

shining a light on a



CO-OP LED PROGRAM





At the CEHL Conference  
Achieving a Co-op  
Led Program

Kaz (Earth Co-op),  
David (Futures Co-op),  
Munil (Endeavour Co-op),  
Wudad (Endeavour Co-op)

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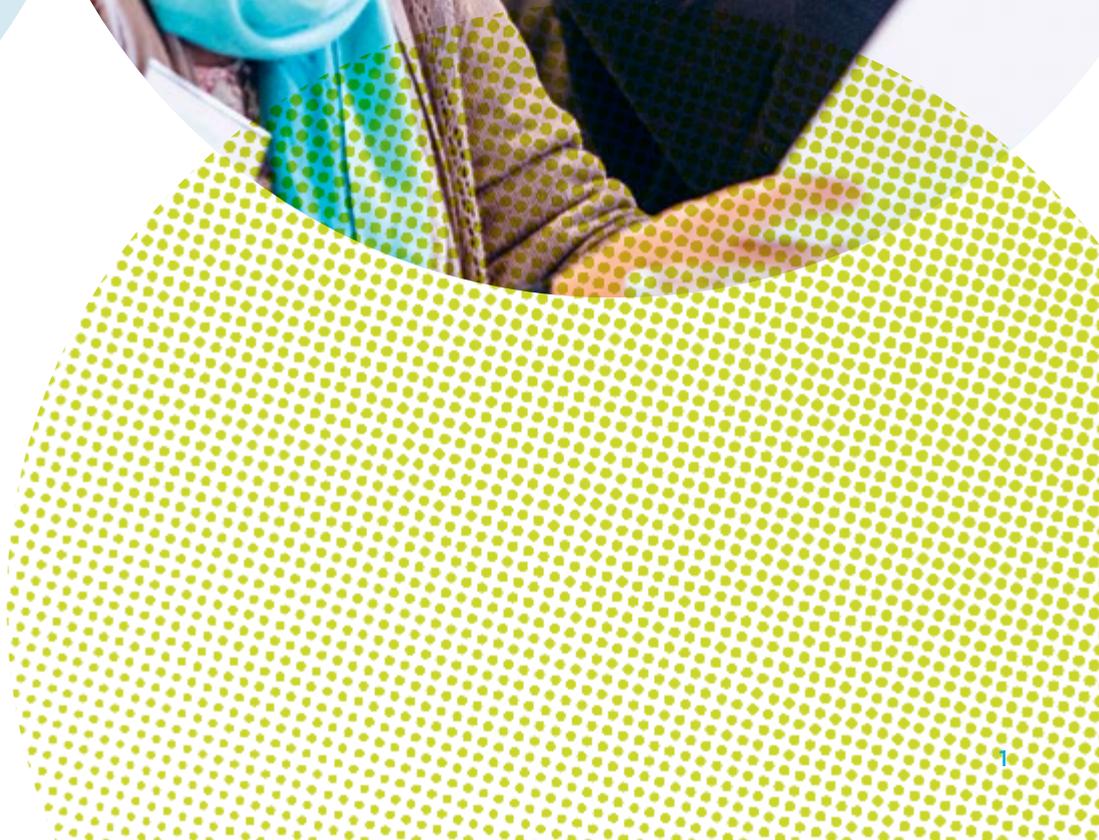
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## PURPOSE

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

# WHAT WE DO

CEHL is a leading registered Housing Association. A provider and developer of affordable housing.

## OUR HOUSING PROGRAM

Our Housing Program is an alternative to private rental or home ownership. The Program enables people to work together to meet their housing needs.

## OUR PROJECTS

Our building and asset renewal projects respond to the needs of members of our housing program, improving our housing stock and creating a strategic financial advantage.



# CHAIR AND MANAGING DIRECTOR'S MESSAGE

## ACHIEVING A CO-OP LED PROGRAM

We've made strong progress in the past year, together with our partner co-operatives. The clear-cut focus of the Board in 2017/2018 has been on increasing opportunities for co-op involvement in Program direction. More co-ops have been deeply involved in key Program discussions around co-op engagement and reviewing the way rent is calculated in the Program.

Providing co-ops quality information on current issues and future options has been enhanced by our new integrated information management systems and data analysis capability, enabling member co-ops to make informed decisions about program direction.

There is still more work to do to ensure that we fully understand what member co-ops require to be actively influencing program direction, work is underway with the Engagement Review.

We are committed to partnering with our member co-ops in achieving a Co-op Led Program and keen to work with co-ops to find the most effective ways to accomplish this.

## ACTIVE PROMOTION OF CO-OPERATIVE HOUSING

Both 2018 State and Federal budgets committed no new funding to tackle Victoria's worsening housing and homelessness crisis. Since our last annual report, much work has been done by the State Government in seeking to implement the *Homes for Victorians* initiatives, although growth funds are yet to be released. The Board continues to work on understanding what a move to the Victorian Housing Register would mean for the Program.

Our data analysis and modelling capability has been helpful in demonstrating to government the implications of targeting more people with higher needs in our Program (and more broadly in community housing) under existing funding models.

The Board are steering CEHL to be more proactive in promotion of co-operative housing models. With our peer co-op programs interstate, we have initiated further research on the benefits and personal outcomes of co-operative housing. We continue to support relevant research and work with our state and national peak bodies to advocate the need to address our housing crisis and the benefits of doing so through co-operative housing.



## KEY ACHIEVEMENTS



### PROGRAM

- Establishment of Rent Model Advisory Group with panel of co-op members independent chair and independent advisor
- Conference to engage co-op members on key issues
- Comprehensive Program Policy review and new policy development
- Refreshed training for co-op members and office-bearers



### PROPERTY

- New Asset Management Strategy focused on ensuring the property portfolio meets members changing and long-term housing needs
- Significant increase in the property maintenance budget and delivery of property upgrades
- Progressing regional consolidation of Future Direction Plans to better inform joint asset planning
- Real Estate Services function created to focus on partnerships with developers to recycle assets at the end of their life and grow the program. This small team replaces the previous Property Development team.



### ADVOCACY

- CEHL continues to Chair the Affordable Housing Industry Advisory Group, (AHIAG), advising government on planning mechanisms that support affordable housing
- Worked with Housing Associations to advocate impact on viability of state government proposals that we house more people with high needs



### ORGANISATIONAL DEVELOPMENT

- New information management and recruitment of data analysis skills implemented, enhancing our efficiency and data capacity
- New website enabling easier navigation for stakeholders
- Vehicle fleet reduction and reduced carbon impact



### THANK YOU

We acknowledge and thank;

- Co-op members for their work running their co-op, supporting each other and contributing to the CEHL Housing Program
- Employees at CEHL for their ongoing commitment to co-operative housing and to creating a positive workplace culture
- Fellow CEHL Board members for governance leadership
- Independent board committee members Ed David and Pallavi Khanna for their expertise and input

Karren Walker  
CEHL Chairperson

Stephen Nash  
CEHL Managing Director

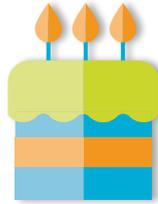
Melbourne, 26 September 2018

# 2017/2018 SNAPSHOT



**4,279**

Individuals housed  
during year



**57**

Average age  
of members



**\$783**

Average weekly  
household income



**2,174**

Properties

We've made strong  
progress in the past year,  
together with our partner  
co-operatives.

Stephen Nash  
Managing Director



**65**

CEHL  
employees



**229**

Major Third  
Schedule works



**\$2.68M**

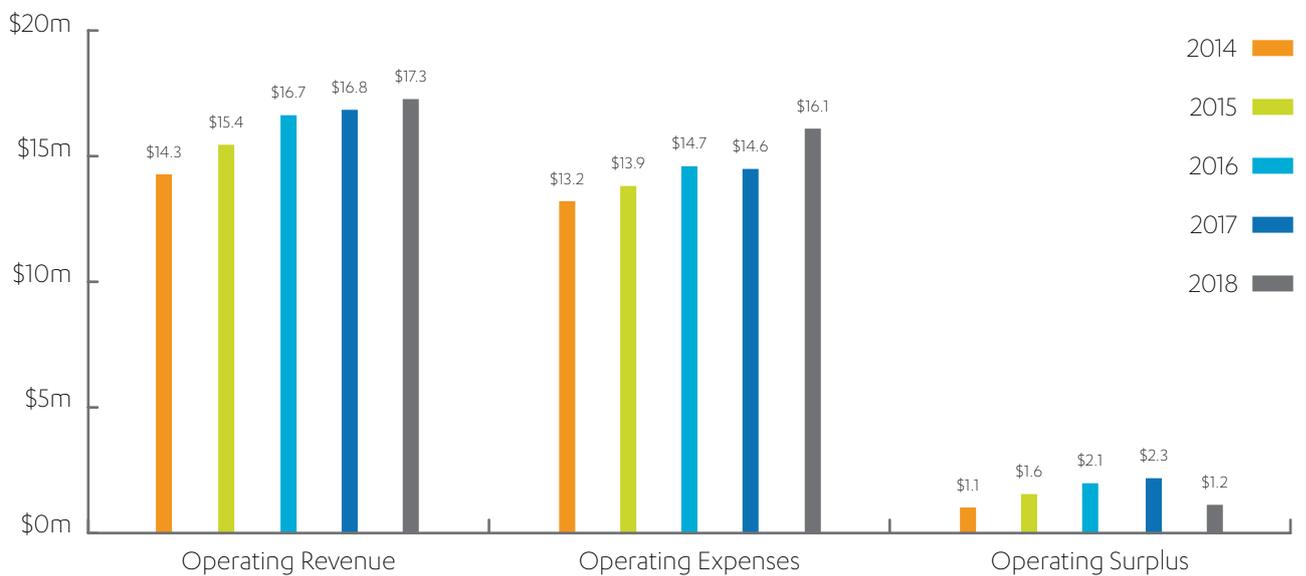
Housing  
upgrades



110  
Co-ops

## 2017/2018 FINANCIAL OUTLINE

**\$912M Asset value**

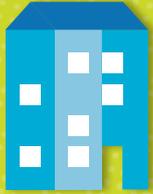


# CEHL CO-OP SHAREHOLDERS



110

Co-operatives



NORTH-WEST  
VICTORIA



BENDIGO &  
CENTRAL VICTORIA



SHEPPARTON



BALLARAT



METRO  
NORTH



METRO WEST



METRO  
SOUTH-EAST



GEELONG



PENINSULA



GIPPSLAND

## **BALLARAT**

Canadian Place  
Futures  
Serenity  
Southern Cross  
Southerners  
Stockaders  
Victory

## **BENDIGO & CENTRAL VICTORIA**

Aegis  
Central Victoria  
Dragon City  
Eyrie  
Forest Creek  
Fountain  
Ithaca  
Pyrenees  
Rainbow Eight  
Sun Valley  
Young Achievers

## **GEELONG & WESTERN VICTORIA**

Bayside  
Bell-Grove  
Bellarine  
Binders  
Central City  
Colac  
Coladjin  
Corio  
Eastern View  
Geelong West  
Kakadu  
Larrakeyah  
Osborne  
Phoenix  
Riverland  
South West  
Swan  
Tee Pee  
Veronica Village  
Western Heights  
Wilson's Road

## **GIPPSLAND**

Lakesdale  
Mallacoota  
Maryvale  
Morwell  
Nasa  
Tarra  
Thomson River  
Traralgon United  
Valley  
Warratraf  
Wirn Wirn Dook  
Wonthaggi Pioneers  
Woorayl

## **METRO NORTH**

Access  
Carringbush  
Dwellers  
Earth  
F.K.N.  
Liberty  
Merri  
Nell Street  
St Euphrasia's  
St. Joseph's  
Stock Bridge  
Sun  
Wattletree  
Diamond Valley/  
Whittlesea  
Northern Alliance

## **METRO SOUTH-EAST**

A F E  
As-Salam  
Castle  
Cerc 13  
Cranny  
Endeavour  
Entity  
Herbert Street  
Impact  
Lakewood  
Larc  
Opcola  
Ranges  
Sherbrooke  
Start Polish  
Tamil Senior Citizens  
Victoria-Polonez

## **METRO WEST**

Advance  
The Colonials  
Cut Paw Paw  
Harmony  
Jackson's Creek  
Keilor  
MCISG  
N.W.K.  
Satellite  
Thoroughbred  
Werribee  
Wyndham

## **PENINSULA**

Carinya  
Dolphin  
Dromana  
Mangroves  
Seagull  
Ti Tree

## **SHEPPARTON & NORTH-WEST VICTORIA**

Fruit City  
Glenworth  
Goulburn Valley  
Ky  
Linger Longer  
Oasis City  
Solar City  
Sunraysia

# A CO-OP LED PROGRAM IN DEVELOPMENT

With the Board's current focus on achieving a co-op led program, CEHL has been working to develop and improve the ways that co-ops can influence Program decisions and direction. Already there are numerous ways co-ops influence the Program.

A full review of Program engagement opportunities has already started (the Program Engagement Review), and 2018/2019 will see further actions to enable a co-op led Program.

## OPPORTUNITIES FOR INFLUENCE

Co-ops and co-op members have numerous opportunities to influence housing Program decisions and activities, they are:

### CO-OP ELECTED BOARD DIRECTORS

Co-ops elect nominated members to the CEHL Board at the Annual General Meeting. The CEHL Board is responsible for the strategic management and overall financial performance of the company.

### ADVISORY GROUPS

Advisory Groups are made up of co-op members that meet the skills and criteria required to undertake consultation. Technical experts may also be appointed. Members of the Advisory Group are appointed by the CEHL Board to consult with co-op members on important Program topics, such as the Rent Model Review, The Rent Model Advisory Group.

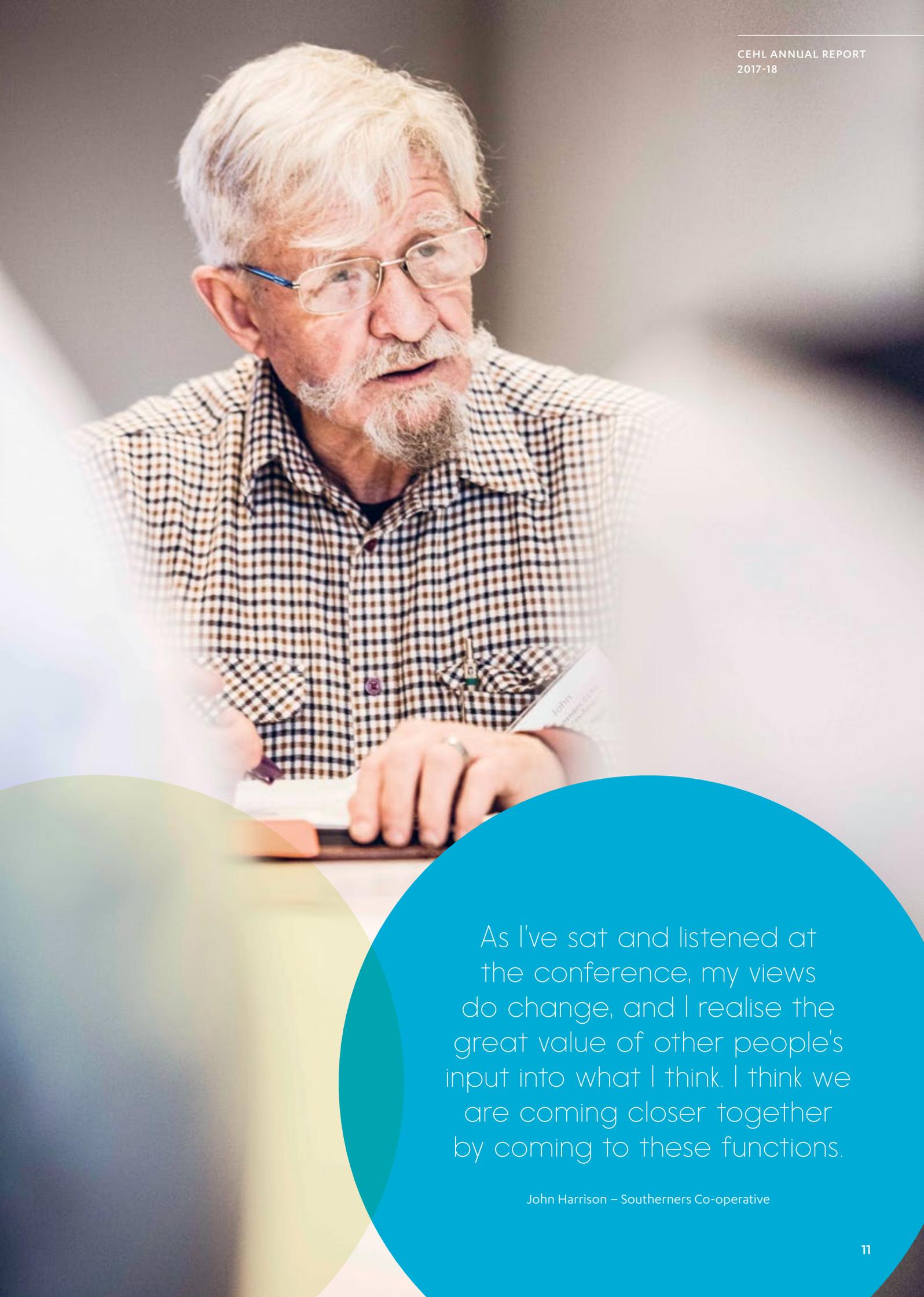
### POLICY ADVISORY COMMITTEE

The Policy Advisory Committee (PAC) consults across the program on Program Policy and provides recommendations to the Board. PAC is made up of co-op elected representatives from each region and is chaired by a CEHL Board member.

### PROGRAM POLICY CONSULTATION

Each quarter PAC seeks feedback from co-ops on proposed policies, procedures and guides.





As I've sat and listened at the conference, my views do change, and I realise the great value of other people's input into what I think. I think we are coming closer together by coming to these functions.

John Harrison – Southerners Co-operative

## OPPORTUNITIES FOR INFLUENCE CONTINUED

### TRAINING ADVISORY COMMITTEE

Training Advisory Committee (TAC) facilitate collaboration between CEHL employees and co-op members to review and develop training activities and materials. TAC is made up of representatives elected each year at a Regional Forum.

### NEWSLETTER ADVISORY GROUP

The Newsletter Advisory Group (NAG) ensures that achievements of co-op members and the co-op Program are promoted to stakeholders through the quarterly newsletter, Co-operatively Speaking. NAG is made up of representatives with an interest and skills in publications and communications, NAG members are elected each year at Regional Forums.

All members of the housing Program can contribute to news ideas and articles in Co-operatively Speaking, either through their regional representative or direct to CEHL.

### REGIONAL FORUMS

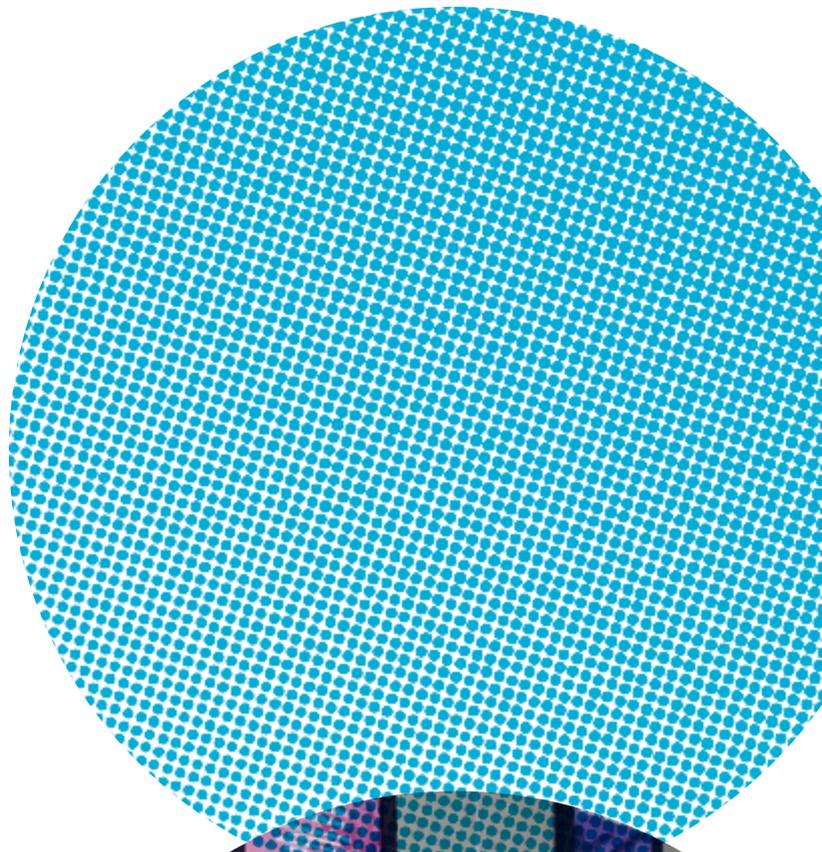
Co-op members and CEHL representatives meet to listen and share information about issues and developments affecting the CEHL Program, and to matters important to co-op members. Co-ops are increasingly using the forums to discuss issues and share ideas.

### ANNUAL CONFERENCE

The Annual Conference is a key opportunity for members to come together to discuss key Program topics as well as network and collaborate with one another.

### HAVE YOUR SAY

Have your say is an online tool on the CEHL website where you can learn about current Program projects and give feedback that contribute to decisions that shape the Housing Program.



• Training Advisory Group  
• regional representatives  
• Sharon (Metro-north region),  
• Gayle (Voice of Gippsland region),  
• John (Ballarat region)



Co-op members Susan, Jennifer and Paul working together at the Achieving a Co-op Led Program Conference June 2018

The best thing about the Rent Model engagement at the conference has been seeing people engaged in the conversations (about the Rent Model), giving their feedback and people realising that we are interested in what they have to say, and working through those things to come up with 'broad agreements' has been really valuable.

Matthew – Rent Model Advisory Group member and Earth Common Equity Rental Co-operative member



# ACHIEVEMENTS

In 2017 Rhonda Wilson was commended by the CEHL Board for her outstanding contribution to the wider CEHL Program, her active involvement in the Gippsland regional association, and as a long serving Co-op Director on the CEHL Board.

Over the past 21 years Rhonda has contributed greatly to the CEHL Program, Rhonda has:

- Served a total of 16 years as a Co-op Director on the CEHL Board
- Co-op Maintenance and Finance Director roles in both Valley and Endeavour Co-ops
- Long serving contributor in the Voice of Gippsland
- An enthusiastic and valued contributor to the Newsletter Advisory Group



Rhonda and daughter Jessica



## HONOUR BOARD

CEHL Board honours members who make an outstanding contribution to the Co-operative Program and demonstrate commitment to the International Co-operative and Program Principles. Any co-op member nominated should feel immensely proud of their work and contribution to the Program.

Name	Co-op	Year	Name	Co-op	Year
<b>Rhonda Wilson</b>	Endeavour	2017	<b>Jean McVilly</b>	Access	2016
<b>Rhonda Jaruga</b>	Southerners	2015	<b>Iain Walker</b>	Earth	2014
<b>Ron Howell</b>	Bayside	2014	<b>Jenny Makar</b>	Thomson River	2012
<b>Pat Finegan</b>	Ithaca	2011	<b>Sandra Silvey</b>	Southerners	2011
<b>Marg Craigie</b>	Eastern View	2010	<b>Charles Barry</b>	Tee Pee	2009
<b>Carol Fountain</b>	Opcola	2009	<b>Millie Connelly</b>	Keilor	2008
<b>Val Date</b>	Carinya	2008	<b>Trish Britten</b>	Goulburn Valley	2008

## SCHOLARSHIP RECIPIENTS

Name	Co-op	Certificate
<b>Colleen Ray</b>	Swan	Certificate IV in Disability Services
<b>Diploma</b>		
<b>Rosamund Torr</b>	Earth	Advanced Diploma in Building Design
<b>Danielle</b>	CERC	Diploma in Community Services
<b>Sally Stamm</b>	Lakewood	Diploma of Nursing
<b>Joanne Tangas</b>	Dragon City	Diploma of Nursing
<b>Bachelor</b>		
<b>Tracey Bruton*</b>	Solar City	Bachelor of Business (Accounting)
<b>Jennifer Connolly</b>	Bellarine	Bachelor of International Relations
<b>Margarette Richie</b>	St Joseph's	Bachelor of Education (Primary)
<b>Caitlyn Walsh</b>	Young Achievers	Bachelor of Physical and Health Education

\* Received the Helen Tyndall CEHL Board Scholarship

# SHINING A LIGHT ON KARREN WALKER CEHL CHAIR

Karren Walker was elected to the CEHL Board in 2005 and appointed as Chair in 2009. A passionate advocate for co-operatives, Karren has contributed significantly to the development of the Program and Board in her 13 years on the CEHL Board, the past nine as the Chairperson.



### **What do you see as your most significant achievements as Chair?**

To say the opportunity to participate in the governance of CEHL has been a privilege is something of an understatement. It has been an incredible journey, being part of the growth of co-operative housing in Australia is a real joy.

### **What have been the biggest challenges?**

As I contemplate our achievements, I'm reminded of some of the key issues which our Co-op Program was dealing with when I came to the Board, matters such as active membership, asset maintenance and renewal, ethical and transparent governance, attracting and renewing members and attracting younger members were all common themes. Through the support of CEHL I was fortunate to take up opportunities to visit with co-ops overseas, and it is poignant that the issues referenced here are experienced by co-ops across all jurisdictions and are irrespective of the area of business the co-op is in.

More recently we have worked together to progress some of these more intractable matters. I take particular delight in the work undertaken to clarify Active Membership and Participation through the input of one of our many amazing member-based advisory groups. The Future Directions work continues, and will ultimately build a common platform from which co-ops and CEHL can take a true partnership approach to sensitively and sensibly managing what are both members' homes and company assets.

### **In your time as Chair, what are some of the major changes that have influenced the Program?**

Registration as a Housing Association, while not without its' challenges, meant CEHL could access greater funds to expand co-op housing and is rightly recognised as a lead provider and developer of community housing offered through a co-operative model. Being a registered Housing Association also provides a clear framework for the Board to ensure that the CEHL program meets our public policy obligations as a custodian of our very substantial publicly funded housing portfolio.



Co-op housing is distinct from other forms of social housing, it both supports and challenges us to learn, grow, and expand our care of others in our community.

## ACHIEVEMENTS

- Registration as a Housing Association, while not without its' challenges, it has meant CEHL is rightly recognised as a lead provider and developer of community housing offered through a co-operative model and able to access greater funds to expand co-op housing



• Herbert Street, Dandenong  
• Over 55's co-op housing



- Growth of 200+ Co-op Homes through access to government grants, National Rental Affordability Scheme (NRAS) and bank borrowings



• Murundaka at Heideleberg  
• Sustainability focused co-op housing development

• As many other properties come alive with happy tenant-members this is indeed a highlight of the past decade.



Official opening of Gipps St, Abbotsford  
Karren Walker, CEHL Chairperson, Allan (St Joseph's Co-op) John McInerney and Hon Wendy Lovell MP and Minister for Housing (in 2013)

### Having held the Chair position for nine years can you reflect on how the CEHL Board developed over that time?

The journey as Chair has been interspersed too with the opportunity to work alongside skilled and committed Directors, co-op members and CEHL staff. The Board has developed a stronger governance framework over recent years, supported through the work undertaken to recruit appropriately skilled and driven Directors to govern our highly valued company. The depth of skills and capacity across our co-op membership is inspiring, and, with the collaborative input from our Technical Directors are well placed to deliver on our ambitious Strategic Plan.

I've worked with two amazing Managing Directors, initially with John McInerney, who led CEHL through a period of significant change and consolidation, and throughout championed the effectiveness and success of housing cooperatives as a truly participatory housing option, and, since 2013 with Stephen Nash, whose passion and commitment to the delivery of a truly co-op-led program should inspire and assure us all.

Our capacity as influencers over the years has greatly increased, I am proud of the leadership role which CEHL has taken with our housing co-operative partner agencies in other states. We have contributed to evolving a more mature understanding of our business model, with government and financiers and demonstrating the multiple benefits which co-operative housing delivers beyond the provision of shelter. We were there to assist the formation of the Business Council of Co-operatives and Mutuals (BCCM), and as courageous advocates of all things co-op, we will continue to benefit from their efforts.

### What advice would you give a co-op member about nominating for a CEHL Board position?

Influencing our Program is an intrinsic responsibility of being member co-ops. I encourage you all to consider how you can take the opportunity to both give your skills, accumulated through experience of the Program, and receive, from the experience, fresh skills to further influence our shared futures.

### What do you see are the benefits of being in a co-op?

Being keenly aware of the crucial importance home has in promoting health, building confidence and being in control of your own lives, I remain a dedicated champion of co-operative housing. It is distinct from other forms of social housing, it both supports and challenges us to learn, grow, and expand our care of others in our community.

Housing co-operatives exist for their members' mutual benefit. They share with other co-operatives the values of individual responsibility, mutual help, democracy, equality, equity, and solidarity. It is my hope, that these essential principles continue to guide the symbiotic relationship which both cradles and enables the responsibilities of co-operatives and Common Equity each, in the delivery of this awesome Program.

### Any last thoughts...

In November 2018 I will step down as Chair, I am able to make this decision with complete confidence, as the Board and the Program are in an exceptional position to continue to build on the strength of our accumulated history, as well as a strong balance sheet.

Thanks everyone, it really has been an honour and a joy!

**Karren Walker**

# PROGRAM ACHIEVEMENTS



## BUILDING ON OUR STRONG FOUNDATIONS



**187**  
participants

**The Rent Model Review** has been a major consultation with the co-op membership in 2018 to review and recommend a revised rent calculation model for the housing Program. *The Rent Model Advisory Group* RMAG, was appointed by the CEHL Board to lead the consultation with co-ops on this issue. RMAG will give their recommendation to the CEHL Board in October 2018.

## ENGAGING WITH CO-OPS



**241**  
attendees

**62**  
Co-ops  
represented

Two Regional Forums were held in each region this year. Attendances are growing steadily with greater emphasis on time for co-ops to network and discuss topics and issues.



**171**  
participants

Two training workshops focused on co-op management skills were held during the year

- What is a co-op? The training focused on how to be an effective co-op member
- Finance Training was well attended and covered the basics of co-op budgeting and how to understand co-op financial reports

CEHL has commenced a review of training provided to co-ops, to increase capability and accessibility.



**72**  
contributions

Each quarter the Policy Advisory Group seeks feedback and input from co-ops on Program policies.



**86**  
attendees

**42**  
Co-ops  
represented

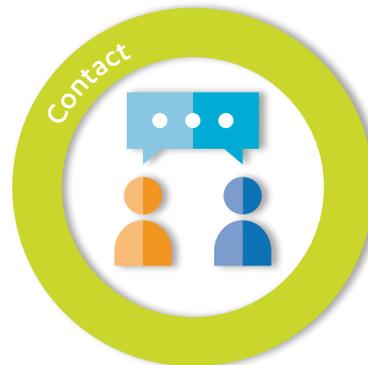
*Achieving a Co-op Led Program* was the theme of the Conference in 2018. The conference focuses on key Program topics and creating a space for co-ops to network and collaborate. This year's key topics focused on the *Rent Model Review* and the *Program Engagement Review*.

## SERVICE TO CO-OPS



**313**  
Co-op meetings  
attended

The Co-op Development and Strategy Team have established a new multi-skilled and collaborative team, building productive relationships with co-ops. Training materials have been renewed in collaboration with the Training Advisory Committee. Over the past year Co-op Development Co-ordinators attended 313 co-op meetings.



**110**  
Co-ops each  
month

Co-op Development Co-ordinators (CDC's), on average, are in contact with all co-ops in the Program each month. Contact with co-ops includes activities such as attending meetings, phone conversations, responding to email queries, VCAT hearings etc.

## ENABLING STRONGER CO-OPS

**Future Directions Plans.** We have developed a tool that enables co-ops to identify their future aspirations. The plans inform CEHL's training and property strategies to ensure co-op viability into the future.

## EMBEDDING ORGANISATIONAL EXCELLENCE

The new information management system is improving the quality of information and reports provided to co-ops and their members. The new system has streamlined reporting for the National Affordability Housing Agreement (NAHA) and key performance measures and compliance reporting required by the Victorian Housing Registrar.

The new website was activated in May 2018 and has made a significant improvement in user experience and understanding of the co-operative housing program. It also highlights the vibrant and diverse people in our housing Program.

## ADVANCING CO-OP VALUE

- A case study about *Effective Co-op Models* was completed regarding co-op experiences of working with members with disability.
- **Planning Institute of Victoria Award** 2017 Planning Institute of Victoria Award to Murundaka Cohousing Community, CEHL and Banyule City Council in the category of the Hard-Won Victory the award acknowledged the innovative approach to housing and how Murundaka addresses the limitations of current housing models.

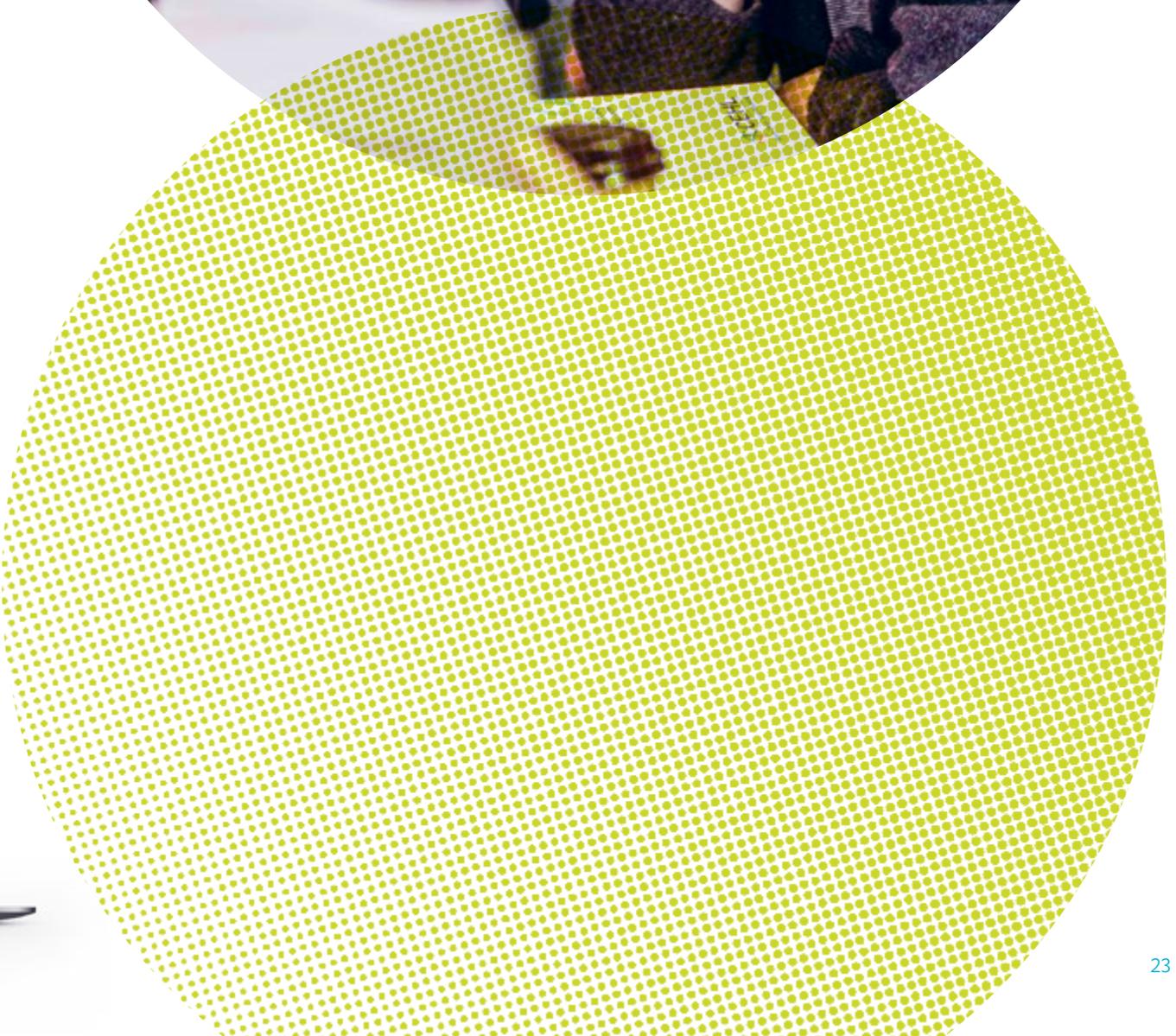


Acknowledgement and congratulations to Earth Co-operative and the Murundaka Cohousing Community for their leadership in community development and innovation in affordable housing.



The new website has made a significant improvement in user experience and understanding of the co-operative housing program.







## GROWING OUR POSITIVE IMPACT

## ASSET MANAGEMENT PERFORMANCE

This year, more maintenance work was completed than ever before.

A total of \$2.68million was allocated for major works and major works were completed to 9% of homes in the Program.

Our focus has been on fixing urgent repairs to prevent damage to properties. Works have been informed by co-ops' Future Directions Plans.

*\*Third Schedule is a section of the Co-op, CEHL Agreement (CCA). It refers to large scale maintenance works such as restumping, roof replacement, kitchen and bathroom upgrades, etc.*



**\$2.68M**

Third  
Schedule\*



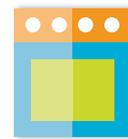
**229**

Major works  
completed

• Margaret Crescent  
• Roof replacement  
• and new windows  
• replacement



**101**  
Bathroom  
upgrades



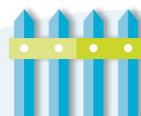
**36**  
Kitchen  
upgrades



**20**  
General  
works



**11**  
Structural  
works



**61**  
External  
works



**99%**  
Properties  
inspected



**30+**  
Common areas  
inspected



**250+**  
Hours of co-op  
maintenance support

In accordance with the Asset Management Strategy actioned during 2015-2018 we have completed detailed condition reports of 99% of properties through asset inspections. Data from the inspections is used to help prioritise and plan work in line with *Future Directions Plans*.

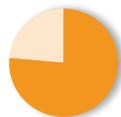
### KEY PERFORMANCE INDICATORS



**90.1%**  
Urgent repair requests  
completed in 24 hours



**304**  
Urgent repair  
requests



**76.5%**  
Non-urgent repairs  
completed within 14 days



**959**  
Non-urgent repairs  
completed within 14 days

## GROWING OUR POSITIVE IMPACT CONTINUED

### ASSET MANAGEMENT STRATEGY

Implementation of the 2015-2018 Asset Management Strategy has been completed. It focused on better systems, processes, and decision criteria for better delivery of asset management services across the Program.

### ASSET MANAGEMENT STRATEGY 2018

We have developed a new strategy to take us through the next three years and build on the work of the previous strategy. The three objectives of the new strategy are:

#### **Enable co-ops to meet maintenance responsibilities**

- Build a strong understanding of the responsibilities of delivering maintenance
- Provide the tools and training to support effective delivery
- Monitor delivery to support better outcomes for all

#### **Ensure sustainability of the portfolio to meet long-term need and future growth**

- Reduce our maintenance liability and provide appropriate, affordable housing
- Ability to deliver services to accommodate all models in the Program (current and future)

#### **Increase efficiency and continually improve**

- Continue to work towards best practice and align with international standards
- Analyse our data to create evidence-based improvements and efficiencies





Property planning applications  
in progress for 5 sites

-  Geelong
-  Ferntree Gully
-  Thornbury

## REAL ESTATE SERVICES

Real Estate Services has developed an allocation process informed by co-op *Future Direction Plans*. The process provides a strategy at a regional level and has started to renew the housing portfolio. Regional plans have been developed for Geelong and the Inner North.

Real Estate Service activities in the past year include:



### 15 Properties sold

Properties sold had been handed back or identified as having no further use for the Program. Funds from the sales are used to purchase replacement properties or for developments that will return new housing outcomes within each region.



### 2 Replacement properties purchased

Two properties in Wonthaggi (4 bedroom house) and Bayswater (3 bedroom house) have been purchased and allocated to co-ops in the regions.



### New build in Churchill commenced



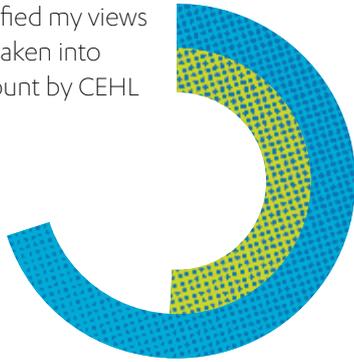
## IMPROVED SATISFACTION WITH SERVICES

Every two years CEHL conducts a 'Tenancy Satisfaction' Survey in accordance with compliance requirements of the Victorian Housing Registrar. The survey is sent to all people in our housing program via email.

The information collected in the survey helps CEHL improve services and reports back to the Housing Registrar, the Government regulator.

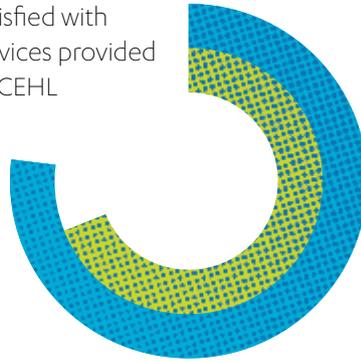
The 2018 survey revealed an improved level of satisfaction with all services provided by CEHL.

Satisfied my views  
are taken into  
account by CEHL



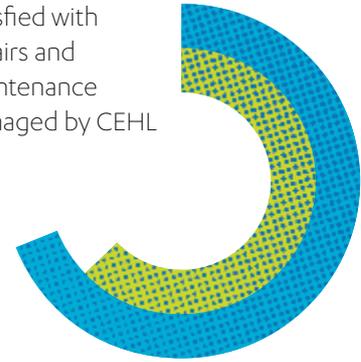
● 2016 **51%** ● 2018 **70%**

Satisfied with  
services provided  
by CEHL



● 2016 **69%** ● 2018 **77%**

Satisfied with  
repairs and  
maintenance  
managed by CEHL



● 2016 **63%** ● 2018 **69%**

\* Surveyed 1,758 households, 23% response rate

## ADVOCACY

- CEHL instigated establishment of the Victorian Housing Associations' Chief Executive Group. The Group work together to demonstrate to the State Government the potential impact on the viability of the community housing sector, if the initial proposal for the State Government's Victoria Housing Register was to proceed
- CEHL provided advice in the creation of the new National Housing Finance and Investment Corporation (NIFIC) which is establishing a Bond Aggregator to provide lower cost finance to the community housing sector
- CEHL contributed to a National Co-operative Housing research project, measuring and determining the outcomes of members living in co-operative housing
- CEHL continues to Chair the Affordable Housing Industry Advisory Group (AHIAG), advising government on planning mechanisms that support affordable housing

Tenancy Satisfaction Survey\* demonstrated overall increase in satisfaction with services provided by CEHL in the past two years.

• Co-op  
• Development  
• Team

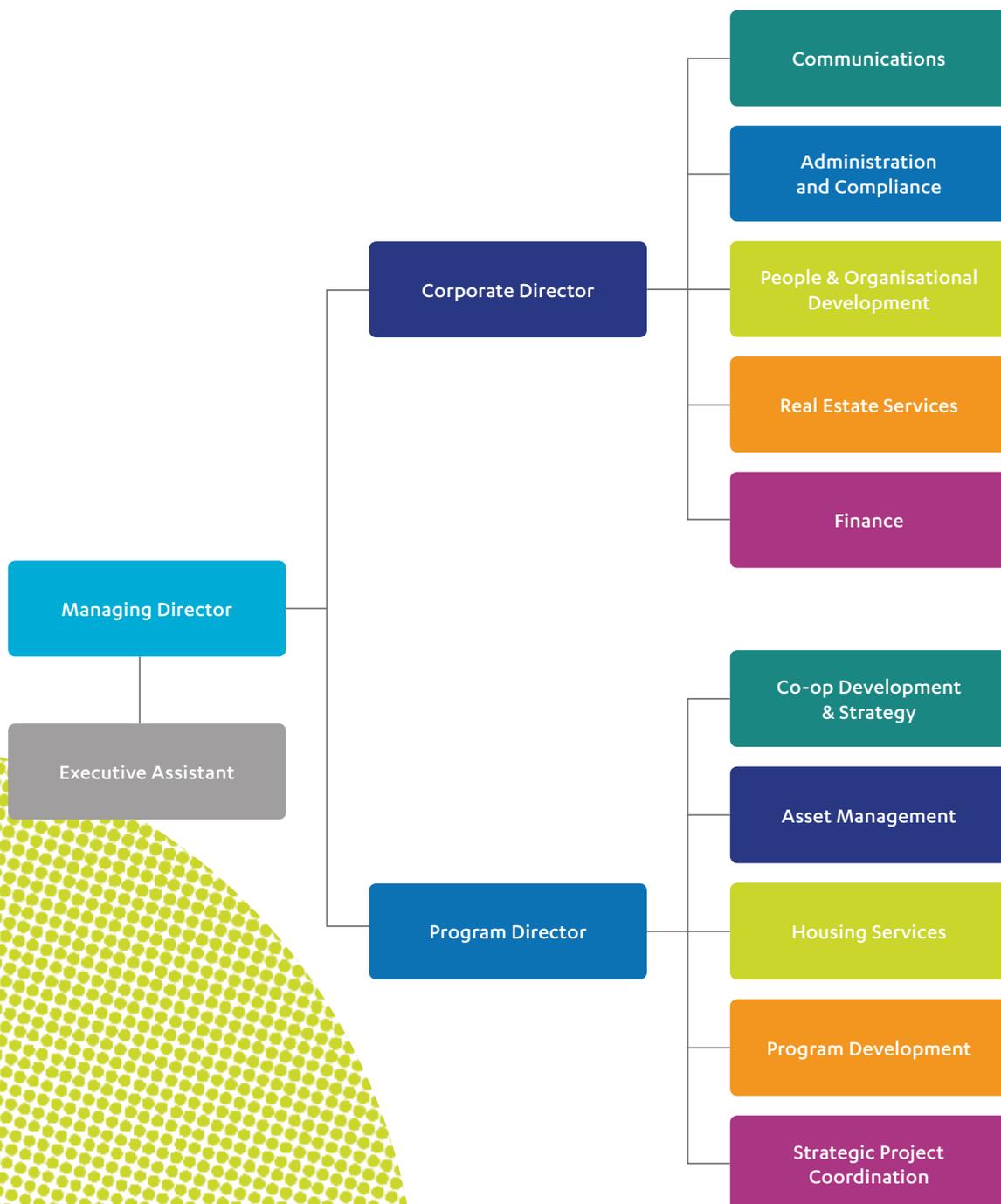


# HOW WE WORK

Our dedicated teams of employees are committed to providing effective program management and outstanding service to member co-ops, and direct tenants in our housing program across Victoria.

Our teams create a supportive and inclusive workplace culture and demonstrate the organisations values in their everyday work.

The organisation is managed in two main teams Corporate Team and Program. The Corporate Team provides business services to the organisation and co-ops. The Program Team provides co-op development, tenancy, asset management and maintenance.



# GOVERNANCE

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.

CEHL's constitution and strategic plan are available online at [www.cehl.com.au/AboutCEHL/Governance](http://www.cehl.com.au/AboutCEHL/Governance)

## BOARD OF DIRECTORS

CEHL is governed by a Board of eleven Directors, comprising

- five co-op elected Directors
- five Directors appointed for their technical skills
- the Managing Director

Committees made up of Board members and independent experts have the responsibility to advise the Board in property, finance and risk, people culture and governance and program policy matters.

The CEHL Board 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 shareholder co-ops and their members.



## CEHL BOARD OF DIRECTORS



**Karren Walker**  
Chairperson

**Qualifications** B. Ed. (Sec), Grad. Dip. App. Phil., Grad. Cert. Housing Mgmt. Pol.

**Experience** Karren has been a CERC member since 1989 and was first elected a CEHL Director in 2005 and to the role of Chair in 2009. Karren has extensive management experience in the housing and homelessness sectors.



**Fiona Herman**

**Qualifications** Bachelor of 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 elected a CEHL Director in 2013. She has been a member of the Property Committee, People, Culture and Governance Committee, and is currently the Board Representative and Chair of the Policy Advisory Committee.



**Sylwia Greda-Bogusz**

**Qualifications** Eqv.B. Eng (Poland), Dip. Adv.Dip.App.Sc, Dip.Text.Tech.Eng, C.Text.Tech. I.T.I.(UK).

B. Ed. (Mgmt Melb). M Ed St. (Psych Monash). PhD (Monash).

**Experience** Sylwia has been a Castle CERC member since 2013 and was elected to the Board in 2016. Sylwia was a member of the Australian Multicultural Advisory Council (2008-2012), member of the Department of Human Services VIC Multicultural Advisory Committee, Member and Deputy Chair, Australian Multicultural Centre for Women's Health, RMIT University Academic Board Member (Staff representative). Union Staff representative for RMIT University enterprise bargaining. Chair of PolCare – Aged care service provider.



**Heidi Lee**

**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 in 2015.



**David Spenceley**

**Experience** David has been a member of Futures CERC for 12 years. David was elected to the CEHL Board in 2014.

During this time he has held positions as Chair, Treasurer and Rents Officer.



### Joel Chibert

**Qualifications** B.Comm, member ICAA and AICD.

**Experience** Joel is the Chief Financial Officer of the Walter and Eliza Hall Institute. He has previously held a range of senior finance roles in both the not-for-profit and commercial sectors. Joel was appointed to the CEHL Board in May 2012.



### Stephen Copland

**Qualifications** BRTP.

**Experience** Stephen is a highly experienced property developer with a background in the Ministry of Housing, Urban Land Corporation and for the last 12 years at National Pacific Properties as General Manager, and was on the UDIA Board for over 10 years (including over 2 years as president). Steve was appointed to the CEHL Board in 2015.



### Tony De Domenico OAM

**Qualifications** OAM, FAIM, MAICD, APRIA.

**Experience** Tony was appointed to the CEHL Board in 2012. Tony is the Deputy Chair of Development Victoria, he is also the Chair of the Australian Housing and Urban Research Institute (AHURI).



### David Williams

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

**Experience** David was appointed to the CEHL Board in 2003. He is a director at Williams, Dodd & Associates Pty Ltd.



### Brodie Woodland

**Qualifications** MA. Public Administration, Bachelor of Law (LLB) (Hons) AICD.

**Experience** Brodie is a lawyer and governance adviser who has worked extensively in State Government. Brodie was appointed to the CEHL Board in 2015.



### Stephen Nash

**CEHL Managing Director**

**Qualifications** MAppSc (Innovation and Service Management), GradCert (Housing Management and Policy), AssDip (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.

# OUR STAKEHOLDERS

## PROGRAM STAKEHOLDERS

- Common Equity Rental Housing Co-operatives (CERCs) and their members
- Community Managed Co-operatives (CMC) and their members
- VicWide tenants

## PARTNERS

- Barwon Health
- Community Housing Ltd
- Digital Storytellers
- ERMHA
- Harlea Properties (CEHL manages NRAS on their behalf)
- Haven Home Safe
- Launch Housing
- RIPL / Traffic Accident Commission
- Summer Foundation
- Urban Choices
- Villa Maria Catholic Homes
- Volunteering Geelong

## PROFESSIONAL MEMBERSHIPS

- Affordable Housing Industry Advisory Group AHIAAG
- Business Council of Co-operatives and Mutuals BCCM
- Community Housing Industry Association CHIA
- Community Housing Association of Victoria CHIA VIC
- Urban Development Institute of Australia UDIA

## FINANCIAL STAKEHOLDERS

- Bank Australia
- National Australia Bank
- Westpac

## SECTOR STAKEHOLDERS

- Earthworker
- Rental Housing Co-operatives
- Supported Independent Living Co-operative SILC

## GOVERNMENT

- Australian Federal Government (Department of Social Services)
- Consumer Affairs Victoria
- Department of Environment, Land, Water and Planning
- Department of Health and Human Services Victoria
- Department of Treasury and Finance Victoria
- Victorian Housing Registrar





# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

## DIRECTOR'S REPORT

30 JUNE 2018

Director's report from financial reports

### PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities 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.

There were no significant changes in the nature of Common Equity Housing Limited's principal activities during the financial year.

### Operating results

The operating surplus of the Company amounted to \$1,269,979 (2017: \$2,503,230). The surplus after property portfolio transactions and fair value adjustments was \$83,160,065 (2017: \$67,333,406).

### Review of operations

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

### Significant changes in state of affairs

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

### Events after the reporting date

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

### Future developments and results

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

### Company secretary

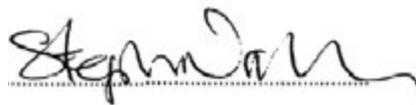
The company secretaries are Bradley Hosking and Timothy Dart.

	2018 (\$)	2017 (\$)
Operating Surplus	1,169,979	2,267,230
Capital Grants	100,000	236,000
<b>Surplus from operations</b>	<b>1,269,979</b>	<b>2,503,230</b>
Fair value adjustment	81,577,906	58,620,712
Other adjustments	312,180	6,209,464
<b>Surplus for the year</b>	<b>83,160,065</b>	<b>67,333,406</b>

### 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 2018 has been received.

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



Stephen Nash  
Director



Joel Chibert  
Director

Melbourne, 26 September 2018

## Meetings of directors

During the financial year, 14 meetings of directors were held. Attendances by each director during the year were as follows \*\*:

	Directors' Meetings		Finance and Risk Committee		People, Culture and Governance Committee		Property Committee		Policy Advisory Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
<b>Karen Walker*</b>	14	11	-	-	4	4	-	-	-	-
<b>Joel Chibert</b>	14	12	4	4	-	-	-	-	-	-
<b>Stephen Copland</b>	14	13	-	-	-	-	4	4	-	-
<b>Tony De Domenico</b>	14	13	-	-	4	3	-	-	-	-
<b>Sylwia Greda Bogusz</b>	14	13	-	-	-	-	-	-	4	3
<b>Fiona Herman</b>	14	13	-	-	-	-	-	-	4	4
<b>Heidi Lee</b>	14	13	-	-	-	-	4	4	-	-
<b>Stephen Nash</b>	14	13	4	4	4	4	4	2	-	-
<b>David Spenceley</b>	14	13	4	4	-	-	-	-	-	-
<b>David Williams</b>	14	13	-	-	4	4	-	-	-	-
<b>Brodie Woodland</b>	14	13	-	-	4	4	-	-	-	-

\* The Chairperson is eligible (but not required) to attend any meeting of the Committees of the Board

\*\* Three out of session teleconferences were held for the period 2017-2018

## STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	2018 (\$)	2017 (\$)
Sales revenue	<b>17,388,094</b>	17,082,378
Administrative expenses	<b>(7,257,632)</b>	(6,728,173)
Finance costs	<b>(1,869,054)</b>	(2,165,792)
Depreciation and amortisation expense	<b>(576,939)</b>	(304,394)
Property expenses	<b>(6,414,490)</b>	(5,380,789)
Gross surplus	<b>1,269,979</b>	2,503,230
Gain on disposal of assets	<b>64,326</b>	1,818,867
Fair value adjustment - investment property	<b>81,516,709</b>	58,620,712
Fair value adjustment - other financial assets	<b>61,198</b>	4,142,744
Grant amortisation	<b>247,853</b>	247,853
Surplus for the year	<b>83,160,065</b>	67,333,406
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<b>83,160,065</b>	67,333,406

# STATEMENT OF FINANCIAL POSITION

**AS AT 30 JUNE 2018**

	2018 (\$)	2017 (\$)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	5,610,041	4,872,198
Trade and other receivables	2,097,875	1,892,678
Other assets - prepayments	113,605	138,866
<b>TOTAL CURRENT ASSETS</b>	<b>7,821,521</b>	<b>6,903,742</b>
<b>NON-CURRENT ASSETS</b>		
Other financial assets	2,829,381	2,430,366
Property, plant and equipment	8,549,668	7,803,234
Investment properties	893,453,357	817,375,220
<b>TOTAL NON-CURRENT ASSETS</b>	<b>904,832,406</b>	<b>827,608,820</b>
<b>TOTAL ASSETS</b>	<b>912,653,927</b>	<b>834,512,562</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	5,693,689	4,704,320
Financial Liabilities	27,341,501	33,235,410
Employee benefits	668,154	527,348
<b>TOTAL CURRENT LIABILITIES</b>	<b>33,703,344</b>	<b>38,467,078</b>
<b>NON-CURRENT LIABILITIES</b>		
Financial Liabilities	36,470,739	36,718,592
Employee benefits	121,642	128,755
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>36,592,381</b>	<b>36,847,347</b>
<b>TOTAL LIABILITIES</b>	<b>70,295,725</b>	<b>75,314,425</b>
<b>NET ASSETS</b>	<b>842,358,202</b>	<b>759,198,137</b>
<b>EQUITY</b>		
Issued capital	123	123
Reserves	551,107,521	551,046,323
Retained earnings	291,250,558	208,151,691
<b>TOTAL EQUITY</b>	<b>842,358,202</b>	<b>759,198,137</b>

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

2018	Ordinary Shares (\$)	Retained Earnings (\$)	Cash Flow Hedges (\$)	General Reserve (\$)	Total (\$)
<b>Balance at 1 July 2017</b>	<b>123</b>	<b>208,151,691</b>	<b>832,020</b>	<b>550,214,303</b>	<b>759,198,137</b>
Surplus attributable to members	-	<b>83,160,065</b>	-	-	<b>83,160,065</b>
Transfers to/ (from) retained earnings/reserves	-	<b>(61,198)</b>	<b>61,198</b>	-	-
<b>Balance at 30 June 2018</b>	<b>123</b>	<b>291,250,558</b>	<b>893,218</b>	<b>550,214,303</b>	<b>842,358,202</b>

2017	Ordinary Shares (\$)	Retained Earnings (\$)	Cash Flow Hedges (\$)	General Reserve (\$)	Total (\$)
<b>Balance at 1 July 2016</b>	<b>123</b>	<b>140,818,285</b>	<b>(3,310,724)</b>	<b>553,278,038</b>	<b>690,785,722</b>
Surplus attributable to members	-	<b>67,333,406</b>	-	-	<b>67,333,406</b>
Transfers to / (from) retained earnings/reserves	-	-	<b>4,142,744</b>	<b>(3,063,735)</b>	<b>1,079,009</b>
<b>Balance at 30 June 2017</b>	<b>123</b>	<b>208,151,691</b>	<b>832,020</b>	<b>550,214,303</b>	<b>759,198,137</b>

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	2018 (\$)	2017 (\$)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from rental income and grants	17,146,171	22,311,474
Payments to suppliers and employees	(12,523,799)	(15,932,451)
Interest received	36,726	110,893
Interest paid	(1,869,054)	(2,092,112)
Net cash provided by operating activities	<b>2,790,044</b>	4,397,804
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from disposal of plant and equipment	65,127	124,085
Proceeds from disposal of investment property	6,190,476	25,940,627
(Purchase of) / Proceeds from disposal of financial assets	(337,817)	210,307
Purchase of property, plant and equipment	(882,078)	(944,020)
Payment for investment properties and projects	(1,194,000)	(6,450,657)
Net cash provided by investing activities	<b>3,841,708</b>	18,880,342
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	(5,893,909)	(19,118,208)
Net cash provide used in financing activities	<b>(5,893,909)</b>	(19,118,208)
Net increase in cash and cash equivalents held	<b>737,843</b>	4,159,938
Cash and cash equivalents at beginning of year	<b>4,872,198</b>	712,260
Cash and cash equivalents at end of financial year	<b>5,610,041</b>	4,872,198

## DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 25, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company.
3. 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, 26 September 2018

## 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 2018 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  
Partner

Melbourne, 26 September 2018

## 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 2018, 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 2018 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.

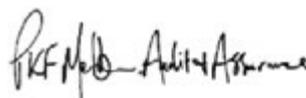
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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  
Partner

Melbourne, 26 September 2018

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Richmond VIC 3121

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Free call 1800 353 669  
Fax 9429 1799  
Free fax 1800 635 936

**[info@cehl.com.au](mailto:info@cehl.com.au)**  
**[www.cehl.com.au](http://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.

This document is printed on 100% recycled paper.  
Electronic copies of this report are available on our website.