasure to work with such a committed Board.

It is a joy to be surrounded by individuals who value making a difference.



Vision, Values and Principles

Our Vision

To create vibrant, sustainable and cohesive communities through the delivery of outstanding homes and equitable services

Our Values

As a team and as individuals we are committed to living our values every day to ensure success. We are here to get results; creating and providing wide-ranging housing options and services to improve housing security and reduce homelessness. We make a sustainable difference to our communities and our customers.

We are champions of change

- Advocate for those who are marginalised
- Create freedom through choice
- Drive continuous improvement
- Develop through self-reflection
- Inspire others to action and change

We are creators of connectivity

- Are passionate about people, families and communities
- Bring people together
- Support and encourage community empowerment
- Practise social justice
- Enable social inclusion
- Celebrate diversity

We are determined to succeed

- Do what is right
- Are dynamic, resourceful and efficient
- Deliver positive social, environmental and financial outcomes
- Get results
- Rigorously deliver value for money
- Make decisions that ensure longevity

We are builders of resilience

- Step up to the challenge and make a positive impact
- Strive for balance and perspective
- Enjoy a laugh
- Take time to be grateful

Our Objectives

We know that a broad range of services, support and solutions are required by our current and future Customers and therefore as a team we developed a set of principles that guide Hume Housing to deliver improved and more tailored service options. Our guiding principles along with our Vision and Values underpin our thinking and approach for the delivery of our strategic plan and the priorities of Hume Housing.



Housing continuum

We acknowledge the need for appropriate accommodation at every stage of life's journey and, as such, we offer our customers a broad range of accommodation choices.



Housing Plus

We coordinate support and opportunities that create the concept of choice, enabling our customers to achieve their full potential.



Valued customers

We recognise, listen to and acknowledge our customers individually. We are customer-focused, customer-driven and customer-centric. We honour social justice principles, we listen to and acknowledge our customers, and we customise our services based on our customers' needs.



Community anchor

We promote a village approach to community living, providing incentives and opportunities for connecting, learning and employment. We build self-sufficiency and community wealth, which enables communities to collectively achieve their full potential. We build our knowledge of our communities through sound research and diligent consultation.



Value for money

We are a professional, properly supported and efficiently run organisation, and we transparently manage resources, growth, procurement, financial stability and risk.

Our Impact Measurement Process

To assess if we have achieved our objectives, Hume has been collecting and analysing data, the purpose of measuring our impact is to ensure that we are directing our efforts, resources and capabilities to achieve the most positive social outcomes. This method establishes:

Inputs

What services and actions are we taking?

Outcomes

What is the result for customers when they direct, receive or engage in these services and actions?

Impact

What broader, longer term results are we targeting, hoping to obtain or starting to be able to capture?

Evaluation

What worked, what did we learn, what is our future approach & priority?



Our Environment

Hume's operating environment is affected by political, economic, social and technological factors. As part of our risk and governance controls, Hume regularly assesses its operating environment and plans for potential scenarios. Factors uncovered during environmental analysis are our drivers for future growth and opportunities.

Hume currently operates in a core area encompassing the Local Government Areas of Bankstown, Campbelltown, Fairfield, Liverpool, Parramatta and Ashfield. It is well understood that the demand for social and affordable

housing in our communities is outstripping supply and although Hume Housing's operating areas are relatively contained, the LGA's operate differently from a housing market perspective, these varying housing markets and growth rates provide complexity for all aspects of delivering the organisation's services.

In addition, there is pressure to increase the level of housing provided, as Hume Housing operates in an area of high need - and the need is increasing.

- The areas in which Hume Housing operate are considered to be the areas of high social disadvantage as per the ABS Socio Economic Index. Fairfield as the **4th most disadvantaged** LGA in Australia and th **3rd most disadvantaged** LGA in NSW.
- It can be argued that there is an affordable Housing crisis in Australia with Western and South Western Sydney communities **suffering significantly** as a result.
- Hume Housing serves the areas of highest need in NSW.
- Across NSW **only 10%** of those people on the social housing waiting list are housed each year.
- Waiting times are generally **5 -10 or more years**.
- Approximately one in six households are in housing stress.
- House prices require household income between **\$84,000** in Campbelltown and **\$115,000** in Bankstown to purchase a home without being in housing stress.

- **Only 12 – 15%** of rental housing in Hume's current area of operation is affordable to low income households.
- No homes in the Bankstown and Parramatta LGAs are affordable to purchase by **"low income"** households and **only 8%** are affordable in the Campbelltown, Fairfield and Liverpool LGAs.
- Average Weekly Rental, South West Sydney, all housing types, June 2012: **\$350.00 per week**. Affordable only to those earning in excess of \$60,000.pa.
- Share of private rental properties affordable for those whose only income is government benefits, Blacktown Area, April 2014: **less than 1 per cent**.
- Wait list for public housing in NSW: 57,451 applicants representing **more than 120,000 people**.
- It is predicted that there will be a significant increase in the demand for senior specific housing.



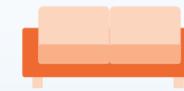
Australians were homeless on census night in 2011.



26,000 of these were young Australians aged 12-25 years. That's a staggering 25% of homeless people are young people.



Young people are defined as Australians aged 12-25 years. Young people are over-represented in the homeless population.



Homeless data grossly underestimates, with thousands of couchsurfers not included in the official figures

6,920 homeless youth in NSW

70% of young people left home to escape family violence, child abuse or family breakdown.

28.6% are in supported accommodation

14.6% are staying in other temporary lodging

11% are in tents or sleeping out

Couch surfing is **the most common way** young people experience homelessness

Accessing accommodation is **harder for young people** because of low income, limited independent living skills and a lack of suitable and affordable housing options

The impacts of homelessness on young people include disengagement from school and employment, poor educational outcomes and a **greater risk of being homeless as an adult**



According to Homelessness NSW and the 2011 Census, NSW has seen a 20.4% increase in homelessness since 2006

The need for social housing is growing due to increasing populations, increasing costs of housing and increasing community and customer 'support' needs i.e. new arrivals requiring language skills support and the increase in youth homelessness. Hume is targeting growth and provision of service in areas of highest impact and need.

Our targets include increasing affordable housing for young people and women at risk. Our robust research has informed our approach, as have the analysis of the statistics, some of which are detailed in this report.

Women at Risk

The Woman at Risk visa (subclass 204) is for women if you are outside Australia, living outside your home country, do not have the protection of a male relative and are in danger of victimisation, harassment or serious abuse because of your gender.

To be considered for resettlement in Australia under this visa, you would usually need to be referred by the United Nations High Commissioner for Refugees (UNHCR) to the Australian Government. The Woman at Risk visa (subclass 204) is a permanent visa. Hume Housing's Women at Risk program will target the service areas of Fairfield, Holroyd, Liverpool and Campbelltown in 2016.

The number of Women at risk (subclass 204) humanitarian visas issued in Australia has more than doubled from 745 to 1682 in the last three years, with a high proportion in the South Western Sydney delivery area. More than 90 women deemed at risk arrived in Fairfield in 2013, the second highest number across Australia's LGAs.

Failure to address these issues within migrant families in their crucial first years in Australia will seriously affect their ability to integrate into Australian society.

Hume's new Warwick Farm housing program (to be delivered in 2016) will enable the most vulnerable women to transition from reliant victim to independence, with restored self-esteem and jobs.

Fairfield, Holroyd, Liverpool and Campbelltown local government areas (LGAs) are the service areas proposed. High proportions of the populations in each of these areas are socio-economically disadvantaged and born overseas. The Australian Bureau of Statistics (ABS) ranks Fairfield as the most disadvantaged LGA in Greater Sydney, the third most disadvantaged in New South Wales (NSW) and the 72nd most disadvantaged in Australia. At the time of the 2011 Census, 63.1 per cent of Fairfield's population was born overseas, with 21.1 per cent from Iraq and 8.5 per cent from Vietnam. Sixty-one per cent were from non-English speaking backgrounds: 78 per cent did not speak English at home and 24 per cent were not proficient in English.



'Women at Risk' in Australia has more than doubled from 745 to 1682 in the last three years.



Failure to address these issues will seriously affect their ability to integrate into Australian society.

In The Media – Housing Affordability

National Disability Insurance Scheme

Bruce Bonyhady, AM, Chairman of the National Disability Insurance Agency, published The National Disability Insurance Scheme Housing Discussion Paper last year in which he predicted an important role for community housing in creating specialised homes for National Disability Insurance Scheme (NDIS) participants.

It is likely that a significant number of NDIS participants will seek to live independently following full rollout of the scheme. Hume believes the NDIS offers a significant growth opportunity over the medium to long term. Our experience partnering with financiers and philanthropists, as well as working with social finance organisations, prepares us for this opportunity.

Everybody's talking about affordable housing, or housing affordability

Mike Baird brokers \$1 billion social and affordable housing deal
The state's top welfare group has praised the Baird government for brokering a new deal that aims to bring in \$1 billion in new funding for social affordable housing.

\$1 billion joint ventures in public housing
NSW Premier Mike Baird has promised to reduce the 60,000-strong public housing waiting list by building \$1 billion worth of new homes.

'Salt and pepper' Sydney social housing redevelopment holds promise
A new approach to social housing that doesn't require external funding could be paid for by selling surplus private units created after redevelopment of dilapidated sites.

CDP MLC called for new NSW Government to make social housing a priority
There is disappointment the New South Wales Government has delayed responding to an inquiry into social housing until after Saturday's election.

MAKING THE FUTURE OF SOCIAL HOUSING FAIRER AND BETTER
The NSW Government has released a major discussion paper to look at options to improve the social housing system. Family and Community Services Minister Gabrielle Upton today unveiled Social Housing in NSW: A discussion paper for input and comment, to guide future directions in social housing.

Housing affordability inquiry creates debate on prefab, energy efficiency and negative gearing.

We have also planned our growth aligning it with areas of economic and infrastructure growth and educational precincts. As a result we expanded from our bases in Fairfield and Claymore, to open an office in the Parramatta CBD in 2014. This reflects our commitment to our customers and partners across the broader Sydney basin. It allows us to deliver consistent high-quality services as we develop our property portfolio. It also means our customers in Parramatta receive equitable service levels. Potential customers, particularly key workers, seeking affordable rental properties in areas of high employment and educational opportunities, now have access to our Housing Options service. On 2 July 2015, Dr Tim Williams,

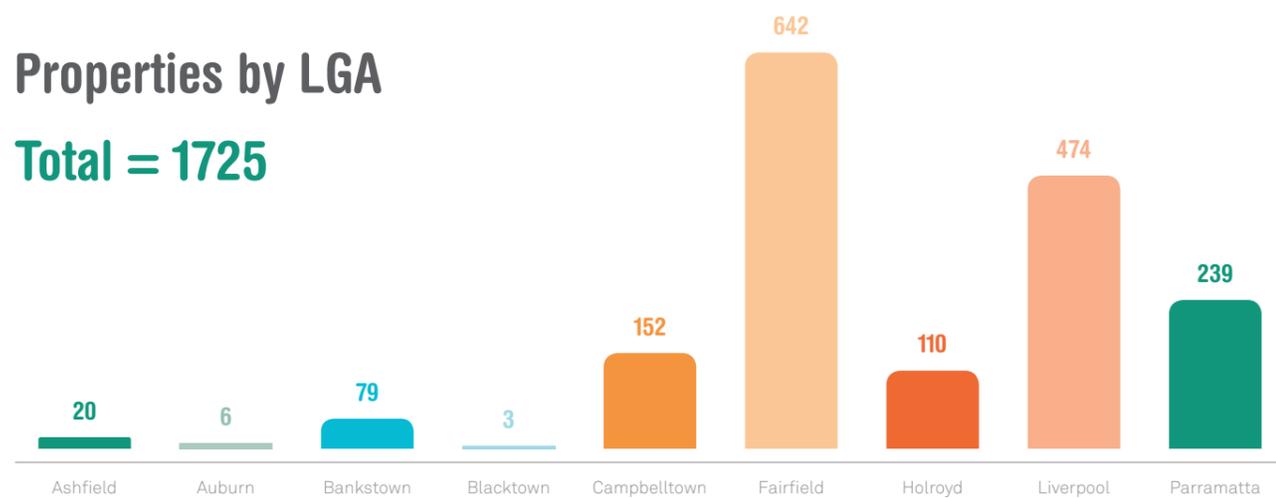
CEO of The Committee for Sydney, presided over the official opening of our new office, and highlighted the affordable housing challenges and opportunities in Sydney. Notable attendees included State MP Dr Geoff Lee, Bruce McClelland from the Sydney Business Chamber, CEO's from Community Housing Providers and staff members of NSW Family and Community Services and the Department of Human Services. As we celebrated our achievements and discussed the challenges, their presence highlighted Hume's role and capacity to be a key player in helping Western Sydney reach its full potential.



Parramatta MP Dr Geoff Lee, Hume CEO Nicola Lemon & Committee for Sydney CEO Tim Williams at Hume's Parramatta Office Opening

Properties by LGA

Total = 1725



Housing Continuum

We focus on delivering flexible, affordable housing in growth and employment areas that offers people healthy lifestyles in cohesive communities.

Growth of the Construction and Development Team

New, experienced employees with good credentials have been engaged to boost Hume's development portfolio. Our team will ensure the growth of Hume assets to better service our growing customer base. We have secured funding to build five new communities in 2015/16.

In 2014/15 we have secured a mixture of debt and government funding as well as Hume's own substantial equity contribution to provide 49 homes by June 2016 and a further 19 homes by December 2019. This means we are ahead of our 2015 target for delivering new dwellings. The sites are in the suburbs of:

- Guildford (21 units)
- Bankstown (16 units)
- Macquarie Fields (18 units).

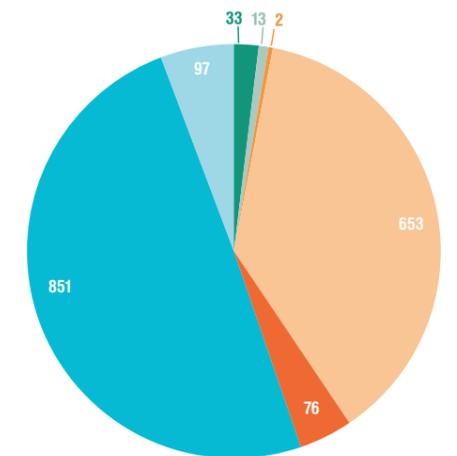
Another tender success for Hume has resulted in the opportunity to develop in another area of high need - Warwick Farm. This development will consist of 14 new townhouses and villas with Hume building its first Liveable Housing Design Platinum Level property, which will be fully adaptable for people with high-level disabilities.

Hume will grow its housing portfolio by more than 272 properties in 2015/16. We will achieve some of this by becoming a property developer, both for our own customers

and to support local developers working with the National Rental Affordability Scheme (NRAS) and Affordable Rental Housing State Environmental Planning Policy to provide affordable housing for key workers such as teachers, fire fighters and police officers. In our drive to better service our growing customer base, we will cultivate joint venture opportunities with other not-for-profit service providers in NSW. We will also build on our success in working with Greater Western Sydney local councils to identify opportunities to build more affordable housing.

Properties by Bedroom Type

- Bedsit = 33
- Cottage = 13
- Duplex = 2
- House = 653
- Townhouse = 76
- Unit = 851
- Villa = 97



National Rental Affordability Scheme

Hume is one of the largest housing association providers of NRAS homes. We have secured 512 incentives under the NRAS since the programs inception in 2012, which mean we will be managing up to than 500 affordable housing sites by the end of 2016.

Hume submitted tenancy and property documentation, along with eligibility assessment outcomes as evidence of its compliance with NRAS requirements and was deemed 100 per cent in compliance. We have restructured our internal processes to ensure continued compliance and excellent service delivery.



Who lives in affordable housing?

Our customers want housing independence, seeking secure, affordable housing in their time of need. Housing needs change, as singles become families and extended families reduce back to one or two seniors. Hume's property portfolio provides a diversity of housing and programs to respond to these needs.

Couple - Unit Wentworthville

A young man studying to become a chartered accountant leases a new two-bedroom apartment in Wentworthville. He is eligible for affordable housing as he is driving a taxi in Parramatta to support both him and his partner while they both study.

The location is ideal as the partner is studying full time to become a dentist and has work experience placements at nearby Westmead Hospital. The affordable rent and reduced travel time helps them concentrate on their studies so they can achieve their goals.



Family - Townhouse Smithfield

A family is living with relatives and struggling to find affordable accommodation of the right size and in a location that meets their needs. Their daughter suffers from severe allergies, which means they need to be close to a hospital, and their home can't have carpet or curtains. After leasing a three-bedroom townhouse in Smithfield, their two children have their own bedrooms and are making friends with other children in the complex. The parents are stabilising their budget, and the affordable rent means they can more easily cope with their daughter's ongoing medical bills.



Our Development Project Partners



Hume worked with Sirius Consolidated (Development and Construction Company) on a range of innovative, affordable housing development projects in 2014/15.

“During this time, we have developed a good working relationship. We have formulated a partnership that we hope will develop into a longstanding relationship.”

Jeff Sahyoun – Sirius Consolidated

Hume has expanded our development capacity through partnerships with:

- Impact Group, our partner on the Warwick Farm development
- NASR Group, our strategic partners for the Hamilton Rd project
- Jasara Constructions, which helped us purchase our Guildford site and will continue working with Hume as the building contractor for the development.

Purpose-Built Seniors Complex

Our new seniors housing complex in Brenan Street, Smithfield, caters for customers who want to downsize to more manageable housing. The complex is in a great location near Fairfield Hospital, Wetherill Park shopping complex and local shops.

Customers who have met the normal eligibility criteria for social housing may be approved for housing assistance as an elderly customer if they are confirmed to be an Aboriginal or Torres Strait Islander person and aged 55 years or over.

New-Generation Boarding House

We have expanded our range of housing options with the new-generation Pembroke boarding house in Ashfield. The state-of-the-art complex comprises 21 units with high-quality finishes. The boarding house is perfectly positioned for customers studying at university or working in central Sydney or the inner city.

An onsite manager supports customers and addresses cleaning and maintenance issues, while tenants can use the community space for functions and activities.

Pembroke is an exemplary building that can be used as a template for future affordable housing community designs.

Inputs

- We have engaged new team members and development partnerships with development, construction and finance experts.
- New housing stock.
- Strategic planning for growth directed our actions.
- A new boarding house provided housing in the inner city. collaboration with first-time developers and larger-scale commercial and residential developers delivered a suite of housing options.

Impact

- We have reduced housing stress.
- We have enhanced training and employment opportunities.
- We have reduced travel and environmental impacts by putting developments near public transport.
- We have increased community and individual well being by providing homes where essential workers can be close to their place of employment.

Outcomes

- These projects have created choices and offer long-term housing solutions.
- They have provided well-located, affordable housing that enhances our customers' ability to access transport, employment and education.
- We have raised awareness within the investor market and private sector about the capability of Community housing providers
- We have created pathways for households to move on from 'social housing

Evaluation

- Collaborating with key stakeholders, at local, State and federal government levels.
- Promoting affordable housing and the community benefits are essential components of any future growth – to ensure we engage with the community and stakeholders, and reduce barriers to new developments.
- We are helping people understand how the right housing developments can encourage families to grow and stay in a community.



Our Future Developments



Our Warwick Farm development of 14 townhouses and villas will positively contribute to the diversity and sustainability of the local community. We believe this development will inspire other developments across the suburb.

We are committed to developing Liverpool as a major centre in Sydney and providing opportunities for the generations of social housing-dependent families based in Warwick Farm. The mix of family-focused townhouses and villas will create an interdependent community, while still providing personal space.

Our environmental scan and research programs have dictated the target groups for this development: a mix of young families, single parents and women at risk. We aim to create a balance between people with high needs or complex support requirements and stable role models, potential mentors and community champions who will guide neighbours and help them connect with their community.

These homes will be within easy access of local services including a primary school, children's services and a neighbourhood centre. This will help families to become part of the local community.

We sought advice from Creative Planning Solutions (CPS) in putting together our development application (DA) and

securing our construction certificate for the development. We secured DA approval within three months. We worked Brewster Murray architects to design a Liveable Housing Design Platinum Level three-bedroom villa in the development. The Platinum Level is the highest standard achievable in developing homes for people with disabilities.

The mixed design of villas and townhouses provides affordable rentals for women at risk. The villas have minimal stairs to allow easy access for families with young children and people with mobility issues.

The complex has adequate personal outdoor space, and is designed to require minimal upkeep from time-poor families. The three-bedroom townhouses allow room for growing or extended families, which will help stabilise the tenancies.



Housing Plus

In the third year of enhancing our Housing Plus services, we have embedded our strength-based approach to collaborating with our customers and key community stakeholders. We have expanded our partnerships, consulted extensively with customers on their plans, aspirations and goals and targeted innovative programs to the most vulnerable communities and individuals.

Vocational Training and Employment Pathways:

Hume prioritises key capacity-building initiatives by analysing customers' needs and aspirations. Following are some of the projects designed to broaden our reach.

Youth Employment Program

- Marist Youth Care – provides links to employment, training and youth services
- YC Industry Link – a registered training organisation
- SR Construction – contractor who delivers Hume's maintenance and property upgrade programs, and provides apprenticeships and training opportunities for Hume customers

Job Readiness Program

- Life Consultancy – transition-to-work programs
- White Lion – employment links, similar to Marist Youth Care
- Target Solutions – part of Omega Training, an organisation that delivers level II and III business certificates
- CAN Network.

Hume is partnering with several key organisations to realise the Assets for Life youth employment program, including:

- Marist Youth Care
- YC Industry Link – a group training organisation
- SR Construction.

The Shed Project – regeneration of a community shed to enable local service providers to deliver new programs in an inviting space.

- Max Solutions – employment, health and training services, including 'work for the dole' programs
- BoysTown – under Max Solutions, a 'work for the dole' employer
- CAN (Claymore Action Network) – various partners of both government and non-government organisations who are planning for the future of Claymore and ensuring high levels of community engagement in service delivery.



Hume has established a social procurement relationship with SR Construction to create an employment pathway for young people living in Hume housing. Through this partnership, SR will employ our customers on a two-year contract to supply maintenance work. To ensure the success of the program we

have harnessed various skills, experience and resources through partners Marist Youth Care, Affordable Housing for Life and YCI.

We want young people to thrive.



Strength-based approach = working with demonstrated capacity and building on strengths and positive achievements and aspirations

Digital Literacy Campaigns

Hume Housing Customer Digital Readiness

The digital revolution means more and more services, businesses and people are choosing to communicate, do business and connect with each other online.

Being able to use a computer and having access to the internet provide a world of opportunities for people to receive and share information and connect with each other. This is particularly important for those who are socially isolated, vulnerable to social isolation or wanting to enter or re-enter the workforce.

That's why we are working to make sure that our customers are equipped to take advantage of the many opportunities that the digital revolution offers.



Sustainable Communities & Partnerships – Rodrigo Gutierrez and customer Rami Al-Saffar at the Australian Communications Consumer Action Network



Teloopa Learning Zone

- Outreach TAFE courses support our job readiness strategy
- Internet safety classes - ensuring customers are protected as they explore social media and the web
- Research partnerships allow our customers to have a say in the programs we run, prioritise the activities that are held on site and empower them to set up their own social inclusion initiatives

Combating Unemployment with Drama

Parramatta City Council hosted a crowdfunding campaign called Start Some Good to encourage community groups to work together on new and exciting campaigns to tackle social issues. Hume Housing and drama group True Quest joined the Start Some Good campaign by creating the Breaking Brick Walls drama focused employment program. We raised close to \$20,000 through online donations, and Parramatta Council matched contributions when the campaign hit set milestones. The Breaking Brick Walls program targets unemployed youth living in the Parramatta LGA, where almost one in five young people are unemployed.

This was Hume's first crowdfunding initiative and its success means we will be using this method again in the future. It allows community members to fund and sponsor programs that they believe will make a positive impact in their community



Mental Health Awareness, Advocacy and Support

Hume has created a new mental health awareness and education program for staff and customers.

We have called the project MHBiz (mental health business) The MHBiz project promotes acceptance and inclusion of people experiencing mental health issues and their families. Funded by South Western Sydney Partners in Recovery, it aims to strengthen our organisational capacity to work effectively with people experiencing mental health issues.

We welcome input from people with mental health issues, allowing us to learn from customers and to embed the wisdom that comes from lived experience of mental health issues in our practice, policies, procedures and services.

So why MHBiz?

Mental health issues and illnesses are common among families and communities within Hume's working area. We know that one in five Australian adults will experience a mental illness in any year, while 45 per cent of Australian adults will experience a mental disorder in their lifetime.

Mental health issues have a substantial impact on the lives of sufferers and their families. Mental disorders are ranked third among the causes of illness and premature death.

People with mental disorders suffer greater psychological distress and a higher rate of profound or severe disability than others in the community. There is also an economic cost – estimated to be \$20 billion a year Australia wide.

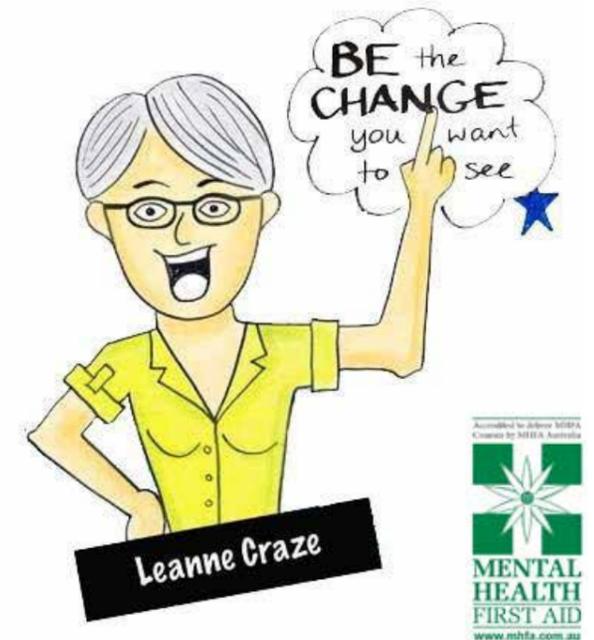
Because mental health issues and mental illness are so common we welcomed the opportunity to greatly strengthen our organisational capability in a practical way in this area and work with one of Australia's leading mental health experts; Dr Leanne Craze.

Partners in Recovery

Hume secured another year of funding, worth \$83,629, through Western Sydney Partners in Recovery for the Recovery in Parramatta Partnership Project.

Partners in Recovery is an Australian Government initiative to better support people with severe and persistent mental illness and complex needs, their carers and their families by ensuring support services from multiple sectors work in a more collaborative, coordinated and integrated way.

The Recovery in Parramatta Partnership Project is a systemic review made possible through our relationships with Parramatta City Council, the Department of Family and Community Services, Western Sydney Local Health District and Evolve Housing.



Homelessness and Housing Independence Programs

Housing Independence

We have strengthened our commitment to the issue of housing independence by dedicating more resources to the homelessness programs that Hume leads across south-western Sydney.

We updated our Temporary Accommodation Program (TAP) review from our last intensive program review that occurred in 2012. We accommodated 372 customers over the 2013/14 financial year, with average growth in customer numbers of 33 per cent since the program began in 2006. Results of the 2014/15 review are to be released by December 2015.

The TAP provides a safe setting in which we can assist customers to develop their living skills and capacity to sustain tenancies. It also allows them to seek longer-term support, which is very important, especially for people suffering from a disability.

Around 58 per cent of TAP customers achieved greater housing security – this is, it is realistic that they could stay in the new tenancy for 12 months or more.

Importantly, within the context of a tough private rental market, Hume has successfully assisted 23 per cent of customers to find a private rental property. This reduces reliance on long-term social housing.

Housing Independence Program

The immediate aim of the Housing Independence program (previously referred to as the Transitional Housing program) is to provide medium-term accommodation for people who are homeless or at risk of homelessness so that they can stabilise their lives and then move to more secure permanent accommodation.

The longer-term aim is that the program will support these households to achieve higher social and economic participation – so children continue higher levels of education, adults engage in work and households connect effectively with their local communities.

Hume will advocate to the NSW Government for the expansion of the program. In April 2015, we commissioned an external review to identify capacity and capability to design a framework to expand into a state-wide program. According to the review, the program's strengths include:

- the partnerships and referral process, utilising our networks and contractual arrangements with Supported Housing service providers and State government departments
- the commitment expected from and made by customers, which gives dual accountability
- relationships with real estate agents
- sustainable outcomes

Inputs

- We have established community digital hubs.
- We launched partnerships with training services and an outreach TAFE.
- We set up engagement opportunities.
- We started mentoring programs.
- We organised social procurement initiatives.

Outcomes

- Our programs reduced isolation among participants.
- They increased self-esteem and a sense of independence among participants.
- They improved people's social connections and provided a sense of belonging.
- They extended people's support networks.
- They increased a feeling of safety.
- They empowered through knowledge.

Impact

- They connected communities.
- They increased the number of customers getting a job.
- They were community role models.
- They raised social advocacy participation.
- They increased wellbeing.

Evaluation

- We appreciate the role of technology and continue to empower older Australians in its use and commit to longer-term funding of digital literacy projects
- We will continue to invest heavily in expanding our capacity to evaluate our programs, as the results drive efficiency measures as well as sustainable outcomes for our customers



My HUME-ble story

I guess we all have times in our lives when we hit a rough patch, and some of us get hit more than once in a blue moon. For sure, at those times you really feel so small – like four feet tall – and with that desperate feeling that rolls deep inside your guts.

In a word – homeless – no job, not wanted, even though you know you are a decent, honest Aussie, a good taxpayer your whole life until you were forced to sacrifice your career at the age of 62 so you could stay at home to look after your disabled growing son because his mother no longer has enough strength to care for him and really needs your help. Well that's my story.

After surviving a war and migrating to Australia, William married and had two sons, one with serious medical issues and Down syndrome.

Despite working hard for years – and proud of overcoming language barriers to support his family on a single income – William faced new challenges.

His wife could no longer physically care for their growing son and he had to stop work to help.

They could barely manage on benefits, and then their landlord sold their rental property. They had no funds to move or pay a bond.

We struggled to find another place to move when I didn't have a job. We had two young kids and we knew we would never impress any real estate agent or landlord. Not to mention we have ADHD kids. We had to move from one motel to another. Fortunately, we have found the Temporary Accommodation Plan program and that's where we got to know Glenda from Hume Housing.

After a Housing Options consultation, Hume placed the family on the priority housing waiting list. The customer was directed again to the private rental market while waiting for a longer-term solution, but the private rental market barriers were insurmountable. After more consultation, the family agreed to broaden their choice of areas, which meant shorter waiting times with lower rents, while staying within areas where the children had access to education and support. The family received an offer of a home in an area near their support services.

“Took the offer from Glenda and it feels like I’m winning the lottery.”

Extract from a TAP customer's story for the full version visit www.humecha.com.au

Housing Independence

Roslyn Helps Improve a Family's Future

I was assigned to manage a family I had dealings with in a previous role with the Department of Family and Community Services Housing Services section. I was the person who referred them to the Housing Independence Program after they suffered multiple tenancies and exhausted all options in both the private rental and social housing markets.

While in the Housing Independence Program, the customers sustained their tenancy with the help of financial counselling and money management classes. Regular support visits from me, as a Hume officer, allowed me to address potential issues that could put their tenancy at risk. The family was approved for priority housing as one member of the household had multiple medical issues that resulted in regular hospitalisation, placing additional stress on the household. Their application was supported by documentation collected from medical professionals and support partners, demonstrating that the family could sustain a tenancy. This family made the transition from a homeless and vulnerable situation to long-term, permanent and secure accommodation. It was a pleasure as a Hume team member to help this family throughout their journey.

Roslyn is a Homelessness Prevention and Support Officer in the Housing Independence Program.



Valued Customers

Hume has been transitioning to a strength-based approach to serving customers, providing housing and managing properties, all of which improve community cohesion. We have planned this change and educated our team so that rather than using the traditional approach of being problem solvers and fixers, they engage with customers as a resource, facilitator and service provider, using the customers' own strengths to resolve issues.

Our goal is to empower our customers to take a dominant, leadership role in planning for their future, allowing them to choose their level of engagement and encouraging them to respond proactively to issues.

We started by examining how social and affordable housing affects the lives of customers, and the role that customers play in their community.

We are all influenced by media, history and our own interactions with estates dominated by social housing. However, at Hume, the relationships we have built with our customers have allowed us to recognise the unique strengths of a social housing community.

To support our work, the Benevolent Society's Community Connections Survey was devised to assess social capital and community issues at the local level.

Community Connections Survey

The Community Connections Survey is a comprehensive assessment of social capital (which is the collective value of social networks) and community issues.

The Benevolent Society developed the survey in consultation with an advisory group comprising academic, government and community representatives. Its content was guided by the Australian Bureau of Statistics' (ABS) 2004 framework for measuring social capital, and included questions to assess social capital and attitudes to local issues, as well as predicting a range of demographic and socio-economic outcomes.



Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions. Social capital is not just the sum of the institutions which underpin a society – it is the glue that holds them together.

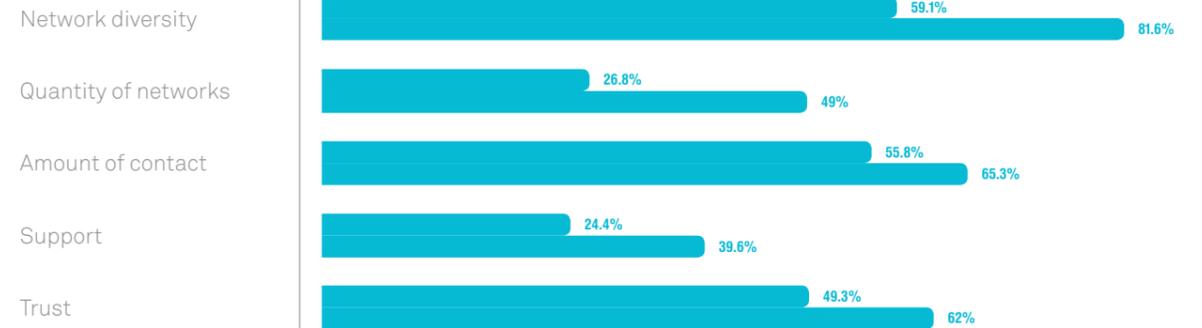
Some of what we learned from our communities is shown below.

Hume CHA tenants ■
Fairfield community sample ■

Bonding



Bridging



Linking



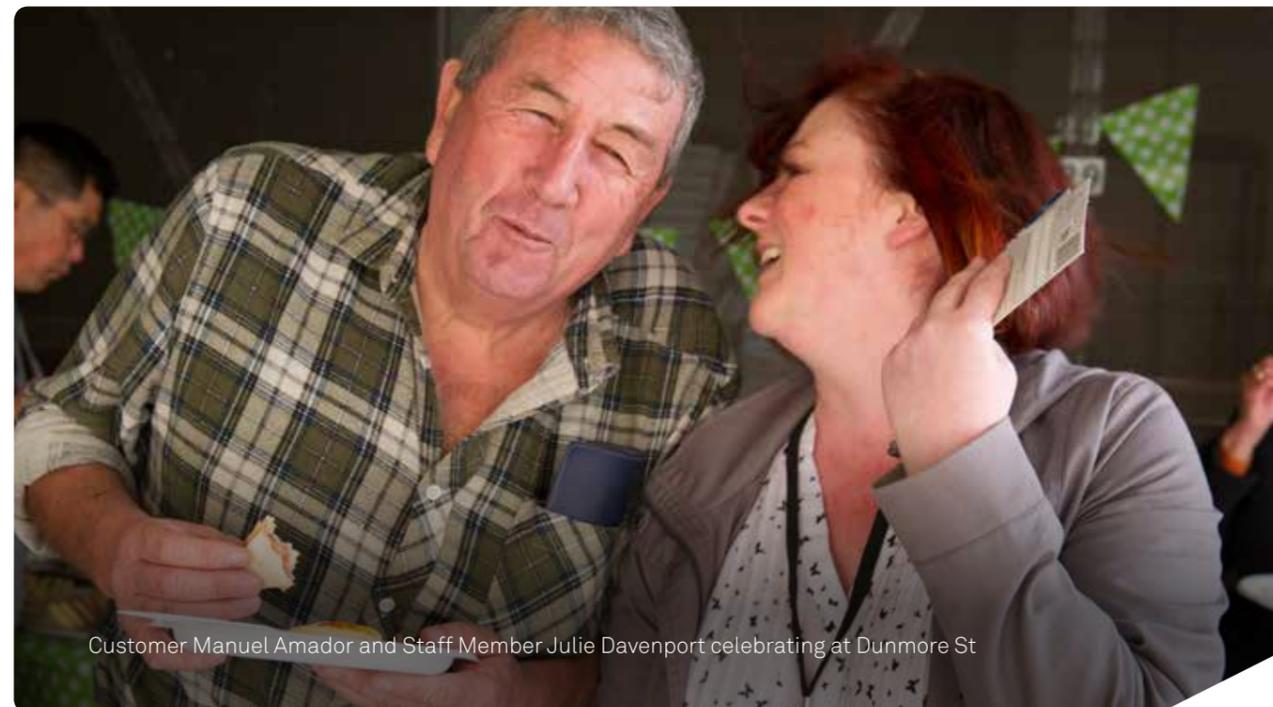
Community Perceptions



0 20 40 60 80 100
(Percentage)

| Question | Customer satisfaction outcomes |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| In relation to your last repair, how satisfied or dissatisfied were you that the contractor was respectful and courteous towards you and your property? | 88% agreed contractors were respectful and courteous |
| In relation to your last repair, how satisfied or dissatisfied were you that the contractor kept dirt and mess to a minimum, and left your property clean and tidy? | 83% agreed contractors left the property clean and tidy |
| Thinking about the support you receive, how satisfied or dissatisfied are you with your support plan? | 83% satisfied |
| In relation to your last repair, how satisfied or dissatisfied were you with the quality of the repair carried out at your home? | 81% satisfied |
| Overall, how satisfied or dissatisfied are you with the condition of your home? | 81% satisfied |

Table 1.1 Highest performing areas 2014/15



Customer Manuel Amador and Staff Member Julie Davenport celebrating at Dunmore St

Communal Upgrade Program – Driven by Customers

Customers are asked to put together wishlists for upgrades to their estates. In conjunction with our asset and development teams, improvements were carried out in 2014/15 at locations in the following local government areas:

- three in Holroyd
- one in Liverpool
- one in Fairfield.

The works included children’s play areas, seating and meeting spots, and secure parking sites. We also installed video intercoms at two locations in Merrylands.

Through the Tenant’s Voice forum, our customers directed service delivery improvements by:

- evaluating policies from a customer impact perspective, including:
 - Abandonment Policy – dealing with a property and goods left behind by a customer who leaves without advising us
 - Succession Policy – allocating housing to other people living in the property when the customer moves on
 - Water Charging Policy
- setting and prioritising activities for the Healthy Living Seniors program. Aqua Aerobics was their top choice, \ and seven to 10 seniors attend weekly.
- taking the lead in planning social club outings, such as the end-of-year celebration attended by 200 people. The sub- committee designed the evening and selected the entertainment, prizes and refreshments.

Inputs

- Our customers generated environmental improvements.
- We enhanced and consistently enacted anti-social behaviour policy and procedures.
- We began training and educating all stakeholders using a strength-based approach.

Impact

- We encouraged connections between those living in our communities.
- We empowered our customer base.
- We connected our most vulnerable customers.

Outcomes

- We shifted service delivery style and accessibility.
- We improved engagement with customers who were previously not involved.
- We identified vulnerable customer groups.
- They extended people’s support networks.
- We implemented new IT systems, enabling better data collection.

Evaluation

- Changing to a strength-based approach is difficult and will take time, but the benefits are already being recognised.
- Collaborating with key stakeholders such as our customers to enhance service delivery works and is something we will do more of.

Community Anchor

Hume's Community Cohesion Strategy

We know that lifestyle outcomes are better in socially connected and cohesive communities. Hume's community cohesion strategy aims to build capacity and resilience in our customers by facilitating community-led change and leadership, and by building partnerships between customers and local services.

A key part of this strategy was a program of collaborative and participatory community engagement with our customers, or our 'community'.

The Hume community is socially, economically and culturally diverse, living in more than 1,700 properties

across nine local government areas (LGAs). Customers live or work in a number of different 'communities of interest' covering:

- geographical areas
- age groups
- cultures
- faiths.

To respond to this diversity and to ensure we engaged with a representative group of customers, we developed a program of targeted community engagement activities.

We surveyed our customers and the results indicate we achieved this, with participants coming from more than 15 suburbs, 60 per cent of them speaking a language other than English at home, and 28 per cent of them aged 24 or under.

What We Did

We organised many community engagement activities that drew upon Hume's role as a provider of Housing Plus services. By interacting with our customers at community events and neighbourhood gatherings, we aimed to build community cohesion – we were 'walking the talk'. Our activities gave our staff and customers the opportunity to meet and talk about their needs, interests and ideas in a positive environment, while building local capacity.

Youth Week Drop-In

“I don't feel connected at the moment. We need to bring neighbours together – this type of event (Youth Week drop-in at Telopea) is good.” (Customer, aged 12)

We held a Youth Week drop-in event on a Friday night in our community room in Telopea that attracted about 25 young people. Activities included a mobile games bus and a nail bar, and everyone enjoyed pizza and music.

Telopea Community Picnic

“People with higher needs moving in make people apprehensive about participating. We need gardening areas, places we can meet for communal therapy” (Telopea customer, aged 46)

We held a community picnic in the local park near our Telopea apartment block, and organised music, a jumping castle, barbecue and games. Our customers loved participating in our 'dotmocracy' activity – voting on program ideas suggested through our community survey.



Using dotmocracy to prioritise community cohesion programs and activities

Fairfield Family Fun Day

“When I help people, it helps me, I feel better” (Fairfield customer, aged 75)

Our family fun day at the Canley Vale Leisure Centre was a great success, with around 120 people participating throughout the day. We had a jumping castle, sausage sizzle, tai chi classes, face painting and roaming musicians.



“Walking the talk” – engaging with our customers at community events allows us all to build cohesion.

Survey

We developed a short community cohesion survey, made available online, on Facebook and via printouts at community events. Almost 100 per cent were completed through face-to-face interaction, giving us the opportunity to explore our customers' responses in more depth.

Hume Customer Workshop

Eighteen of our customers, aged 24 to 75, attended a workshop to collaborate on what community cohesion means to them and to prioritise programs and activities to include in the strategy.

Collaborating with our customers at a planning workshop

Our collaborative and targeted approach to community engagement has led to our first community cohesion strategy and allowed our community to help decide on the future of their neighbourhoods.

Our customers say community cohesion involves caring for neighbours, being kind to one another, getting on with others and knowing your neighbours.

Inputs

- We evaluated data from a range of surveys and engagements.
- We trialled new collaborative approaches to engagement.
- We engaged in broader discussions with customers – beyond rents, maintenance and leases.

Impact

- We increased customers' skills.
- We allowed customers greater involvement in decision making.
- We engendered a stronger sense of belonging.
- Evaluation

Outcomes

- We launched a new website in October 2015 to give customers access to information on their local communities.
- We developed neighbourhood plans for Liverpool and Campbelltown.
- We supported customers in developing programs in their communities.
- We established the Hume grants program, to begin in January 2016, which allows customers to apply for funds to support their local activities.
- We learned more about the needs, interests and skills of our customers.
- We enhanced the capacity of our customers to initiate their own community-building activities.
- We built connections between our staff and customers.
- We fostered connections between neighbours.

Value for Money

Hume has continued to embed our 'value for money' ethos across the Operations portfolio. This goes beyond cost savings and seeks to deliver:

- continuous improvement
- efficiency gains
- a stronger planning and evaluation framework
- strategic use of resources
- a focus on technology solutions
- streamlined service that meets the aspirations of key stakeholders
- a focus on wise investment for future growth.

The Corporate Services team have undertaken the following programs to ensure value for money, and financial and governance security during periods of growth.

Updated audit process

Hume re-evaluated our process for financial auditing, including our annual external audit. After a competitive tender process we engaged BDO which, with the assistance of the Hume team, has worked tirelessly to compile the audited financials presented in this report.

Corporate debt facility

To support our development program and the Hume's growth, we have expanded our partnerships with Community Sector Banking and Pacific Capital Advisors, resulting in a 20-Year Corporate Debt Facility Program. This demonstrates our capacity to deliver future developments and gives us controlled financial benchmarks. The model serves a dual purpose of meeting bank compliance reporting along with being a forecasting tool incorporating National Regulatory System best-practice requirements. While this is a flexible model, we have a transparency that assists our Board in making strategic decisions for future growth to meet the needs of our growing customer base.

Sector advocacy and research

Hume is participating in the Cost Effectiveness and Tenant Outcomes in Social Housing research project of the Australian Housing and Urban Research Institute. The project will promote a more robust assessment of social housing landlord management costs and tenant benefits.

| Hume Housing Properties | FY2014 | FY2015 |
|-----------------------------|-------------|-------------|
| General & Supported Housing | 1190 | 1169 |
| Affordable Housing | 276 | 317 |
| Homelessness Services | 251 | 239 |
| | 1717 | 1725 |

Inputs

- We structured the community cohesion programs into one portfolio.
- We created a specialised program for our expanding seniors customer base.
- We created a new housing options team to ensure customers have access to the best housing programs to meet their needs, reducing long-term operational costs of poorly targeted lettings.
- We evaluated our partnerships and clarified our short- and long-term aims in the Claymore community.
- We worked with research and peak bodies to promote sector efficiency and sustainable outcomes.

Impact

- Expanded partnerships deliver a broader range of community programs and share the valued community meeting space with our customers and broader resident groups.
- Clarification of our role in Claymore allows community groups to rely on us to deliver longer term employment and social enterprise opportunities
- Customers have a greater understanding of our business and can contribute to service improvement.

Outcomes

- Targeting of education and vocational training initiatives will create a long-term return on investment by enhancing community and individual wellbeing and increasing social and economic participation.
- By improving communications with our customers improved the efficiency of our day-to-day services. We have undertaken key investments after reviewing our newsletters and updating our key policies on easy English guides, including our customer charter, rent review letters and property condition guidelines.
- We've encouraged a better understanding of our role as facilitator, advocate and service provider to avoid duplication of funding and resources in community programs.

Evaluation

- Consistent focus on continuous improvement through engagement with key stakeholders allows greater results and more creative outcomes. We all benefit from broadening the voices of those who contribute to our service delivery and goals
- We recognise that we can improve our approach to monitoring social return on investment by collecting a wider range of data to fully reflect the outcomes and benefits our homes and services deliver and support. We will continue to improve the way we capture this information to demonstrate more effectively the value that we add to customers' lives.

| Task | Benchmark | FY2014 Achievement | FY2015 Result | Continuous Improvement | FY2015 Achievement |
|----------------------------------------------------------------|----------------------------------------------------|--------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Re-let of vacant properties | No sector benchmark for total of all program types | ✓ | We relet 944 properties including 445 tenancies in short term (TAP) accommodation | We are managing an increase in volume, over 150 more tenancies than previous year. Flagged as an area to monitor to ensure performance does not slip with increased volume | ✓ |
| Streamline property assessment, void and re-let times | No sector benchmark | ✓ | Average days 12.39 | Performance is strong for voids management. Focus will now be on programs with higher individual results, affecting the average | ✓ |
| General Social Housing Voids – Minor Works | 14 days | ✓ | Average of 3 days | | ✓ |
| General Social Housing Voids – Major Works | 28 days | ✓ | Average of 26 days | | ✓ |
| Overall satisfaction rate from customers with service provided | 75% | ✓ | 75% | Just on benchmark and reflects a need to refocus on customer service delivery that has been interrupted by new IT systems and changeover of personnel | ✓ |
| Rent Outstanding | <2% | ✓ | 1.29% | | ✓ |
| Rent Foregone | 6% | ✓ | 4.96% | On par with last year's performance. Need to closely monitor as average market rents increasing effects outcome | ✓ |
| Rent Debt Written-Off | <1% | ✓ | 0.85% | Whilst under benchmark we will have a stretch target in place for write offs aiming for 0.75% | ✓ |

People and Culture

The key to achieving our strategic plan and sustaining positive social change is continuous focus and effort on strengthening capability and capacity, and measuring our performance. Strategically we are:



Leadership at All Levels

The building of leadership at all levels within the organisation is key to the achievement of our strategic objectives. Our team members are encouraged and supported to critically assess our areas of improvement as an organisation and open the conversation about what can be done.

The efforts of team members resulted in our mental health first aid training initiative and a focus on increasing our capabilities in providing services to people experiencing mental health issues. This started with two team members from different parts of the organisation collaborated on a successful application for grant funding. This allowed Hume to engage one of Australia's leading mental health experts to develop and deliver a mental health first aid course, and general and targeted awareness training across the organisation. Our service delivery will improve in 2015/16 because of this increased capability.

We have also instigated formal leadership training using adaptive leadership and coaching tools to aid development of leadership and accountability across the organisation.

Our employee opinion survey measures our team's assessment of Hume's leadership. Our leadership score has risen dramatically since the feedback process began, and in the 2014 survey it was 33 per cent above the community housing sector average.

Our individual and collective resilience and wellbeing is closely linked to our physical health and so we work hard to keep ourselves healthy and engage in events such as the City to Surf and Walk for Cause, where there is mutual benefit in raising funds for charity and walking for our own health. In the past year, our team members have raised or donated more than \$2,000 for charities such as ChildFund, Save the Children, MS, Tents for Nepal and Dymocks Literacy projects.

Our capability is increasing and we are very proud to internally promote and provide opportunities to our staff to take part in special projects and initiatives. In 2014/15, we congratulate Sarah Browning, Vivian Lisciotta and Julie Davenport on their promotions.

We also congratulate Vivian Lisciotta who received the Employee's Choice Award, Andrea Ritchie who received the Leadership Award and Joanne Mitchel who received the CEO's Choice Award. We thank each of them for their contribution and unfailing commitment to our customers.

Hume conducts an annual employee engagement survey, facilitated by survey provider Voice Project. Employee engagement defines how passionate employees are about their jobs, how committed they are to the organisation and how much discretionary effort they put into their work. We also acknowledge and thank each and every team member for their contribution to the organisation throughout the year.

Organisations with high levels of engagement outperform those with low levels of engagement. In past surveys, Voice Project has described our results as 'extremely positive' and 'extraordinary'. This year, Voice Project described our results as 'phenomenal'.

96%
of team members acknowledge that a "high standard of performance is expected"

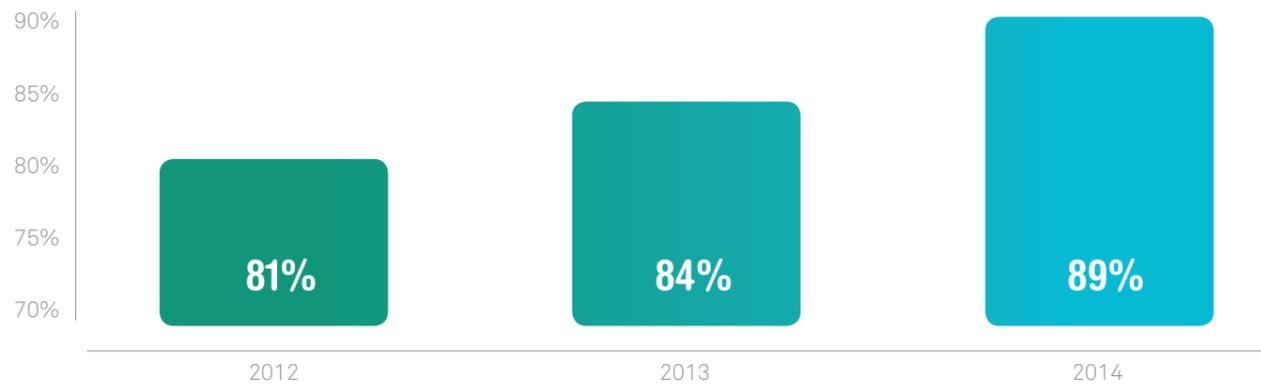
81 - 89%
Employee Engagement Score 2014 up for the third year running

98%
of team members "believe in the values of this organisation"

Employee Engagement Survey 2014



Peter Allotta, Daryl Goder & Peter Malone at Hume's Parramatta Office Opening



The 2014 employee engagement survey showed 98 per cent of team members:

- Believe in the work done by Hume
- Believe in the values of Hume
- Believe in the overall purpose of Hume
- Are aware of Hume's vision
- Agree that Hume has a strong focus on achieving positive results
- Have good working relationships with co-workers
- Understand how their job contributes to the overall success of Hume
- Are aware of the overall strategy for Hume.

These results demonstrate how our values, which were revitalised in 2013/14, help us work together towards

the common goal of serving our customers and our communities for positive social impact.

In our survey we asked why employees chose to work at Hume. This is what our team members said:

- 'I am passionate about housing needs.'
- 'I also have a strong belief in the leadership team of Hume, and I like their commitment and determination to succeed. They are role models and their commitment inspires and motivates me.'
- 'I was looking for any sort of employment at the time. However, I have chosen to stay with this organisation and I have watched it grow and am proud to be a part of the positive changes and goals it is achieving.'
- I am proud of, and love that I am part of an organisation that exists to accommodate people in need, and not solely focusing on money and profits.



Vivian's Career Story

Nine years with Hume

Starting role: Part-Time Income Recovery Officer (21 hours a week)

Current role: Full Time Neighbourhood Officer

When I started working with Hume, I did not know a lot about the community housing sector, but I quickly learnt that it was a fast-paced, challenging yet very rewarding sector to be involved in. I was initially employed in the Income Recovery section, assisting customers with maintaining their rental records and with financial literacy support. My South American background helped me establish a rapport with our Spanish-speaking customers, but I also developed a great respect and high regard for all customers I had contact with. My passion for social justice has driven me to assist our customers wherever possible and I am proud to work in an organisation that shares my values and ethics.

In my many years at Hume, I have been encouraged to develop my skills through external training,

in-house training and mentoring. I have been supported in my career progression and was successful in securing a promotion. I am settling in to the role of neighbourhood officer, where I am enjoying the variety of situations that allow me to engage with our diverse customer base.

I have recently been awarded a scholarship and have committed to completing a Certificate IV in social housing. This scholarship has given me the opportunity to further enhance my skills, which will help me continue to make a positive contribution to our organisation and communities we work with. I look forward to the coming year and to getting to know my portfolio, as well as to implementing neighbourhood plans and community cohesion initiatives.



Julie D, Vivian and Noha

Sedina's Career Story

Seven years and 10 months with Hume

Starting role: Part-Time Temporary Accommodation Project Support Worker

Current role: Full Time Homelessness Prevention & Support Officer – Transitional Housing *(Housing Independence Program)*

Before I had begun working with Hume, I had some knowledge on social justice and welfare as I had about three years of studying social work in my home country of Bosnia; then finishing my Diploma when I had arrived to Australia. I had been a homeless refugee at one stage of my life, fleeing from the war in my early 20's; this is why working with homeless individuals or those who need support is a great passion of mine and working in the community housing sector for Hume is extra special for me. I have developed a great respect and understanding for the customers, as well as a strong bond and relationship with the staff members – the people with whom I share this passion.

In my 7 years of working with Hume, I have developed and grown with the company.

I have been encouraged to develop my skills with regularly provided training sessions in areas such as mental health, counselling and risk management. I am happy to step into any role that Hume is in need of, or is willing to provide to me. I am willing to challenge myself and grow with this organisation.

I have been given many opportunities to step up to challenges, as well as take on new roles as a staff member. Initially I had been a TAP (Temporary Accommodation Program) member, but throughout the years I have been able to take on a role as Team Leader for Transitional Housing, and further put to use the skills I have acquired through training and experience. Currently I will be fulfilling the role of manager for the TAP and Transitional team, it is an opportunity I am definitely looking forward to.



Dusanka and Sedina

Hume's Executive Team

“An organisation can only be successful and sustainable when the Executive team consists of individuals who have a common business philosophy and values that are compatible.

Companies and leadership teams go through cycles. Sometimes companies play it safe, defend the status quo or manage momentum. Not Hume, and not this year. So we have been profoundly changing our company. We positioned our business to achieve superior customer outcomes.

Hume's Executive team work together to support the Board through provision of specific expertise to achieve Hume's vision and organisational objectives. The team's ability to make decisions using shared business values ensure that common goals are achieved at all levels.”



Nicola Lemon

Chief Executive Officer

Nicola has been the CEO of Hume for the past 8 years. With an academic background in Business Law and subsequent qualifications in Housing Management, Leadership and Training, Nicola has spent her career predominantly in the Community Housing sector, working in the UK for Housing Associations of varied sizes, ranging from 4,500 to 70,000 properties. Nicola was originally responsible for the delivery and management of front line housing and community development services. Nicola has extensive experience in leading teams to successfully implement regeneration projects, including large-scale estate renewal programs and property development programs.

Nicola's success in facilitating long lasting improvements and change in the communities within which she worked, led to Nicola taking on senior positions in large UK Housing Associations. Here she was responsible for driving and managing organisation's growth, continuous improvement, compliance regulation and development programs. Nicola has worked alongside Organisation's directorate to develop and successfully implement various strategies, which included the regeneration of communities through the UK's PFI model, establishing robust risk management systems and setting up group procurement structures.

In her time at Hume CHA Nicola has led the organisation through significant change and up skilling, increased turnover, established a Value for Money culture, secured growth through successful tenders and obtained Tier 1 Registration status. Nicola has achieved this whilst ensuring the main focus is on assisting individuals and communities to reach their potential.



Julie Fernandez

Chief Operating Officer

Julie commenced at Hume in July 2011 in the position of Chief Operating Officer responsible for Asset Management, Sustainable Communities & Partnerships and Neighbourhood & Customer Services programs.

Julie has an extensive local government background with a focus on the management of community service programs. Julie has managed teams of up to 80+ staff ranging from Early Childhood professionals, community development program officers, administration officers and asset and maintenance professionals. Julie has also managed contracts for utilities, building services and repairs and also for large scale recreation / leisure centre management contracts.

Julie has expertise in tendering out services and also completing tenders for services, funding and grants. Julie has developed annual budgets for a range of programs including income generation of over \$15m in fees and charges and managed expenditure for maintenance and capital works programs. Julie has experience in asset management and leasing of community buildings and partnership building however Julie's key strength is her advocacy for clients and the leadership of teams to provide high quality frontline customer service.

Julie has lead the operations portfolio through a period of dynamic change and growth, resulting in improved customer service, collaboration with key stakeholders and partners to ensure innovative services and programs are delivered to the most vulnerable community members and embedded a strengths based approach to challenging our customers and community to work collaboratively on social justice issues and community cohesion projects.



Frank Lyons

Chief Construction & Development Officer

Frank is a professionally qualified practitioner with over forty years of experience in Housing, Town Planning and Social & Economic regeneration, starting at Hume in April 2014.

He has attained senior level responsibility within a number of public and private sector organisations. Key achievements included leading, as Director, a community based housing organisation in achieving its strategic outcomes around growth, and increasing funding to deliver new products. As CEO of an Urban Regeneration Company, Frank secured significant government funding to support the renewal of a community of over 70,000 people.

Frank has worked with government both in the UK and Australia in the development of policy initiatives, and has supported the housing sector in the design and delivery of new initiatives. In that context Frank is currently active in the area of asset procurement, supporting the aims of Hume CHA in delivering its growth strategy to increase the range and quality of affordable quality housing.

In Australia, capacity and capability in the social housing sector has been focussed on delivering outcomes around housing growth strategies. Specifically in ensuring efficient and effective program management, as highlighted in the senior consultancy role in the delivery of a \$135m Nation Building Economic Stimulus Plan in Sydney.



Mark Connolly

Chief Financial Officer/ Company Secretary

Mark joined Hume CHA in July 2009 in the position of Chief Financial Officer/ Company Secretary, responsible for Finance, Compliance and Information Technology, Human Resources & Business Services.

Mark is a CPA and holds a Bachelor of Business Degree from Sydney University of Technology with over 30 years' experience in senior accounting roles within the commercial & not for profit sector.

Mark worked his first 20 years in the commercial sector working as an accountant, financial controller and financial manager for various companies including: Avon Products; Coca Cola

Amatil (head office); DHL NZ; Ansett Airlines.

Mark made a decision in 2001 to give back to the community and work the rest of his career in the NFP arena and has since worked as Finance Manager, Global Financial Controller, CFO and Company Secretary for NFP companies including: AIDS Council, Optometry Giving Sight and Hume Community Housing.



Lisa Bonavia

Executive Manager – People & Culture Development

Lisa commenced at Hume in September 2012 in the position of Executive Project Officer responsible for the development of organisational KPIs and performance measurement more broadly through the organisation, with a strategic and operational view of organisational performance Lisa was awarded the position of Executive Manager – People & Culture Development in July 2014.

Sitting as a member of the executive for the past 20+ years, Lisa has extensive operational human resource lead and strategic people & culture experience across a range of sectors including IT, Banking, Professional Services and Not for Profits, with organisations ranging in size from 50 – 3000 paid and unpaid workers, local, national and international organisations.

Lisa has specific expertise in organisational development and performance, change management and communication supported by a Bachelor of Business with majors in Marketing and Human Resource Management. Lisa's key strength is her ability to influence organisations at both the strategic and operational levels, putting that strategy into action, supporting the resultant change and the achievement of higher employee engagement, greater efficiency and improved customer service.

HUME COMMUNITY HOUSING ASSOCIATION LTD

A.B.N. 66 647 041 988

Annual Report - 30 June 2015

Hume Community Housing Association Ltd Directors' report 30 June 2015

The directors present their report, together with the financial statements, on the registered entity for the year ended 30 June 2015.

Directors

The following persons were directors of the registered entity during the whole of the financial year and up to the date of this report, unless otherwise stated:

Antony (Tony) Conides
 Brian Lomas FCPA
 Domenic Portolesi (resigned on 21/10/14)
 Lorraine Eddy
 Robert Vine
 Romeo Kerian (resigned on 17/02/15)
 Susan Holliday
 True Swain
 Vivek Prabhu

Objectives and strategy for achieving the objectives

The short term objectives of the company during the year were to secure the title transfer of 152 Telopea properties and expand tenancy and asset management services.

Long term objectives are to increase the number of properties under management through property development and leveraging on vested properties and through new fee for services arrangements.

The company achieves its objectives through its five year Strategic Plan. This plan has 7 areas of strategic focus which are the key performance drivers. These are:

- Customer focused, customer driven
- Outstanding homes, quality refurbishment and maintenance
- Support customers, maximising individual potential
- Vibrant, sustainable and cohesive communities
- Governance and leadership
- Reaching our potential through an efficient and effective organisation
- Housing growth and service growth

The company's activities resulted in the continuation of the company's Tier 1 registration by the NRSCH and an operating surplus that will be used to further the company's long-term objectives.

Principal activities

During the financial year the principal continuing activities of the registered entity was the provision of community housing to low to moderate income earners.

Performance measures

The Company measures its performance by meeting the objectives established in the annual business plan and departmental service delivery plans to deliver the strategic objectives. Our financial performance for 2015 is reported in the 2015 Annual Report.

**Hume Community Housing Association Ltd
Directors' report
30 June 2015**

Information on directors

Name: Tony Conides
Title: Chairperson
Qualifications: JP, AREI, GAICD, MAICD, ISTM
Experience and expertise: Tony is a fully licensed and accredited Real Estate, Strata and Property Manager as well as Auctioneer and has been Managing Director of his own Real Estate and Strata Management Company since 1976. He has been a non-executive Director of BlueCHP Limited since 2010 and an active member of the Australian Institute of Company Directors. Tony has held a position on the Hume Housing Board since December 2006.
Special responsibilities: Chairperson of Recruitment and Remuneration Subcommittee, Member of Development Subcommittee

Name: Brian Lomas
Title: Director, Deputy Chairperson, Treasurer
Qualifications: Dip. A, AICD Residential Course, FCPA, MAICD
Experience and expertise: Brian possesses over 45 years' experience in Financial and Corporate Management, specialising in Healthcare, Health Insurance, Corporate Law, Superannuation, Executive Management, with Directorships in the Charity and Welfare organisations in the Not for Profit sector. He is a Fellow (FCPA) of CPA Australia and a member the Australian Institute of Company Directors and is currently an honorary Director of and works part time as the Company Secretary, Corporate Governance Advisor and Mentor of the Gladstone Area Group Apprentices Ltd. Brian has also served as the Treasurer for Rosella Park Special School since 2011, and has held a position on the Hume Board since 2005.
Special responsibilities: Chairperson of Audit and Risk Subcommittee

Name: Lorraine Eddy
Title: Director
Qualifications: JP
Experience and expertise: Lorraine Eddy holds a Certificate in Welfare as well as an Advanced Certificate in Working with Older People. She has over 20 years' experience working with older people and for the last 15 years has been advocating housing issues for the Aged community through the "Assistance with Care and Housing for the Aged" Program in NSW. Lorraine has held a position on the Hume Housing Board since 2005 (She previously held a position on the Hume Board from 1998-2003).
Special responsibilities: Member of Audit and Risk Subcommittee

Name: Susan Holliday
Title: Director
Qualifications: BA (Economics), MPhil (Town and Country Planning), FPIA, CPP, GAICD
Experience and expertise: Professor Sue Holliday is a City Planner and Economist. She is Professor of Planning Practice at UNSW, and Managing Director, Strategies for Change, an urban strategy consultancy. Sue had a long career in the public service and has demonstrated an outstanding commitment to affordable housing. Sue has held various Board roles since 1997. She was a Director of the Transport Infrastructure Development Corporation from 2004-10, president of the NSW Building Professionals Board until June 2013 and is currently a Director of Good Environmental Choice Australia (GECA).
Special responsibilities: Member of Recruitment & Remuneration Subcommittee, Member of Development Subcommittee

**Hume Community Housing Association Ltd
Directors' report
30 June 2015**

Information on directors

Name: Robert (Bob) Vine
Title: Director
Qualifications: Dip.Mngmt. Gd Dip. HR
Experience and expertise: With tertiary qualifications in Management, Human Resource Planning, Accounting and Financial management Bob brings to Hume an all-round raft of experience. Still serving on the NSW Government Co-operatives Advisory Board he is actively involved in the provision of affordable housing. Bob has been involved in "Not for Profits" management since 1972 culminating in retirement as CEO of one of the State's largest groups of Co-operative Housing Societies, an organisation in which he presently serves as Chairman. Bob Vine has served 9 years on the Hume Housing Board including a 2 year spell as Chairman before being appointed again to the Director position in 2012 after a 3 year break.
Special responsibilities: Member of Audit and Risk Subcommittee and Member of Recruitment and Remuneration Subcommittee

Name: True Swain
Title: Director
Qualifications: M. Pro Dev, B. CPM
Experience and expertise: True Swain is an experienced Property Development Manager who has successfully delivered multi-million dollar property development projects throughout Australia. In his current role as a Property Development Manager at Qantas, he has been responsible for the delivery a variety of large property construction projects which have been successfully delivered in complex live operational environments. True has provided strategic property project advice to non-for profit executive board and been responsible for the development implementation of risk management strategies on a variety of construction and development projects, and was elected to the Hume Housing Board in January 2014.
Special responsibilities: Chairperson of Development Subcommittee

Name: Vivek Prabhu
Title: Director
Qualifications: B.Bus FCA F.Fin MBA GAICD
Experience and expertise: Vivek is an accomplished financial service professional and experienced non-executive director, with over 22 years of experience across accounting, auditing, finance, investments, governance and risk management. He has managed multi-billion dollar fixed income, credit & currency portfolios during his career in funds management, including previously at Macquarie Bank and currently at Perpetual as Deputy Head of Credit & Fixed Income. He also serves on FINSIA's Funds and Asset Management Industry Council, and as an Elected Councillor of The Hospitals Contribution Fund of Australia (HCF) and his board portfolio includes community based NFP's striving for social justice, including The Deaf Society of NSW: Non-Executive Director & Treasurer and Council of Social Service of NSW: Non-Executive Director & Treasurer.
Special responsibilities: Member of Audit and Risk Subcommittee

Name: Domenic Portolesi
Title: Director
Qualifications: B.Law
Experience and expertise: Domenic Portolesi is a qualified lawyer admitted to the Supreme Court of NSW in 2001 and specialises in Personal Injury Litigation including Workers Compensation and Third Party Litigation. Domenic also practices in Commercial Litigation, including the acquisition and the sale of property, business and leases. Domenic has worked for various legal firms for the past sixteen years and in 2007 became Partner at Kazi Portolesi Lawyers. Domenic resigned from his position on the Board in October 2014.
Special responsibilities: Member of Development Subcommittee

**Hume Community Housing Association Ltd
Directors' report
30 June 2015**

Information on directors

Name: Romeo Kerian
 Title: Tenant Representative on Board
 Qualifications: Chef
 Experience and expertise: Romeo has been a Hume Housing tenant for the last 10 years and has been an active member of Tenants Voice; Hume Housing's Tenant Committee. In 2013, Romeo was appointed Tenant Representative on the Hume Housing Board. He is a qualified chef and ran his own restaurant in Sydney. Romeo possesses business skills acquired through his administration of his own restaurant, and these include book keeping skills, payroll, supervision of staff and customer service. Romeo is a strong advocate for tenant involvement at an organisational level and believes he can positively give another dimension in representing tenants' needs. Romeo resigned from his position on the Board in January 2015.
 Special responsibilities: None

Company secretary

Mark Connolly has held the role of Registered entity Secretary since September 2012. Mark is a CPA and holds a Bachelor of Business Degree from University of Technology Sydney with over 30 years' experience in senior accounting roles within the commercial and not for profit sector.

Meetings of directors

The number of meetings of the registered entity's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2015, and the number of meetings attended by each director were:

| | <i>Board Meeting (inc. Special Board Meetings)</i> | | <i>Audit & Risk Sub Committee</i> | | <i>Recruitment & Rem Sub Committee</i> | | <i>Development Sub Committee</i> | |
|---------------------|--------------------------------------------------------|-----------------|-------------------------------------------|-----------------|----------------------------------------------------|-----------------|--------------------------------------|-----------------|
| | <i>Held</i> | <i>Attended</i> | <i>Held</i> | <i>Attended</i> | <i>Held</i> | <i>Attended</i> | <i>Held</i> | <i>Attended</i> |
| Tony Conides | 12 | 10 | - | - | 2 | 2 | 3 | 2 |
| Brian Lomas FCPA | 12 | 12 | 3 | 3 | - | - | - | - |
| Domenic Portolesi | 5 | 2 | - | - | - | - | 1 | 1 |
| Lorraine Eddy | 12 | 10 | 3 | 2 | - | - | - | - |
| Robert Vine | 12 | 9 | 3 | 2 | 2 | 2 | - | - |
| Romeo Kerian | 9 | - | - | - | - | - | - | - |
| Susan Holliday | 12 | 11 | - | - | 2 | 2 | 3 | 2 |
| True Swain | 12 | 11 | - | - | - | - | 3 | 3 |
| Vivek Prabhu | 12 | 10 | 3 | 3 | - | - | - | - |
| Pat Martin (Patron) | 12 | 1 | - | - | - | - | - | - |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Contributions on winding up

In the event of the registered entity being wound up, ordinary members are required to contribute a maximum of \$20 each. Honorary members are not required to contribute.

The total amount that members of the registered entity are liable to contribute if the registered entity is wound up is \$520, based on 26 current ordinary members.

**Hume Community Housing Association Ltd
Directors' report
30 June 2015**

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

On behalf of the directors



Tony Conides
Director

15 September 2015
Sydney



Brian Lomas
Director

15 September 2015
Sydney

**Hume Community Housing Association Ltd
Contents
30 June 2015**

Contents

| | |
|---------------------------------------------------------------------------------------|----|
| Statement of profit or loss and other comprehensive income | 7 |
| Statement of financial position | 8 |
| Statement of changes in equity | 9 |
| Statement of cash flows | 10 |
| Notes to the financial statements | 11 |
| Directors' declaration | 22 |
| Independent auditor's report to the members of Hume Community Housing Association Ltd | 23 |

General information

The financial statements cover Hume Community Housing Association Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Hume Community Housing Association Ltd's functional and presentation currency.

Hume Community Housing Association Ltd is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 September 2015.

**Hume Community Housing Association Ltd
Statement of profit or loss and other comprehensive income
As at 30 June 2015**

| | Note | 2015 \$ | 2014 \$ |
|----------------------------------------------------------------------------------------------------------------------------|------|-------------------|------------------|
| Revenue | 3 | 25,885,005 | 24,263,163 |
| Other income | 4 | 58,892,146 | 505,271 |
| Expenses | | | |
| Tenancy and property management expenses | 5 | (15,832,536) | (15,132,497) |
| Employee benefit expenses | 5 | (4,904,875) | (4,423,088) |
| Depreciation | | (187,353) | (177,249) |
| Finance costs | | (438,875) | (280,048) |
| Administration expenses | 5 | (2,328,839) | (1,884,218) |
| Surplus before income tax expense | | 61,084,673 | 2,871,334 |
| Income tax expense | | - | - |
| Surplus after income tax expense for the year attributable to the members of Hume Community Housing Association Ltd | | 61,084,673 | 2,871,334 |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year attributable to the members of Hume Community Housing Association Ltd | | <u>61,084,673</u> | <u>2,871,334</u> |

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

Hume Community Housing Association Ltd
Statement of financial position
As at 30 June 2015

| | Note | 2015 \$ | Restated 2014 \$ |
|--------------------------------|------|-------------------|------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 16,903,699 | 15,540,417 |
| Trade and other receivables | 7 | 2,143,976 | 2,047,829 |
| Other assets | 8 | 859,686 | 766,568 |
| Other financial assets | 9 | 961,746 | 961,746 |
| Total current assets | | <u>20,869,107</u> | <u>19,316,560</u> |
| Non-current assets | | | |
| Receivables | 10 | 1,344,124 | 1,344,124 |
| Plant and equipment | 11 | 301,652 | 393,905 |
| Investment properties | 12 | 60,010,608 | 3,785,301 |
| Other assets | 13 | 2,523,366 | 1,184,818 |
| Total non-current assets | | <u>64,179,750</u> | <u>6,708,148</u> |
| Total assets | | <u>85,048,857</u> | <u>26,024,708</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 14 | 4,071,779 | 6,125,180 |
| Borrowings | 15 | 24,975 | 24,975 |
| Employee benefits | 16 | 323,579 | 211,497 |
| Total current liabilities | | <u>4,420,333</u> | <u>6,361,652</u> |
| Non-current liabilities | | | |
| Employee benefits | 16 | 108,126 | 171,785 |
| Other | 17 | - | 55,546 |
| Total non-current liabilities | | <u>108,126</u> | <u>227,331</u> |
| Total liabilities | | <u>4,528,459</u> | <u>6,588,983</u> |
| Net assets | | <u>80,520,398</u> | <u>19,435,725</u> |
| Equity | | | |
| Retained surpluses | 18 | <u>80,520,398</u> | <u>19,435,725</u> |
| Total equity | | <u>80,520,398</u> | <u>19,435,725</u> |

Refer to note 25 for detailed information on restatement of comparatives.

Hume Community Housing Association Ltd
Statement of changes in equity
For the year ended 30 June 2015

| | Retained surpluses \$ | Total Equity \$ |
|-----------------------------------------------------|--------------------------------------|--------------------------------|
| Balance at 1 July 2013 | 16,485,508 | 16,485,508 |
| Surplus after income tax expense for the year | 2,871,334 | 2,871,334 |
| Other comprehensive income for the year, net of tax | - | - |
| Total comprehensive income for the year | <u>2,871,334</u> | <u>2,871,334</u> |
| Balance at 30 June 2014 | <u>19,435,725</u> | <u>19,435,725</u> |
| | Retained Surpluses \$ | Total Equity \$ |
| Balance at 1 July 2014 | 19,435,725 | 19,435,725 |
| Surplus after income tax expense for the year | 61,084,673 | 61,084,673 |
| Other comprehensive income for the year, net of tax | - | - |
| Total comprehensive income for the year | <u>61,084,673</u> | <u>61,084,673</u> |
| Balance at 30 June 2015 | <u>80,520,398</u> | <u>80,520,398</u> |

Hume Community Housing Association Ltd
Statement of cash flows
For the year ended 30 June 2015

| | Note | 2015 \$ | 2014 \$ |
|------------------------------------------------------------------|------|--------------------------|--------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 24,216,712 | 19,321,630 |
| Payments to suppliers (inclusive of GST) | | (25,574,498) | (23,054,474) |
| | | (1,357,786) | (3,732,844) |
| Grants received (inclusive of GST) | | 4,787,111 | 4,820,141 |
| Interest received | | 378,137 | 456,917 |
| Interest and other finance costs paid | | (438,874) | (280,048) |
| Net cash from operating activities | | <u>3,368,588</u> | <u>1,264,166</u> |
| Cash flows from investing activities | | | |
| Payments for investment properties | | (1,908,099) | (402,836) |
| Payments for plant and equipment | | (97,207) | (200,250) |
| Net cash used in investing activities | | <u>(2,005,306)</u> | <u>(603,086)</u> |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | - | 24,975 |
| Net cash from financing activities | | - | 24,975 |
| Net increase in cash and cash equivalents | | 1,363,282 | 686,055 |
| Cash and cash equivalents at the beginning of the financial year | | <u>15,540,417</u> | <u>14,854,362</u> |
| Cash and cash equivalents at the end of the financial year | 6 | <u><u>16,903,699</u></u> | <u><u>15,540,417</u></u> |

Hume Community Housing Association Ltd
Notes to the financial statements
30 June 2015

Note 1. 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, revised or amending Accounting Standards and Interpretations adopted

The registered entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The adoption of any new, revised or amending Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the registered entity.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Australian Charities and Not-for-profits Commission Act 2012*, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of investment properties.

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 the registered entity'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 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the registered entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Rental revenue

Rental income is recognised on a straight line basis over the term of the lease, except when an alternative basis is more representative of the pattern of services rendered through the provision of the leased premises.

Grant revenue and NRAS incentives

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Fee for service revenue

Income from fees received for services is recognised when the service is provided.

Interest income

Interest income is recognised as it accrues using the effective interest method.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Income tax

As the registered entity is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Hume Community Housing Association Ltd
Notes to the financial statements
30 June 2015

Note 1. Significant accounting policies (continued)

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 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 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.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Other assets

Payments made for deposits and costs for the development of investment properties are recognised as other assets when the payments have been made.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives using the following rates per annum:

| | |
|------------------------|-----------|
| Plant and equipment | 20% - 40% |
| Motor vehicles | 20% |
| Furniture and fittings | 20% |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the registered entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated entity. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

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.

Hume Community Housing Association Ltd
Notes to the financial statements
30 June 2015

Note 1. Significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the registered entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

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.

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.

BlueCHP Venture

The registered entity has made no further contributions during the year to BlueCHP. Contributions and all subsequent contributions to be made are approved by the Board as unsecured, sub-ordinated non-interest bearing long term loans to BlueCHP and are accordingly accounted in the financials.

Hume Community Housing Association Ltd
Notes to the financial statements
30 June 2015

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of useful lives of assets

The registered entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The registered entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the registered entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Hume Community Housing Association Ltd
Notes to the financial statements
30 June 2015

Note 3. Revenue

| | 2015 | 2014 |
|-------------------------|-------------------|-------------------|
| | \$ | \$ |
| Rental revenue | 19,689,354 | 17,814,563 |
| Grants | 4,195,117 | 4,381,946 |
| NRAS incentives | 1,351,550 | 1,185,879 |
| Fee for service revenue | 648,984 | 880,775 |
| | <u>25,885,005</u> | <u>24,263,163</u> |

Note 4. Other income

| | 2015 | 2014 |
|---------------------------|-------------------|----------------|
| | \$ | \$ |
| Interest income | 378,137 | 456,917 |
| Other income | 40,009 | 48,354 |
| Other grant income | 3,000,000 | - |
| Gain on vested properties | 55,474,000 | - |
| | <u>58,892,146</u> | <u>505,271</u> |

Gain on vested properties

A gain on vested properties of \$55,474,000 (2014: \$nil) were recognised by the registered entity during the financial year. This represents the market value of the Telopea properties acquired.

Other grant income

Grant income of \$3,000,000 (2014: \$nil) was recognised by the registered entity during the financial year in respect to the Telopea property acquisition. There are no unfulfilled conditions or other contingencies attaching to this grant.

Note 5. Expenses

| | 2015 | 2014 |
|---------------------------------------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Surplus before income tax includes the following specific expenses: | | |
| <i>Tenancy and property management expenses</i> | | |
| Rent expenses | 9,505,638 | 8,879,628 |
| Repairs and maintenance expenses | 3,177,796 | 3,278,725 |
| Council and water rates | 2,130,426 | 2,039,904 |
| Other property expenses | 1,018,676 | 934,240 |
| | <u>15,832,536</u> | <u>15,132,497</u> |
| <i>Employee benefits expenses</i> | | |
| Superannuation expenses | 391,642 | 336,441 |
| Salaries and wages expenses | 4,196,946 | 3,717,645 |
| Other employee benefits expenses | 316,287 | 369,002 |
| | <u>4,904,875</u> | <u>4,423,088</u> |
| <i>Administrative expenses</i> | | |
| Insurance expenses | 245,064 | 280,417 |
| Office expenses | 533,111 | 503,017 |
| Office rent | 202,060 | 187,275 |
| Audit fees | 44,400 | 10,103 |
| Other administrative expenses | 1,304,204 | 903,406 |
| | <u>2,328,839</u> | <u>1,884,218</u> |

**Hume Community Housing Association Ltd
Notes to the financial statements
30 June 2015**

Note 6. Current assets - cash and cash equivalents

| | 2015 \$ | 2014 \$ |
|-----------------|-------------------|-------------------|
| Cash on hand | 750 | 750 |
| Cash at bank | 5,419,590 | 1,618,734 |
| Cash on deposit | 11,483,359 | 13,920,933 |
| | <u>16,903,699</u> | <u>15,540,417</u> |

Note 7. Current assets - trade and other receivables

| | 2015 \$ | 2014 \$ |
|------------------------------|------------------|------------------|
| Trade debtors | 1,743,989 | 1,534,200 |
| Rental debtors | 435,987 | 549,629 |
| | <u>2,179,976</u> | <u>2,083,829</u> |
| Provision for doubtful debts | (36,000) | (36,000) |
| | <u>2,143,976</u> | <u>2,047,829</u> |

Note 8. Current assets – other assets

| | 2015 \$ | 2014 \$ |
|-------------|----------------|----------------|
| Prepayments | 859,686 | 766,568 |
| | <u>859,686</u> | <u>766,568</u> |

Note 9. Current assets – other financial assets

| | 2015 \$ | 2014 \$ |
|-----------------------------|----------------|----------------|
| Capitalised borrowing costs | 961,746 | 961,746 |
| | <u>961,746</u> | <u>961,746</u> |

Note 10. Non-current assets – receivables

| | 2015 \$ | 2014 \$ |
|--------------------------|------------------|------------------|
| Related party receivable | 1,344,124 | 1,344,124 |
| | <u>1,344,124</u> | <u>1,344,124</u> |

The above receivables are unsecured, non-interest bearing long term loans.

**Hume Community Housing Association Ltd
Notes to the financial statements
30 June 2015**

Note 11. Non-current assets - plant and equipment

| | 2015 \$ | 2014 \$ |
|----------------------------------|----------------|----------------|
| Plant and equipment - at cost | 663,824 | 703,125 |
| Less: Accumulated depreciation | (563,340) | (437,864) |
| | <u>100,484</u> | <u>265,261</u> |
| Furniture and fittings - at cost | 488,983 | 352,198 |
| Less: Accumulated depreciation | (351,260) | (306,318) |
| | <u>137,723</u> | <u>45,880</u> |
| Motor vehicles - at cost | - | 177,000 |
| Less: Accumulated depreciation | - | (157,681) |
| | <u>-</u> | <u>19,319</u> |
| Other assets - at cost | 63,445 | 63,445 |
| | <u>301,652</u> | <u>393,905</u> |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

| | Plant and equipment \$ | Furniture and fittings \$ | Motor vehicles \$ | Other assets \$ | Total \$ |
|-------------------------|------------------------------|---------------------------------|-------------------------|-----------------------|----------------|
| Balance at 1 July 2014 | 265,261 | 45,880 | 19,319 | 63,445 | 393,905 |
| Additions | 24,701 | 72,506 | - | - | 97,207 |
| Disposals | - | - | (2,107) | - | (2,107) |
| Reclassifications | (52,629) | 52,629 | - | - | - |
| Depreciation expense | (136,849) | (33,292) | (17,212) | - | (187,353) |
| Balance at 30 June 2015 | <u>100,484</u> | <u>137,723</u> | <u>-</u> | <u>63,445</u> | <u>301,652</u> |

Hume Community Housing Association Ltd
Notes to the financial statements
30 June 2015

Note 12. Non-current assets - investment properties

| | 2015 \$ | 2014 \$ |
|--------------------------------------------------|-------------------|------------------|
| Investment properties – at independent valuation | <u>60,010,608</u> | <u>3,785,301</u> |

Reconciliation

Reconciliation of the fair values at the beginning and the end of the year are set out below:

| | | |
|----------------------------------------------|--------------------------|-------------------------|
| Carrying amount at the beginning of the year | 3,785,301 | 3,382,465 |
| Additions and development costs | 55,211,307 | 402,836 |
| Revaluation increments/(decrements) | <u>1,014,000</u> | <u>-</u> |
| Carrying amount at the end of the year | <u><u>60,010,608</u></u> | <u><u>3,785,301</u></u> |

Valuations of investment property

The basis of the valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment. The investment properties are revalued when necessary based on independent assessments by a member of the Australian Property Institute.

Note 13. Non-current assets - other assets

| | 2015 \$ | 2014 \$ |
|------------------------------------|-------------------------|-------------------------|
| Rental deposits | 1,267,384 | 1,136,800 |
| Deposits for investment properties | 1,156,792 | - |
| Other security deposits | <u>99,190</u> | <u>48,018</u> |
| | <u><u>2,523,366</u></u> | <u><u>1,184,818</u></u> |

Note 14. Current liabilities - trade and other creditors

| | 2015 \$ | 2014 \$ |
|------------------------------|-------------------------|-------------------------|
| Trade creditors | 69,666 | 235,846 |
| Rents in advance | 489,449 | 466,784 |
| Grants in advance | 156,802 | 3,000,000 |
| Other creditors and accruals | <u>3,355,862</u> | <u>2,422,550</u> |
| | <u><u>4,071,779</u></u> | <u><u>6,125,180</u></u> |

Note 15. Current liabilities - borrowings

| | 2015 \$ | 2014 \$ |
|------------|----------------------|----------------------|
| Borrowings | <u>24,975</u> | <u>24,975</u> |
| | <u><u>24,975</u></u> | <u><u>24,975</u></u> |

Hume Community Housing Association Ltd
Notes to the financial statements
30 June 2015

Note 16. Employee benefits

| | 2015 \$ | 2014 \$ |
|-------------------------------------|-----------------------|-----------------------|
| Current | | |
| Provision for employee entitlements | 323,579 | 211,497 |
| Non-current | | |
| Provision for employee entitlements | <u>108,126</u> | <u>171,785</u> |
| | <u><u>431,705</u></u> | <u><u>383,282</u></u> |

Note 17. Non-current liabilities – other liabilities

| | 2015 \$ | 2014 \$ |
|---------------------------|-----------------|----------------------|
| Tenancy guarantee program | - | 40,313 |
| Social club provisions | <u>-</u> | <u>15,233</u> |
| | <u><u>-</u></u> | <u><u>55,546</u></u> |

Note 18. Equity – retained surpluses

| | 2015 \$ | 2014 \$ |
|-----------------------------------------------------|--------------------------|--------------------------|
| <i>Retained surpluses</i> | | |
| Retained surpluses at the beginning of the year | 19,435,725 | 16,845,508 |
| Surplus after income tax expense for the year | 61,084,673 | 2,871,334 |
| Other comprehensive income for the year, net of tax | <u>-</u> | <u>-</u> |
| | <u><u>80,520,673</u></u> | <u><u>19,435,725</u></u> |

Note 19. Fair value measurement

Fair value hierarchy

The following tables detail the registered entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|-----------------------|---------------|---------------|-------------------|-------------------|
| 30 June 2015 | | | | |
| <i>Assets</i> | | | | |
| Investment properties | - | - | 60,010,608 | 60,010,608 |
| Total assets | <u>-</u> | <u>-</u> | <u>60,010,608</u> | <u>60,010,608</u> |

| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|-----------------------|---------------|---------------|------------------|------------------|
| 30 June 2014 | | | | |
| <i>Assets</i> | | | | |
| Investment properties | - | - | 3,785,301 | 3,785,301 |
| Total assets | <u>-</u> | <u>-</u> | <u>3,785,301</u> | <u>3,785,301</u> |

Hume Community Housing Association Ltd
Notes to the financial statements
30 June 2015

Note 19. Fair value measurement (continued)

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 20. Directors disclosures

Compensation

The aggregate compensation made to directors of the registered entity is set out below:

| | 2015 \$ | 2014 \$ |
|------------------------|---------------|---------------|
| Aggregate compensation | <u>73,681</u> | <u>44,333</u> |

Note 21. Contingent liabilities

There is a security deposit guarantee of \$99,000 in respect of the Parramatta office.

The company has unrecognised capital commitments of \$1,912,500 at the reporting date for the final settlement of land purchase in relation to the Warwick Farm project, and \$6,595,200 for the final settlement of land purchase relating to the Bankstown project.

Note 22. Commitments

Lease commitments – operating

Committed at the reporting date but not recognised as liabilities, payable:

| | 2015 \$ | 2014 \$ |
|----------------------|----------------|----------------|
| Within one year | 140,369 | 184,107 |
| One to five years | 336,133 | 476,502 |
| More than five years | - | - |
| | <u>476,502</u> | <u>660,609</u> |

Hume Community Housing Association Ltd
Directors' declaration
30 June 2015

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Transactions with related parties

Under the agreement with BlueCHP, the amounts paid in respect of headleases, rent collection refunds and other property costs amounted to \$1,317,875 for the year ended 30 June 2015. The company also received \$31,427 from BlueCHP for reimbursement of maintenance services for these properties for the year ended 30 June 2015.

Receivable from and payable to related parties

As at 30 June 2015, the company held \$81,942 in prepaid headlease rent and \$37,745 of trade payables in respect to the BlueCHP arrangement.

Loans to/from related parties

As at the reporting date, there was a related party loan receivable from BlueCHP of \$1,344,124. The loan is non-interest bearing and has no fixed repayment date.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the registered entity's operations, the results of those operations, or the registered entity's state of affairs in future financial years.

Note 25. Restatement of comparatives

Reclassification error

An error was discovered in the registered entity's financial statements whereby a provision was recognised for which there was no present obligation at year end. The error resulted in the provisions and liabilities being overstated and the registered entity's reserves being understated. Extracts (being only those line items affected) are disclosed below.

| | Reported 2014 \$ | Adjustment 2014 \$ | Restated 2014 \$ |
|--------------------------------|------------------------|--------------------------|------------------------|
| Non-current liabilities | | | |
| Provisions | 1,704,893 | (1,704,893) | - |
| Total non-current liabilities | <u>1,932,224</u> | <u>(1,704,893)</u> | <u>227,331</u> |
| Total liabilities | <u>8,293,876</u> | <u>(1,704,893)</u> | <u>6,588,983</u> |
| Net assets | 17,730,832 | 1,704,893 | 19,435,725 |
| Retained surpluses | <u>17,730,832</u> | <u>1,704,893</u> | <u>19,435,725</u> |
| Total equity | <u>17,730,832</u> | <u>1,704,893</u> | <u>19,435,725</u> |

**Hume Community Housing Association Ltd
Directors' declaration
30 June 2015**

In the directors' opinion:

- the attached financial statements and notes comply with the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Regulation 2013* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the registered entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



Tony Conides
Director

15 September 2015
Sydney



Brian Lomas
Director

15 September 2015
Sydney



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INDEPENDENT AUDITOR'S REPORT

To the members of Hume Community Housing Association Ltd

Report on the Financial Report

We have audited the accompanying financial report of Hume Community Housing Association Ltd, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other 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 responsible entities declaration.

Responsible Entities' Responsibility for the Financial Report

The responsible entities 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 - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 about 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 of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the responsible entities' 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 registered entity'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.

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Opinion

In our opinion the financial report of Hume Community Housing Association Ltd 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 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

BDO East Coast Partnership



Tim Sydenham
Partner

Sydney, 15 September 2015

Our Partners

Hume collaborates with a variety of dedicated providers whose partnerships allow us to provide holistic services to our customers throughout the different stages of their life journey. We are proud to connect and maintain our relationships with such dynamic teams:

| | | |
|-----------------------------------------------|---------------------------------------------------------------------------------------------|-------------------------------------------------------|
| Parramatta City Council | MLC | Bankstown Mental Health |
| Evolve Housing | Stove Doctor | The Benevolent Society |
| Parramatta FACS | Sydney Locksmiths | Bobby Gold Smith |
| Western Sydney Local Health District | Blacktown Hot Water | Bonnie Women’s Support Services |
| Funding-Western Sydney Partners in Recovery | Shane – Cleaner | Upfront Consortium |
| Western Sydney Partners in Recovery-Went West | Sats | Cerebral Palsy |
| Royal Rehab | Westpoint First National Real Estate | Community First Step |
| TAFE | Century 21 Liverpool | DAMEC |
| Impact Group | LJ Hooker Fairfield – David | Deaf Society |
| Nasar Group | St Johns Park | Liverpool Youth Accommodation Assistance Company |
| Sirius Constructions | Ray White Liverpool | NEAMI |
| Jasara Constructions | Graffiti Removals | New Horizons |
| Mono Constructions | Macarthur Disability Services | Red Cross |
| Creative Planning Solutions PTY | Doorways for Men with Families – Uniting Care Burnside | South West Sydney Local Health District Mental Health |
| Brewster Murray Architects | South West Sydney Partners in Recovery | Uniting Care |
| Western Sydney Business Chamber | Catholic Care | Wayback |
| Federation of Housing NSW | St George Housing & New Leaf | Women’s Housing |
| Australand | Claymore Action Network | Doorways for Men & Families- Uniting Care Burnside |
| SR Construction | Department of Family and Community Services (FACS) – Housing and Land & Housing Corporation | Wesley Mission |
| Jacob Electrical | St Vincent de Paul Society NSW | Marist Youth Care |
| Steve the Handyman | Mission Australia | Youth Care Links Industries |
| Broluo | Claymore Action Network | Life Consultancy |
| Priority Fire | Argyle Community Housing | Max Solutions |
| Fresh Living | Infoexchange | Boystown |
| Target Solutions | | |
| Whitelion | | |

Hume is committed to working collaboratively and increasing social impact where there are tight resources, plenty of will and commitment to make an impact and aspirational lessons to be learnt from our customers and partners.

We thank you for your enhancement of our services.