



WORKING IN PARTNERSHIP

CEHL + CO-OPS

ANNUAL REPORT 2016/2017

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PURPOSE

CEHL is an enabler:

**We partner with member co-operatives
to deliver an effective, sustainable
co-operative housing program**

VISION

**Empowered people
Strong communities
Better housing solutions**





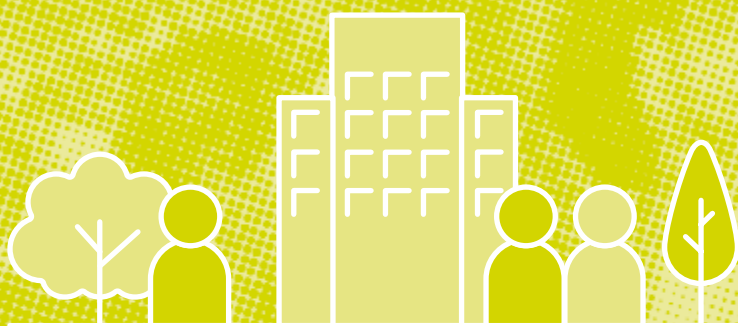
Australia's co-operative and mutual enterprise sector is strong and healthy. While the CME business sector remains poorly understood by the wider community, it is now being given greater recognition by state and federal governments which can only benefit the sector and Australian community more widely.



Melina Morrison, CEO, Business Council of Co-operatives and Mutuals
2016 National Mutual Economy Report

WHAT WE DO

Common Equity Housing Limited (CEHL) is Victoria's largest Housing Association. A provider and developer of affordable housing, CEHL partners with member co-operatives to deliver an effective, sustainable housing program that empowers people and builds strong communities.



WORKING IN PARTNERSHIP: CEHL AND CO-OPS

2016/2017 is the groundwork year for the 2020 Strategic Plan focused on embedding the Program Principles and laying the foundations to achieve empowered people, strong communities and better housing solutions.

Sadly, Australia’s housing system continues to fail increasing numbers of people. There has been sustained media attention about the plight of the housing challenges for people who are homeless, young people, older people and key workers, yet little serious government policy and funding commitments made which will address the scale of the problem.

The co-operative housing model offers a unique opportunity to address housing system failures, make best use of subsidy and enhance individual and community outcomes.

In Victoria, we welcome the initial steps the state government have taken to start addressing the housing crisis through the Homes for Victorians Initiative. Opportunities for CEHL to access any initiative under Homes for Victorians requires opting-in to the new Victorian Housing Register and allocating 75% vacancies in the Program to Priority Access applicants. At the time of writing this report, while CEHL supports the idea of one housing register for all public and community housing applicants, we have voiced our concerns to the government about the potential impact of the proposed allocations framework. CEHL is confident that we can engage with Program member co-operatives and the state government to find a workable solution.



KEY ACHIEVEMENTS

WORKING IN PARTNERSHIP WITH CO-OPERATIVES

- Extensive consultation to develop active membership program policy and implementation tools.
- The Future Directions Plans are helping create a shared understanding of the change co-ops want to achieve and feasibility for the Program, as well as resulting in more cost efficient management of properties.
- Improvement of information technology systems are enabling CEHL to better support co-ops by providing timely and accurate information.

THANK YOU

We acknowledge and thank;

- Co-op members for their active involvement in creating an empowering and effective Program.
- Our sector partners, working with us to deliver quality housing.
- CEHL employees for their commitment to their work, the Program, and in creating a supportive workplace culture and dedication to finding ways to better support our partnership with co-ops in delivering a sustainable co-operative housing program.
- Our fellow CEHL board members for monitoring and governing CEHL and the Program by providing expert input and leadership from their experience as either CEHL co-op members and/or their technical backgrounds.

Karren Walker
CEHL Chairperson

Stephen Nash
CEHL Managing Director

Melbourne, 27 September 2017

2016/2017 SNAPSHOT



4,880

Individuals housed during year



111

Co-ops



2,144

Properties



58 YEARS

Average age of members



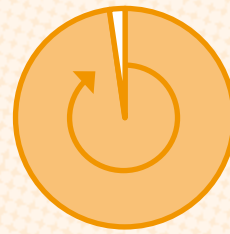
\$39,313

Average household income



65

CEHL employees

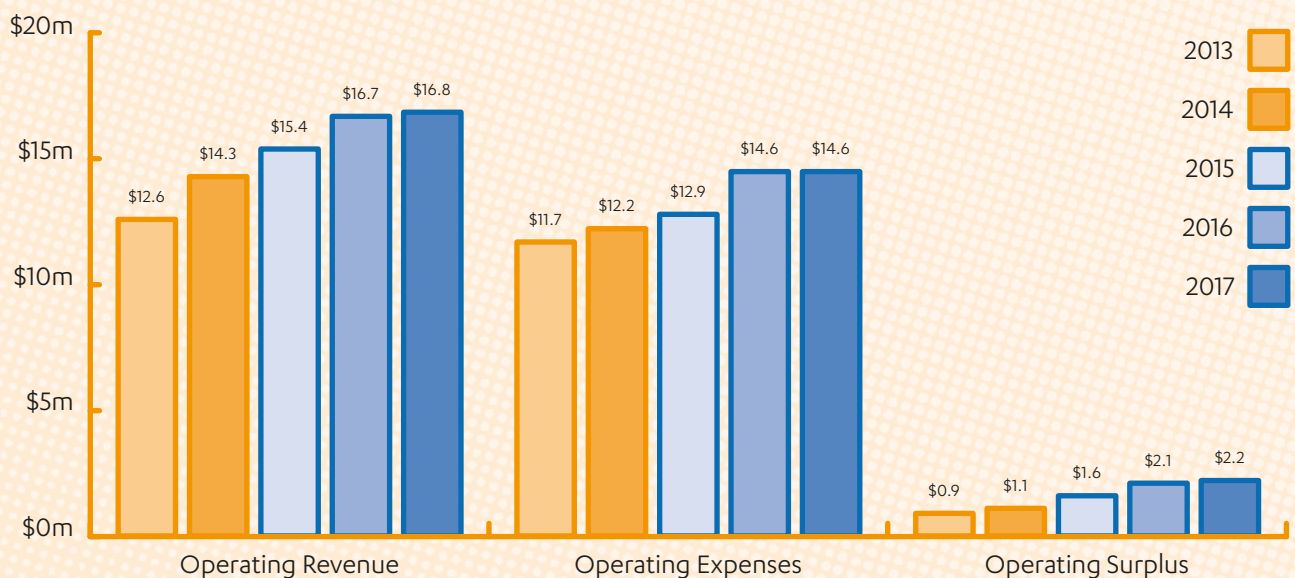


97.9%

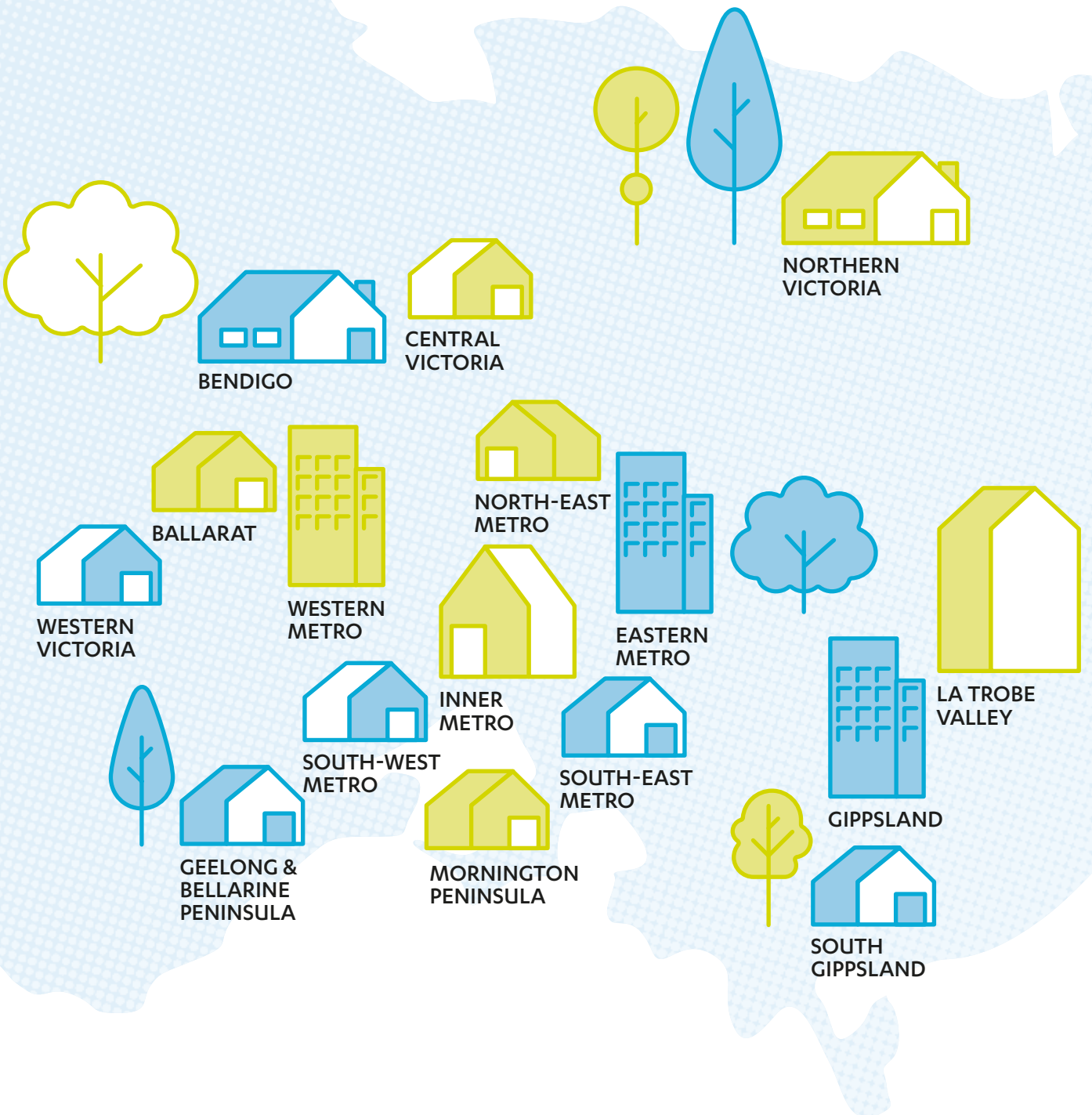
Occupancy rate

2016/2017 FINANCIAL OUTLINE

Asset value \$834m



111 CEHL CO-OPERATIVES IN VICTORIA



BALLARAT

Canadian Place CERC Ltd
 Futures CERC Ltd
 Serenity CERC Ltd
 Southern Cross CERC Ltd
 Southerners CERC Ltd
 Stockaders CERC Ltd
 Victory CERC Ltd

BENDIGO

Aegis CERC Ltd
 Central Victoria CERC Ltd
 Dragon City CERC Ltd
 Eyrie CERC Ltd
 Fountain CERC Ltd
 Ithaca CERC Ltd
 Rainbow Eight CERC Ltd
 Young Achievers CERC Ltd

CENTRAL VICTORIA

Forest Creek CERC Ltd
 Jacksons Creek CERC Ltd
 NWK CERC Ltd
 Pyrenees CERC Ltd
 Sun Valley CERC Ltd

EASTERN METRO

AFE CERC Ltd
 Castle CERC Ltd
 Diamond Valley/
 Whittlesea RHC
 Impact CERC Ltd
 Lakewood CMC
 LARC CERC Ltd
 Ranges CERC Ltd
 Sherbrooke CERC Ltd
 Start Polish CERC Ltd
 Victoria Polonez CERC Ltd

**GEELONG &
 BELLARINE
 PENINSULA**

Bayside CERC Ltd
 Bell Grove CERC Ltd
 Bellarine CERC Ltd
 Binders CERC Ltd
 Central City CERC Ltd
 Corio CERC Ltd
 Eastern View CERC Ltd
 Geelong West CERC Ltd
 Kakadu CERC Ltd
 Larrakeyah CERC Ltd
 Osborne CERC Ltd
 Phoenix CERC Ltd
 Riverland CERC Ltd
 Swan CERC Ltd
 Tee Pee CERC Ltd
 Veronica Village CMC
 Western Heights CERC Ltd
 Wilsons Road CMC

GIPPSLAND

Lakesdale CERC Ltd
 Mallacoota CERC Ltd
 Thomson River CERC Ltd
 Wirn Wirn Dook CERC Ltd

INNER METRO

Access CERC Ltd
 Carringbush CERC Ltd
 Earth CERC Ltd
 F.K.N. CERC Ltd
 Liberty CERC Ltd
 Merri CERC Ltd
 St Euphrasia's CERC Ltd
 St Joseph's CERC Ltd
 Stockbridge CERC Ltd
 Sun CERC Ltd

LA TROBE VALLEY

Maryvale CERC Ltd
 Morwell CERC Ltd
 NASA CERC Ltd
 Traralgon United CERC Ltd
 Valley CERC Ltd
 Warratraf CERC Ltd

**MORNINGTON
 PENINSULA**

Carinya CERC Ltd
 Dromana CERC Ltd
 Mangroves CERC Ltd

NORTH - EAST METRO

Nell Street CERC Ltd
 Wattletree CERC Ltd

NORTH - WEST METRO

Dwellers CERC Ltd
 Keilor CERC Ltd
 Northern Alliance RHC

NORTHERN VICTORIA

Fruit City CERC Ltd
 Glenworth CERC Ltd
 Goulburn Valley CERC Ltd
 KY CERC Ltd
 Linger Longer Country
 CERC Ltd
 Oasis City CERC Ltd
 Solar City CERC Ltd
 Sunraysia CERC Ltd

SOUTH - EAST METRO

As Salam CERC Ltd
 CERC 13 CERC Ltd
 Cranny CERC Ltd
 Dolphin CERC Ltd
 Endeavour CERC Ltd
 Entity CERC Ltd
 Herbert Street CMC
 Kavanagh Court CMC
 Opcola CERC Ltd
 Seagull CERC Ltd
 Tamil Senior Citizen
 CERC Ltd
 Ti Tree CERC Ltd

SOUTH - WEST METRO

Advance CERC Ltd
 Cut Paw Paw CERC Ltd
 MCISG CERC Ltd
 Werribee CERC Ltd
 Wyndham CERC Ltd

SOUTH GIPPSLAND

Tarra CERC Ltd
 Wonthaggi Pioneers
 CERC Ltd
 Woorayl CERC Ltd

WESTERN METRO

Colonials CERC Ltd
 Harmony CERC Ltd
 Satellite CERC Ltd
 Thoroughbreds CERC Ltd

WESTERN VICTORIA

Colac CERC Ltd
 Coladjin CERC Ltd
 South West CERC Ltd

CERC - Common Equity Rental Housing Co-operative
 CMC - Community Managed Co-operative
 RHC - Rental Housing Co-operative

STRATEGIC PLAN ACHIEVEMENTS 2016/2017

BUILDING ON OUR STRONG FOUNDATIONS



ENGAGING WITH CO-OPS TO EMBED A SUSTAINABLE PROGRAM FRAMEWORK



Enhancing co-op engagement

- Co-op engagement calendar created at request of co-ops to enable adequate planning and prioritisation of co-op business, with the aim of enhancing co-op involvement in Program activities.



Co-ops influencing policy

- The quarterly policy consultation cycle incorporates feedback from co-ops in the drafting of Program Policies prior to being tabled for the Board.
- Co-op engagement in the quarterly policy consultation cycle grew steadily over the year; which we will build on in the forthcoming year.



Participation consultation and Policy developed

Participation is a fundamental principle of co-operatives and of the CEHL Co-operative Housing Program. As well as providing personal benefits to individual members beyond safe and secure housing, active membership is vital to the ongoing viability of member co-operatives and to democratic decision-making within co-operatives and the Program.

- A need for a policy relating to participation emerged in order to balance the principles and laws that govern co-operatives and the Program. A seven month process was undertaken to develop a Participation policy.
- The Participation Policy Advisory Group (PPAG), appointed by the CEHL Board was established to develop recommendations for a Participation Policy to the CEHL Board. The Participation Policy will be tabled at the October 2017 Board Meeting.



Members influencing the Program

2017 Conference *Active Members, Thriving Co-ops, Influencing our Program* focused on participation and engagement. It provided an opportunity for a two-way conversation between co-ops and CEHL on a number of important Program topics, as well as an opportunity for individual co-ops to network and share ideas.

The opportunity to network and discuss key Program issues was well supported by the attendees.



370

Meetings attended by Co-op development co-ordinators



36

Regional forums



167

Co-op member training attendees



15

Program Policies approved by CEHL Board



Policy Process

1. Program policy drafted and published for consultation
2. Co-ops and members provide feedback on the draft policy
3. PAC representatives present at the regional forums
4. PAC reviews draft policy
5. CEHL board considers the policy recommendation



300+

Co-op members involved in Participation Policy development

Participation Policy Advisory Group reflected the diversity of the Program, in terms of representing different co-op models, geography, length of experience. The group was Chaired by an independent consultant.



- Victoria Thom (Synergy 2030)**, Chair
- Parameswaran Kanagasinga**, Herbert Street CMC
- Gayle Lawson-Verdon**, Woorayl CERC
- Jean McVilly**, Access CERC
- Therese Streets**, Diamond Valley CMC
- Christine Walker**, Phoenix CERC
- Giselle Wilkinson**, Earth CERC



98

Attendees representing 50 co-ops



Co-op members open space networking.



Co-op member giving feedback on how to improve engagement.

BUILDING ON OUR STRONG FOUNDATIONS



ENABLING STRONGER CO-OPS



Future Directions enabling co-ops and CEHL to work together more effectively

- Future Directions Project is evolving to be a standard planning process that enables co-ops to develop a long term strategy centred on people, property, finance and governance.
- Co-ops have helped CEHL to refine the templates and process through feedback from the pilot phases, CEHL and co-ops working together to establish a straightforward process.



Co-op Training

- CEHL renewed focus on training in response to feedback from members across the Program and through Program Principles consultation in the previous year.
- The Training Advisory Committee selected key topics that would be of most value to co-ops, they worked with CEHL to develop materials/workbooks to support the learning.



EMBEDDING ORGANISATIONAL EXCELLENCE



Upgraded IT systems enabling more efficient services to co-ops

CEHL upgraded information technology (IT) systems to combine essential business processes into one computer package – Greentree.



Improving financial reporting process

CEHL and co-ops are working together to find a more efficient and up-to-date bookkeeping software, to replace the current Circuit program.



Project management framework enhancing organisational excellence

A new Project Management framework will provide high quality process. With early consultation with stakeholders to ensure we are doing the right work, for the right reasons, and creating a shared understanding of the change we aim to achieve.



Delegation and decision framework endorsed

The CEHL Board endorsed the Delegations Framework outlining decision and approval authorities for CEHL operational matters, clarifying roles and responsibility of the CEHL Board and employees.



Business continuity and crisis management enhanced

CEHL emergency management, business continuity, IT disaster recovery and crisis management plans updated, giving enhanced protection and minimising impact from cyberattack and systems failure.



96

CERCS started Future Direction Planning

The Future Directions Plans (FDP) enable co-ops and CEHL to work together to achieve a strategic vision for the Program. FDP's are ten year plans, that inform regional and whole Program planning. Plans are reviewed every three years.



167

Attended Director's Roles and Responsibilities training



MYOB Greentree

Finances, tenancy management, co-op and property information are now integrated in one system that enables CEHL to provide more efficient services to co-ops and their members.



Further software testing will be undertaken in 2018.



Focusing on planning to enable more control of timeframes, budgets and resources.



Standardised processes and skill development to successfully navigate risks, issues and change.



Measuring the impact of our work to track achievement and create a process of continual improvement so we learn from our experiences.



delegating responsibility



enhanced protection



minimising impact

GROWING OUR POSITIVE IMPACT



HARNESSING OUR ASSET VALUE AND SUSTAINING GROWTH



Asset Management working smarter in partnership with co-ops

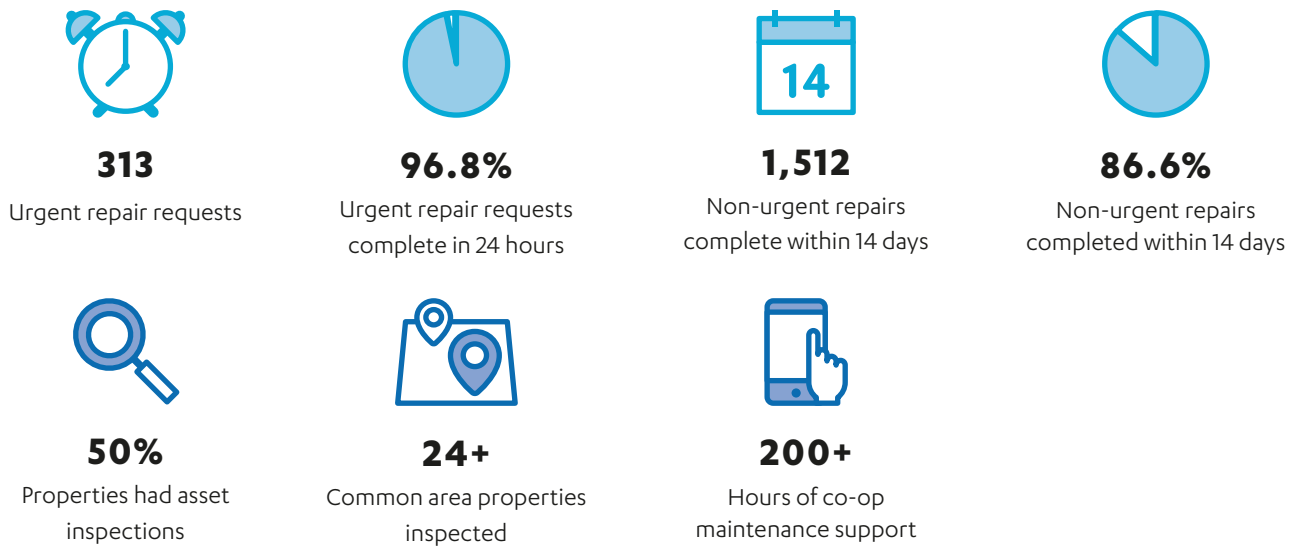
- Completed \$2.5million worth of major structural (third schedule) upgrades and renewal projects, works include; structural works, new kitchens, new bathrooms and general repairs.
- Work is increasingly informed by asset intents, determined through the co-op's Future Directions Plans, allowing more efficient and effective utilisation of resources for the Program.
- Working together with co-ops, making detailed condition reports on properties has enabled a more proactive planning of work and prevention of issues arising. Proactive planning has decreased the number of urgent and responsive work requests, working smarter and more cost effectively together with co-ops.
- The Asset Management Team are providing more support for co-op asset maintenance. Over 200 hours was spent providing direct maintenance support to co-ops in 2016/2017.



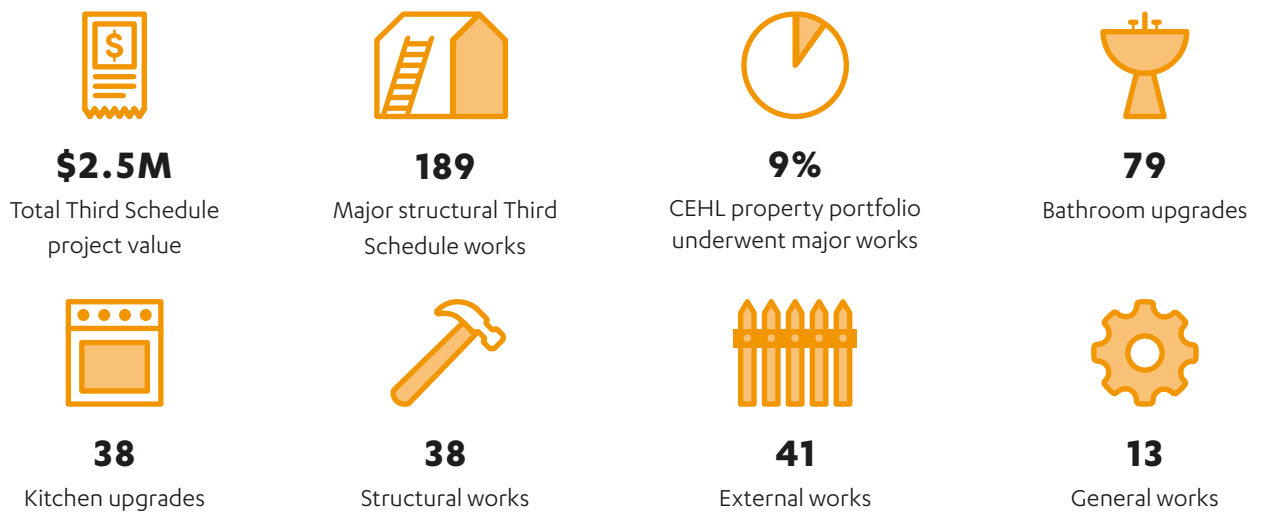
Real Estate Services leveraging asset opportunities

- Real Estate Services was established to deliver on Future Direction Plans, manage acquisitions and disposal of properties, and seek redevelopment and new property investment opportunities.
- The team will seek capital investment opportunities with the purpose of generating future subsidy to the Program, and leverage charitable status.

ASSET MANAGEMENT PERFORMANCE



THIRD SCHEDULE PROJECTS



GROWING OUR POSITIVE IMPACT



ADVANCING CO-OP VALUE



Embedding Program Principles

Embedding the Program Principles into standard understanding and practice across the Program, among co-ops and CEHL employees has been a focus for the year. In addition to progressing essential matters to advance the Program, such as participation and engagement.



Supporting emerging co-operatives

CEHL is a founding member of the Supporting Independent Living Co-operative (SILC) established in 2016, as a hub to support families to develop their own independent housing models under the National Disability Insurance Scheme (NDIS). Stephen Nash, Managing Director was the founding chair of SILC.

- SILC supports people with disabilities and their families to establish family-governed homes, giving choice and control over where they live, who they live with, and the people that support them.
- Co-operative structures offer an important model for housing and support.



DEMONSTRATING PROACTIVE LEADERSHIP IN HOUSING SOLUTIONS



Influencing housing sector and policy development

Affordable Housing Industry Advisory Group (AHIAG)

- CEHL led the establishment of the AHIAG, Nicola Foxworthy, Program Director is the current Chair. The AHIAG is an alliance of Victoria’s leading residential development and affordable housing peak bodies, private and not-for-profit development and financing organisations and reputable business advisors. The group aims to enable industry co-investment in a sustainable Victorian affordable housing system.
- To date, the AHIAG has contributed to a number of government initiatives including development planning mechanisms to support affordable housing delivery and the Inclusionary Housing Pilot and continues to provide advice on key initiatives.



CEHL co-op advocacy in government submissions

- CEHL actively advocates the benefits of co-operative housing as a solution to our current housing crisis. To support and influence key sector development and policy advocacy, the CEHL Managing Director sits on the board of National Business Council of Co-operatives and Mutuals (BCCM) and the Victorian peak body for Community Housing (Community Housing Industry Association).
- CEHL developed and contributed to submissions for government consultation regarding housing, singling out the benefits of co-operative housing;
 - Affordable Housing Working Group (Council of Federal Financial Relations)
 - Productivity Commission Reforms to Human Services: Issues Paper and Report

- | | |
|---|-----------------------|
| 1. Affordability and Financial Sustainability | 5. Participation |
| 2. Changing Needs | 6. Quality of Housing |
| 3. Member Support and Development | 7. Security |
| 4. Membership and Growth | 8. Working Together |



- Urban Development Institute of Australia (Victoria)
- Property Council of Australia (Victoria)
- Community Housing Industry Association Victoria
- Planning Institute of Victoria
- Common Equity Housing Limited
- Frasers Property Australia
- ISPT Grocon
- Port Phillip Housing Association
- Housing Choices Australia
- Haven: Home, Safe
- National Affordable Housing Consortium
- Charter Keck Cramer
- Community Sector Banking
- Bank Australia
- MGS Architects
- Tract Planning
- YWCA



BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS



Community Housing
INDUSTRY ASSOCIATION

GROWING OUR POSITIVE IMPACT



DEMONSTRATING PROACTIVE LEADERSHIP IN HOUSING SOLUTIONS



Victorian Housing Register

CEHL responded to the draft Allocations Framework of the Victorian Housing Register (VHR), a central register for application to public and community housing. The draft framework proposes housing organisations that opt-in to the register must allocate 75% of vacancies to Priority Access groups. CEHL in response highlighted the potential risks of imposing this requirement on co-ops and the CEHL Program.



Demonstrating positive outcome of housing co-ops

- CEHL co-ordinates with co-ops to host visits to co-op housing by politicians and other key stakeholders, who meet co-op members, to see and learn about the benefits of co-operative housing for themselves.
- CEHL is grateful to the ongoing support of these tours by Herbert Street Co-op in Dandenong and Earth Co-op at Murundaka in Heidelberg.
- The tours have opened opportunities to directly provide input into federal and state government housing policy, increasing the profile and support for co-operative housing.



Discussion concerning the terms of the VHR continue.



Michael Sukkar MP, Assistant Minister to the Treasurer (pictured left) touring Herbert St, Dandenong CMC with Herbert Street Directors Lynne Dempster and Ian Curwood.



Pictured top Herbert Street, Dandenong.
Pictured above Murundaka, Heidelberg.

MEMBER ACHIEVEMENTS

Lila Talarico is delighted to achieve a formal qualification and securing work in a field she excels at!

After some challenging years, mother of four, Lila is proud to have completed a Certificate IV in Accounting and landing a job with a local business. Lila’s four sons are equally proud of their mum.

“While Mum was studying we’d all go to the Watsonia Library to study together. She did a great job running the house, looking after us and getting her certificate.” Shared Lila’s sons Harry, Sammy, Terry and Billy.

Lila discovered a natural aptitude for bookkeeping as a teenager when she studied at Stott’s Business College, putting those skills to use as Treasurer of Diamond Valley/Whittlesea Rental Housing Co-op. Being Treasurer gave Lila the experience and confidence she needed to pursue an accounting career, and the CEHL Education Scholarship helped her achieve the formal training she needed.

Lila said “Getting the scholarship and completing the accounting course has got me employment and back on my feet.”



Lila Talarico, Diamond Valley/Whittlesea Rental Housing Co-op.

CEHL SCHOLARSHIPS

To support the educational development of members, CEHL provides a \$2,000 Scholarship for up to nine people in our Program who are enrolled in, or wish to enter further education.

			Certificate	
2017 CEHL EDUCATION SCHOLARSHIP RECIPIENTS	Kendall Billington	Satellite CERC	Certificate IV Beauty Therapy	
	Lila Talarico	Diamond Valley CERC	Certificate IV Accounting	
	Madison Williams	Solar City CERC	Certificate IV Education Support	
				Diploma
	Sheen Coughlan	Ithaca CERC	Diploma Community Services/Mental Health	
	Danielle	CERC	Diploma Community Services	
				Undergraduate
	Lesley Cooper	Canadian Place CERC	Bachelor of Arts and Management	
	Mark Morris	Endeavour CERC	Bachelor of Business and Commerce (Accountancy)	
				Postgraduate
Mark Wiley	Phoenix CERC	Postgraduate Certificate in Palliative Care		

HONOUR BOARD

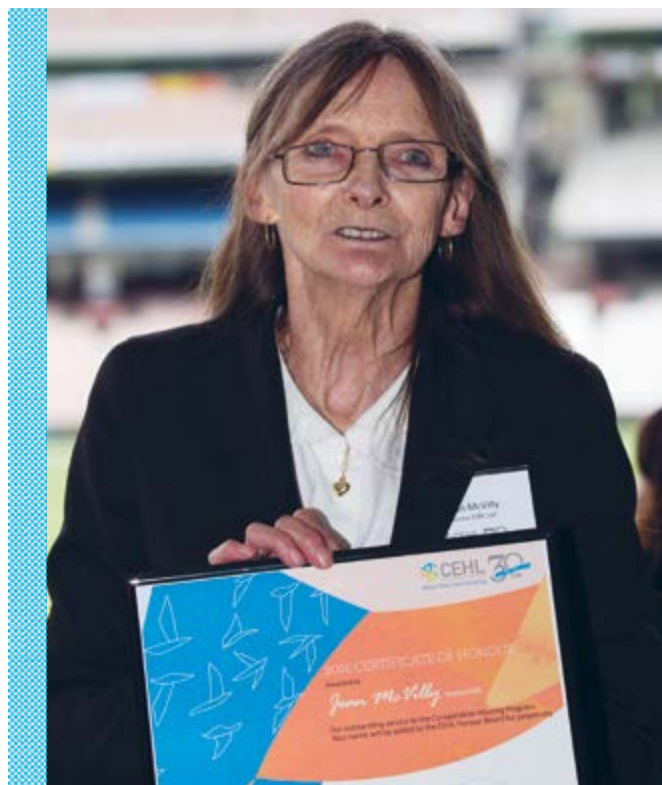
Since 2008 the CEHL Board has honoured members who have made an outstanding contribution to the Co-operative Program and commitment to Co-operative Principles.

To be among the distinguished group, the nominees must have been:

- a member of a CEHL Co-op for a minimum of five years
- made an outstanding contribution to the wider CEHL Program beyond their own co-op; usually this is demonstrated by contributions to other co-ops, involvement in regional associations and forums, membership of CEHL committees or the CEHL Board itself.

Any co-op member nominated should feel immensely proud their work and contribution.

In 2016 Jean McVilly was added to the Honour Board. Jean has been a member of Access CERC for twenty five years and has held a number of director roles during that time. She was a member of the CEHL Rent Review Working Party in 2007, a PAC member for eight years and a Director of the CEHL Board for four years.



HONOUR BOARD RECIPIENTS

	Name	Co-op	Year
CO-OP HONOUR BOARD	Jean McVilly	Access	2016
	Rhonda Jaruga	Southerners	2015
	Iain Walker	Earth	2014
	Ron Howell	Bayside	2014
	Jenny Makar	Thomson River	2012
	Pat Finegan	Ithaca	2011
	Sandra Silvey	Southerners	2011
	Marg Craigie	Eastern View	2010
	Charles Barry	Tee Pee	2009
	Carol Fountain	Opocola	2009
	Millie Connelly	Keilor	2008
	Val Date	Carinya	2008
Trish Britten	Goulburn Valley	2008	

ADVANCING GENDER EQUALITY: THE CO-OPERATIVE WAY

The co-operative movement has a long history of empowering women. Women had an equal vote in co-operative leadership decades before they could vote for parliament. In 1846 Eliza Brierley became the first woman member of the Rochdale Pioneers Equitable Co-operative. At a time when women were still the property of their father or husband*, and decades before women got the vote, Eliza handed over her one pound to have equal voting status in the co-operative.

While much progress has been made in gender equity, compared to men, women continue to earn less, are more likely to partake in unpaid labour, and are more often excluded from decent work and opportunities for advancement.¹



Reducing gender gaps would significantly benefit women, society and the economy.

International Labour Organization Report that looks into employment and social outlook trends for women around the world.



The Business Council of Co-operatives and Mutuals in conjunction with Per Capita are undertaking Eliza's Project to address issues around gender diversity and inclusion in the Co-operatives and Mutuals sector (CME), and to develop a strategy for leadership on this issue.

CEHL supports gender equality, which is positively reflected in the gender diversity in the organisation and in co-operatives.

CEHL is well positioned to provide leadership on this issue.



Factors of inequality of employment and wages contribute significantly to the housing outcomes for women in single headed households in metro Melbourne.

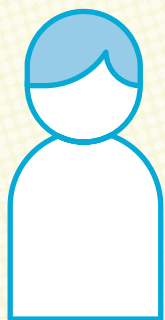
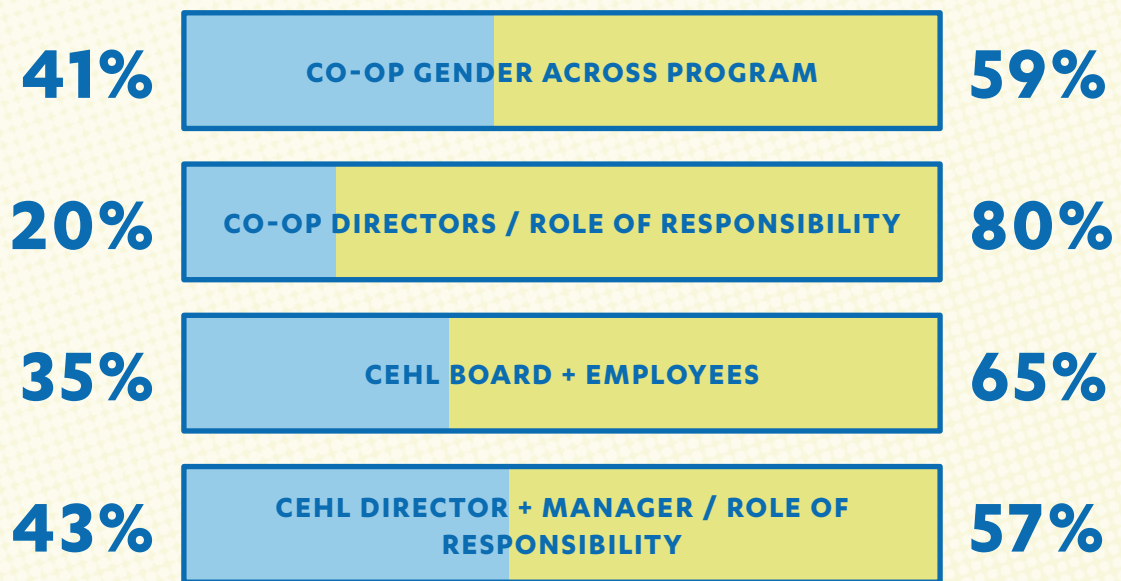
Only 2 in every 100 properties are affordable for a mum on a single parenting payment and a single woman on minimum wage can only afford 3 out of every 100 private rental properties.²

CEHL acknowledges BCCM and Per Capita for providing information regarding Rochdale Pioneers and Eliza's Project.



* In some countries this is still the case.
1 Guideline Advancing gender equality: The co-operative way; page 3, International Labour Organization 2015.
2 Statistics provided by Women's Property Initiative and DHHS Rental Report June quarter 2017, State Government Victoria.

GENDER BREAKDOWN



MALE



FEMALE

30 YEAR'S OF OUR CO-OPERATIVE HOUSING PROGRAM

At the 30 Year Celebration in November 2016 co-op members were asked to sum up their decade, captioned here under each photo. Relive the 30 Year celebration by watching stories from members www.cehl.com.au/video



BEFORE 1980's Trailblazers



1990's Security – Family – Empowerment



2000-2010 Resilience



2010 Community – Security – Harmony





CEHL employees worked together, to make two blankets to be given to co-op members, in appreciation and acknowledgment of their contribution to the Co-op Housing Program.



HOW WE WORK

CEHL is a not-for-profit company limited by shares under the Corporations Act 2001. A Registered Housing Association, CEHL leverages private finance of its asset base and seeks partnerships and funding to undertake property development. As a Registered Housing Association, CEHL complies with the performance standards under the National Community Housing Standards administered by the Victorian Housing Registrar. Each year CEHL submits compliance reports relating to the management of tenancies, assets, financial viability, community engagement and governance.

CEHL’s primary purpose is to provide affordable co-operative housing.

Projects are delivered where there is a clear contribution to CEHL’s strategic direction. CEHL’s constitution and strategic plan are available online at www.cehl.com.au

CEHL Team



OUR STAKEHOLDERS

PROGRAM SHAREHOLDERS

- Member Co-operatives

OTHER STAKEHOLDERS

- VicWide tenants
- Co-op members
- Northcote Rental Housing Co-operative

PARTNERS

- Barwon Health
- Business Council of Co-operatives and Mutuals
- Catholic Homes
- Community Housing Ltd
- Doutta Galla Aged Services
- Digital Storytellers
- EACH Social and Community Health
- ERMHA
- Harlea Properties (CEHL manages NRAS on their behalf)
- Haven Home Safe
- Summer Foundation
- RIPL / Traffic Accident Commission
- Urban Choices
- Volunteering Geelong

PROFESSIONAL MEMBERSHIPS

- Business Council of Co-operatives and Mutuals (BCCM)
- Community Housing Industry Association (CHIA) Vic
- Community Housing Federation of Victoria (CHFV)
- Urban Development Institute of Australia (UDIA)

FINANCIAL STAKEHOLDERS

- Bank Australia
- NAB
- Westpac

GOVERNMENT

- Australian Federal Government (Department of Social Services)
- Housing Registrar
- Consumer Affairs Victoria (Victorian Property Fund)
- Victorian State Government

CEHL PROFESSIONAL AFFILIATION / SPONSOR

- Affordable Housing Industry Advisory Group (AHIAG)
- Business Council of Co-operatives and Mutuals (BCCM)
- Community Housing Federation of Victoria (CHFV)
- Community Housing Industry Association (CHIA) Vic
- Supported Independent Living Co-operative (SILC)

GOVERNANCE

CEHL is governed by a Board of eleven Directors. Committees made up of Board members and independent experts have the responsibility to progress strategic initiatives, in Property, Finance and Risk and People Culture and Governance. The Board is made up of:

- Five Co-op Directors elected at the AGM for a two year term by the co-operative shareholders.
- Five Technical Directors are appointed by the Board for a two year term based on their expertise according to the skills identified to meet our strategic challenges in areas such as; Law, Finance, Real Estate, Social Housing or relevant disciplines.
- The Managing Director is appointed by the Board and is the eleventh position on the Board.

ABOUT THE CEHL BOARD

The Board of CEHL operates on a governance model where it is responsible for the strategic management and the overall financial performance of the Company.

On issues of strategic significance, the Board instructs CEHL to appoint an Advisory Group to consult with co-op members.

OUR BOARD MEMBERS ARE:



Karren Walker
Chairperson and CERC Director
Qualifications B. Ed. (Sec), Grad. Dip. App. Phil., Grad. Cert. Housing Mgmt. Pol.
Experience Karren has been a CERC member since 1989 and was elected Director of CEHL in November 2005 and to Chair in November 2009.



Fiona Herman
CERC Director
Qualifications B. Health (Nursing), Master of Health and Human Services Management (ongoing).
Experience Fiona has been an active Member and Director of Endeavour CERC for 15 years and a CEHL Director since 2013.
Committee Chair of the Policy Advisory Committee.



Heidi Lee
CERC Director
Qualifications MA Architecture (Research) Bachelor of Arts (Architecture) (Hons).
Experience Heidi has been a member of Earth CERC since 2011 and elected to the Board at the AGM on 28th November 2015.
Committee Member of Property Committee.



Sylwia Greda Bogusz
CERC Director
Qualifications Adv. Dip. App. Sc., Dip. Text. Tech. Eng., CText. Tech. ITI., B. Ed. (Management), Master Ed. St.-Psych. PhD.
Experience Sylwia has been a Castle CERC member since 2013 and was elected to the Board at the AGM 26 November 2016. Sylwia was a member of the Australian Multicultural Advisory Council (2008-2011), Department of Human Services VIC Multicultural Advisory Committee Member and Deputy Chair, Australian Multicultural Centre for Women's Health.
Appointed 26 November 2016.
Committee Member of Policy Advisory Committee.



David Spenceley
CERC Director
Experience David has been a member of Futures CERC for 12 years. During this time he has held positions as Chair, Treasurer and Rents Officer.
Committee Member of Finance and Risk Committee.



Rhonda Wilson
CERC Director
Experience Rhonda was elected a Director of CEHL in November 2000.
Retired 26 November 2016.

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

Independent Board Committee members

Pallavi Khanna, Associate Director, Assurance & Advisory Services, ShineWing Australia is a member of the CEHL Finance and Risk Committee. Ed David, Director, David Property Consulting Pty Ltd is member of the CEHL Property Committee.

TECHNICAL DIRECTORS



Joel Chibert

Technical Director

Qualifications B. Comm., Member CAANZ and AICD.

Experience Joel is the Director, Research and Revenue Accounting Services for Monash University. Prior to joining Monash University he was a Chartered Accountant with Pitcher Partners.

Committee Chair of Finance and Risk Committee.



Stephen Copland

Technical Director

Qualifications BRTP.

Experience Steve is a highly experienced property developer, with a background at the Ministry of Housing, Urban Land Authority, Stockland and for the last 11 years at National Pacific Properties. Steve was also on the UDIA (Victoria) Board for 13 years (including 2 years as President).

Committee Chair of the Property Committee.



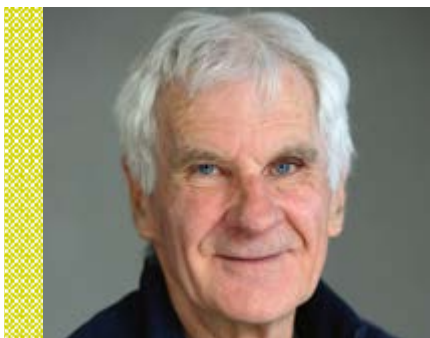
Tony De Domenico

Technical Director

Qualifications FAIM, MAICD, APRIA.

Experience Tony has been a board member since February 2013. Tony is the Deputy Chair of Development Victoria, he is also the Chair of the Australian Housing and Urban research Institute (AHURI).

Committee Chair of the People, Culture and Governance Committee.



David Williams

Technical Director

Qualifications B. Comm., B. Ed. (Melbourne University), Dip. Bus. (RMIT), FCPA.

Experience David is a Director at Williams, Dodd & Associates Pty Ltd.

Committee Member of People, Culture and Governance Committee.



Brodie Woodland

Technical Director

Qualifications MA. Public Administration, B. Law (LLB) (Hons), Member AICD.

Experience Brodie is a lawyer and governance adviser who has worked extensively in state government.

Committee Member of People Culture and Governance Committee.



Stephen Nash

CEHL Managing Director

Qualifications M. App. Sc. (Innovation and Service Management), Grad. Cert. (Housing Management and Policy), Ass. Dip. (Welfare Studies).

Experience Stephen was appointed Managing Director in November 2013. He has worked in senior management roles in the Community Housing sector for over 25 years.

Committees Member of Finance and Risk, People Culture and Governance and Property Committees.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

DIRECTOR'S REPORT

30 JUNE 2017

Director's report from financial reports

PRINCIPAL ACTIVITIES, OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

PRINCIPAL ACTIVITIES

The principal activity of Common Equity Housing Limited during the financial year was the management of residential properties leased to Housing Cooperatives, the management of the Cooperative Housing Program and the development of properties for the Cooperative Housing Program.

No significant changes in the nature of the Company's activity occurred during the financial year.

OPERATING RESULTS

The operating surplus of the Company amounted to \$2,503,230 (2016 \$ 3,271,795). The surplus after property portfolio transactions and fair value adjustments was \$67,333,406 (2016: \$ 28,154,334).

REVIEW OF OPERATIONS

A review of the operations of the Company during the financial year is contained in the annual Director's report.

OTHER ITEMS

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during the year.

MATTERS OR CIRCUMSTANCES ARISING AFTER THE END OF THE YEAR

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

FUTURE DEVELOPMENTS AND RESULTS

The company expects to maintain the present status and level of operations.

COMPANY SECRETARY

The company secretaries are Bradley Hosking and Timothy Dart.

	2017 (\$)	2016 (\$)
Operating Surplus	2,267,230	2,051,795
Capital Grants	236,000	1,220,000
Surplus from operations	2,503,230	3,271,795
Fair value adjustment	58,620,712	26,220,896
Other adjustments	6,209,464	(1,338,357)
Surplus for the year	67,333,406	28,154,334

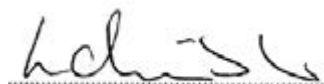
AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2017 has been received.

Signed in accordance with a resolution of the Board of Directors:



Stephen Nash
Director



Joel Chibert
Director

Melbourne, 27 September 2017

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	2017 (\$)	2016 (\$)
Revenue & other income	17,082,378	17,942,258
Occupancy costs	(33,604)	(63,636)
Administrative expenses	(6,786,436)	(7,128,296)
Depreciation and amortisation expense	(304,394)	(362,858)
Property expenses	(5,288,922)	(4,206,262)
Finance costs	(2,165,792)	(2,909,411)
Surplus from operations	2,503,230	3,271,795
Gain on disposal of assets	1,818,867	56,491
Investment property (Fair value model)	58,620,712	26,220,896
Grant amortisation	247,853	247,853
Fair value adjustment to hedge	4,142,744	(1,642,701)
Surplus for the year	67,333,406	28,154,334
Other comprehensive income:		
Total comprehensive income for the year	67,333,406	28,154,334

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2017

	2017 (\$)	2016 (\$)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4,872,198	712,260
Trade and other receivables	1,892,678	5,204,351
Other assets prepayments	138,866	212,546
TOTAL CURRENT ASSETS	6,903,742	6,129,157
NONCURRENT ASSETS		
Financial assets	2,430,366	1,661,941
Property, plant and equipment	6,951,894	7,060,116
Investment properties	817,375,220	772,473,904
Intangible assets	851,340	183,252
TOTAL NONCURRENT ASSETS	827,608,820	781,379,213
TOTAL ASSETS	834,512,562	787,508,370
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	4,704,320	6,369,664
Financial Liabilities	33,235,410	49,289,883
Employee benefits	527,348	643,929
TOTAL CURRENT LIABILITIES	38,467,078	56,303,476
NONCURRENT LIABILITIES		
Financial Liabilities	36,718,592	40,277,169
Employee benefits	128,755	142,003
TOTAL NONCURRENT LIABILITIES	36,847,347	40,419,172
TOTAL LIABILITIES	75,314,425	96,722,648
NET ASSETS	759,198,137	690,785,722
EQUITY		
Issued capital	123	123
Reserves	551,046,323	549,967,314
Retained earnings	208,151,691	140,818,285
	759,198,137	690,785,722
TOTAL EQUITY	759,198,137	690,785,722

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Issued Shares \$	Retained Earnings \$	Cash Flow Hedges \$	General Reserve \$	Total \$
2017					
Balance at 1 July 2016	123	140,818,285	(3,310,724)	553,278,038	690,785,722
Surplus attributable to members	-	67,333,406	-	-	67,333,406
Transfers to / from retained earnings	-	-	4,142,744	(3,063,735)	1,079,009
Balance at 30 June 2017	123	208,151,691	832,020	550,214,303	759,198,137
2016					
Balance at 1 July 2015	123	112,700,265	(1,668,021)	551,599,021	662,631,388
Surplus attributable to members	-	28,154,334	-	-	28,154,334
Transfers to / from retained earnings	-	(36,314)	(1,642,703)	1,679,017	-
Balance at 30 June 2016	123	140,818,285	(3,310,724)	553,278,038	690,785,722

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 (\$)	2016 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from rental income and grants		22,311,474	19,204,123
Payments to suppliers and employees		(15,932,451)	(12,357,163)
Interest received		110,893	54,491
Interest paid		(2,092,112)	(2,828,531)
Net cash provided by (used in) operating activities		4,397,804	4,072,920
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		124,085	27,977
Proceeds from sale of investment properties		25,940,627	4,972,925
Proceeds from sale of financial assets		210,307	-
Payments for property, plant and equipment and intangible assets		(944,020)	(284,581)
Payment for rental properties and projects		(6,450,657)	(14,242,720)
Net cash used by investing activities		18,880,342	(9,526,399)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds (repayment) of borrowings		(19,118,208)	747,384
Net cash used by financing activities		(19,118,208)	747,384
Net increase (decrease) in cash and cash equivalents held		4,159,938	(4,706,095)
Cash and cash equivalents at beginning of year		712,260	5,418,355
Cash and cash equivalents at end of financial year		4,872,198	712,260

DIRECTOR'S DECLARATION


The directors of the Company declare that:

1. The financial statements and notes for the year ended 30 June 2017 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position and performance of the Company;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Stephen Nash
Director

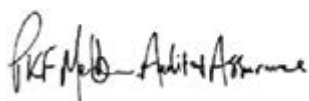


Joel Chibert
Director

Melbourne, 27 September 2017

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF COMMON EQUITY HOUSING LIMITED

In accordance with section 307C of the *Corporations Act 2001*, in relation to our audit of the financial report of Common Equity Housing Limited for the financial year ended 30 June 2017 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



PKF Melbourne Audit & Assurance Pty Ltd



Steven Bradby
Director

Melbourne, 27 September 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMON EQUITY HOUSING LIMITED

OPINION

We have audited the accompanying financial report of Common Equity Housing Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of surplus or deficit and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

In our opinion, the financial report is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the financial position of the Company as at 30 June 2017 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

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

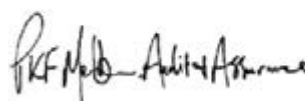
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



PKF Melbourne Audit & Assurance Pty Ltd



Steven Bradby
Director

Melbourne, 27 September 2017



Level 1, 112 Balmain Street Richmond VIC 3121

Phone 9208 0800

Free call 1800 353 669

Fax 9429 1799

Free fax 1800 635 936

info@cehl.com.au

www.cehl.com.au

ACKNOWLEDGEMENTS

We respectfully acknowledge the traditional owners of the land we work on and the land where our housing co-operatives are located and pay our respects to their elders and community members, past and present.

CEHL aims to represent and reflect the full social and cultural diversity of the Victorian community and welcomes diversity within our employee team and amongst our members.

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