

Co-op housing

MORE IMPORTANT
THAN EVER

ANNUAL REPORT 2019/2020



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Quotes displayed on photo pages are from surveys of members throughout the year.

We are pleased to present the Common Equity Housing Limited (CEHL) Annual Report for 2019/20. This report describes CEHL's performance over the 2019/20 financial year against the Strategic Objectives 2020.

Visit www.cehl.com.au for more information about our housing program and activities.

We value your feedback on this report, to help make our next report better. If you would like more information about any item in this report, contact us by

info@cehl.com.au or 1800 353 669

Acknowledgement of Traditional Owners

CEHL respectfully acknowledges the Traditional Custodians of the land we work on and the land where our housing co-operatives are located. We pay our respects to elders and community members, past, present and emerging.

Embracing social and cultural diversity

CEHL aims to represent and reflect the full social and cultural diversity of the Victorian community, we welcome diversity within our employee team and among members of our housing program.

This document is printed on 100% recycled paper.

Electronic copies of this report are available www.cehl.com.au

"Co-operative housing increasingly proves its worth and relevance, with organisations like CEHL leading the way towards fairer, more sustainable outcomes for Australians.

Co-operatives have played an essential role in supporting communities during the COVID-19 era, providing support and housing security in difficult times.

The Business Council of Co-operatives and Mutuals applauds the work of CEHL and the wider co-operative community."



Melina Morrison



*“Co-op is brilliant,
it enables people to take
control of their housing
and pick up the reins
of their lives.”*

WHAT WE DO

Purpose

CEHL is an enabler: We partner with member co-operatives to deliver an effective, sustainable co-operative housing program.

Vision

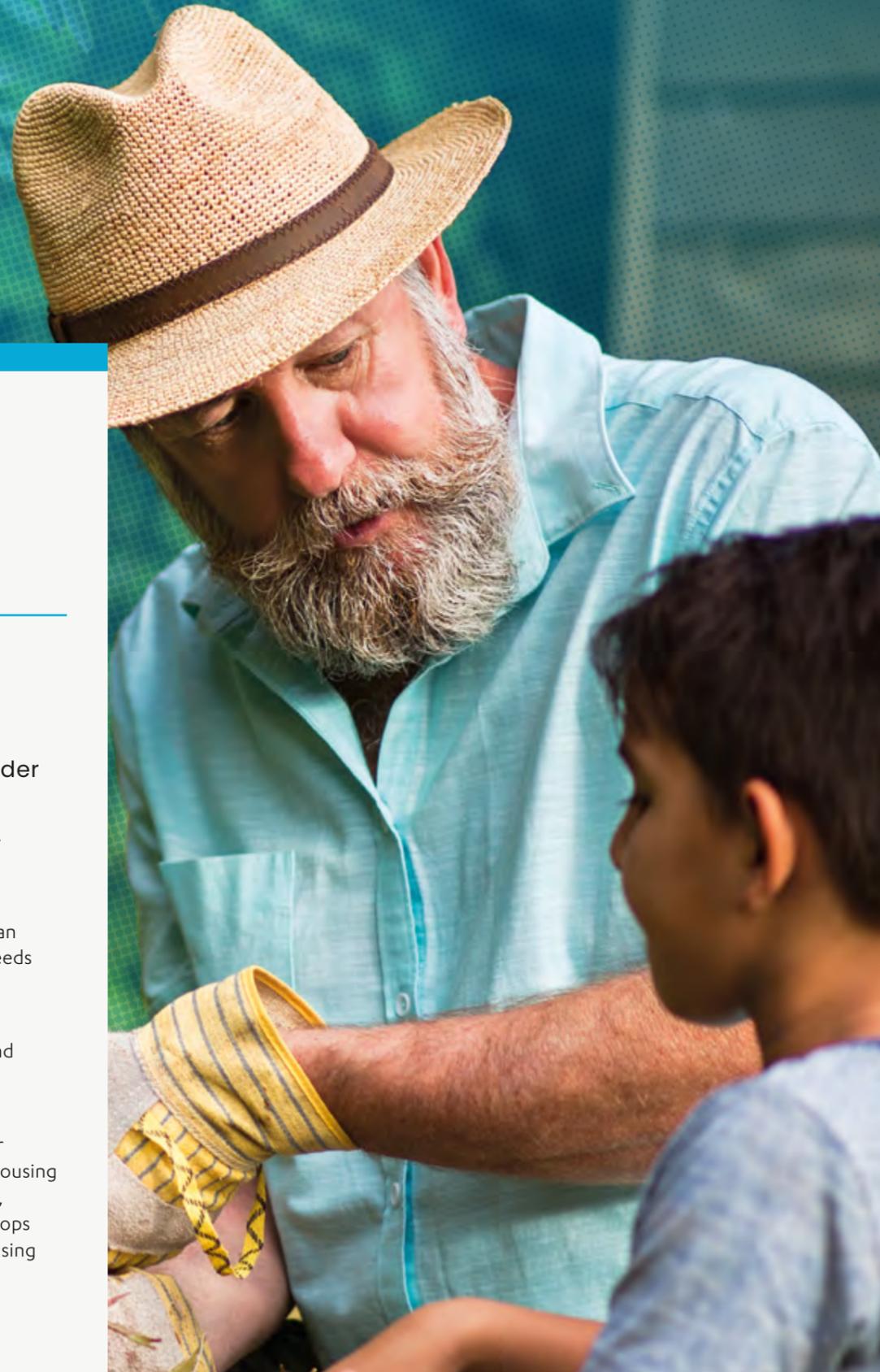
Empowered people.
Strong communities.
Better housing solutions.

About

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

CEHL provides member co-ops with:

- Resources, so co-ops can meet their members needs
- Program management, providing a framework for program delivery and decision making
- Property portfolio management, using our status as a registered Housing Association and charity, to provide member co-ops with the affordable housing they need



THE CO-OPERATIVE HOUSING PROGRAM

CEHL partners with independent housing co-operatives to provide the CEHL Housing Program.

CEHL provides co-ops with tools and resources to support their development and engages, reports and advocates on behalf of co-ops.

Co-ops are run by members, for members, where benefits are derived and distributed equitably.

Each co-op is an independent organisation that works together to meet the needs of its own members within the framework of the CEHL Housing Program.

Our housing program is an alternative to private rental or home-ownership.

CEHL actively promotes the value of co-operatives and the vital role co-operative models can play as part of the solution to Victoria's housing affordability crisis.

Regulation and compliance

As a registered Housing Association, CEHL reports to the Housing Registrar (on behalf of co-ops) who regulates rental housing agencies in Victoria. The regulatory framework administered by the Housing Registrar aims to strengthen housing agencies' capacity to attract, develop and protect capital investment, manage existing housing stock and support and protect low-income tenants.

As a registered Housing Association CEHL is able to deliver a heavily subsidised housing portfolio and access government funding when available to grow the housing program.



CEHL MEMBER CO-OPERATIVES



105
total
co-ops



number of individual co-ops in region

Ballarat

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

Bendigo + Central Victoria

Aegis CERC Ltd
Central Victoria CERC Ltd
Dragon City CERC Ltd
Eyrie CERC Ltd
Forest Creek CERC Ltd
Fountain CERC Ltd
Ithaca CERC Ltd
Oasis City CERC Ltd
Rainbow Eight CERC Ltd
Sunraysia CERC Ltd
Young Achievers CERC Ltd
Pyreness CMC Ltd

Geelong + Western Victoria

Bayside CERC Ltd
Bell Grove CERC Ltd
Binders CERC Ltd
Central City CERC Ltd
Colac CERC Ltd
Coladjin 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
South West CERC Ltd
Swan CERC Ltd
Tee Pee CERC Ltd
Western Heights CERC Ltd

Gippsland

Lakesdale CERC Ltd
Mallacoota CERC
Maryvale CERC LTD.
Morwell CERC Ltd
Tarra CERC Ltd
Thomson River CERC Ltd
Valley CERC Ltd
Warratraf CERC Ltd
Woorayl CERC Ltd
NASA CMC Ltd
Traralgon United CMC Ltd
Wirn Wirn Dook CMC Ltd
Wonthaggi Pioneers CMC Ltd

Metro North

Access CERC Ltd
Dwellers CERC Ltd
Earth CERC Ltd
FKN CERC Ltd
Liberty CERC Ltd
Merri CERC Ltd
St. Euphrasias Co-operative Ltd
St. Josephs CERC Ltd
Stockbridge CERC Ltd
Sun CERC Ltd
Wattletree CERC Ltd
Carringbush CERC Ltd
Diamond Valley-Whittlesea RHC (CMC)
Nell Street CMC Ltd
Northern Alliance CMC Ltd

Metro South East

AFE CERC Ltd
Castle CERC Ltd
CERC 13 CERC Ltd
Cranny CERC Ltd
Endeavour CERC Ltd
Entity CERC Ltd
Impact CERC Ltd
LARC CERC Ltd
Ranges CERC Ltd
Sherbrooke CERC Ltd
Start Polish CERC Ltd
Tamil Senior Citizen CERC Ltd
Victoria-Polonez CERC Ltd
As Salam CMC Ltd
Herbert Street CMC Ltd
Lakewood CMC Ltd
Opcola CMC Ltd

Metro West

Advance CERC Ltd
Colonials CERC Ltd
Cut Paw Paw CERC Ltd
Keilor CERC Ltd
MCISG CERC Ltd
NWK CERC Ltd
Satellite CERC Ltd
Sun Valley CERC Ltd
Thoroughbred CERC Ltd
Werribee CERC Ltd
Wyndham CERC Ltd

Peninsula

Carinya CERC Ltd
Dolphin CERC Ltd
Dromana CERC Ltd
Mangroves CERC Ltd
Seagull CERC Ltd
Ti Tree CERC Ltd

Shepparton + Northern Victoria

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

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

*“Safe, affordable,
long-term
comfortable
homes managed
by a trustworthy
organisation.”*



CHAIR AND MANAGING DIRECTOR'S MESSAGE

Highlights

In a year of widespread job losses and economic hardship, the benefits of co-op housing are more evident than ever.

Being part of a co-op brings security and connection to community, helping to reduce isolation and loneliness felt by many during the coronavirus lock-down.

This past year has demonstrated that CEHL and co-ops are adaptable in the face of challenges; from bushfires to a pandemic. Even with physical distancing requirements and lockdowns in homes, co-ops and CEHL employees have shown solidarity and resilience, continuing to support one-another in crisis.

Co-operatives have adapted well to physical distancing, with many people rapidly upskilling using online systems. More people are using the CEHL portal and using zoom to stay connected with each other while isolating. Hundreds of co-op members have participated in new online Co-op Program Q&A discussions and given important feedback to CEHL through these forums.

The Co-operative Housing Program has continued to evolve with co-op contributions through consultations regarding significant issues and continual improvement of program policy. CEHL has worked to ensure that the co-op voice is heard in key decisions.

Long-term low-cost program financing has been secured through the National Housing and Finance Investment Corporation (NHFIC) which will save the Program over \$4M in interest costs and fees over a 12-year period, and also reduce the workload of re-financing every three years.

Our property assets have been a major focus in this challenging year, with property loss and damage in the bushfires, along with working restrictions due to the pandemic. The Asset and Real Estate Services Teams have rapidly adjusted to continue (permitted) works on property repairs, maintenance, upgrades and developments as seamlessly as possible.

Advocacy to improve the housing system remains an important part of our work. CEHL represents our members interests on national and state Community Housing Industry Association Boards. We continue to encourage the Victorian Government to improve housing outcomes in the planning system through the Affordable Housing Industry Advisory Group. We have also collaborated with the sector to develop a model for putting solar energy on co-op properties, expect to hear more about this in 2021.

Organisational Development

Proactive investment in technology and business continuity planning allowed a smooth transition for employees to adapt and work from home, stay connected and support one another. Despite the challenges of the year, employee satisfaction levels are high, with a low turnover.

Governance Development

The Co-operative Program Committee was established this year with the broad support of member co-ops. The CEHL Board performed well in an independent governance review, and has a clear plan for making further improvements. New and improved resources have been provided for future CEHL Directors to help with succession planning and induction for Board members.

We acknowledge and thank

Co-operative housing is needed more than ever in this challenging year. We have continued to pursue ambitious goals and a commitment to being a co-op led program.

We thank our fellow CEHL Board Directors and committee members for their enduring diligence, commitment to co-operative principles and striving for good governance throughout the many unexpected turns of 2020.

CEHL employees began working remotely in mid-March 2020 when it became clear that COVID-19 was a serious health risk. Systems were in place to support business continuity so that employees could quickly adapt and provide essential services and clear communications to our members throughout rapid changes. We thank and commend CEHL employees for their preparedness and the way they have adapted to this very different world of work, their ongoing commitment to the CEHL Program and their support for each other.



Stephen Nash
Managing Director



Heidi Lee
CEHL Chairperson
Merri CERC member



**2019/2020
SNAPSHOT**



4,304

total people housed



2,115

households



105

housing co-ops



245

New people housed in 2019/20



60

different local government areas



59

median age of co-op members



77

employees (69 FTE)



\$932M

Total Asset Value



253

Property Upgrades (\$2.78M)

\$18.6M
Operating revenue
(12% increase from 2018/19)

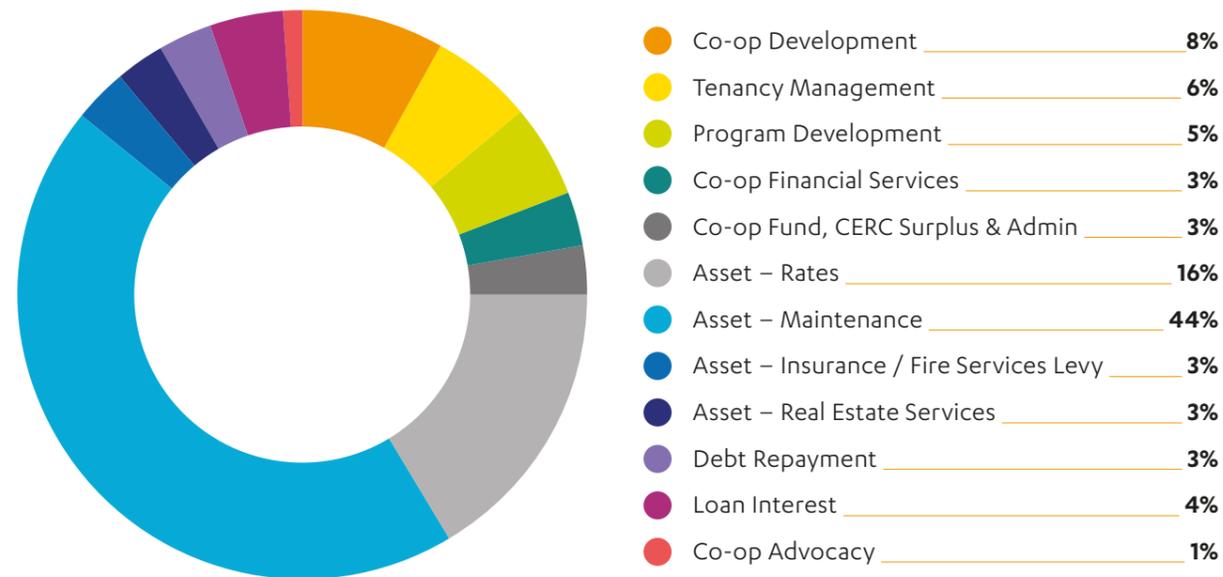
\$17.9M
Operating expenses
(10% increase from 2018/19)

8%
Loan to value ratio

Financial outline 2019/20



Application of \$25.3M Program revenue – FY 2019/20



YEAR IN REVIEW: ACHIEVEMENTS



Empowered people

Enabling co-ops, engaging members

Looking back on 2019/20

- Build co-op capability to apply changes required of a landlord, as a result of the amendments to the Residential Tenancies Act
- Continue to build co-op and member engagement
- Co-ops supporting one-another through bushfires and the pandemic

Looking forward to 2021

- Reviewing processes and implementation of the Victorian Housing Register
- Host deep discussions about Program issues and ideas in Question & Answer forums
- Implement core co-op skills training
- Work with co-ops to ensure roles, responsibilities and service standards are clear and well understood
- Work with co-ops to finalise and implement outcomes measurement tool to measure the impact of co-op housing on individuals and community



Strong communities

Sustainably growing our impact

Looking back on 2019/20

- Worked with co-ops to improve the Future Direction Plan toolkit as an ongoing planning tool
- Commenced consultation process with members about Company Rent and the Affordability Benchmark
- Joined the *Raise the Rate* Campaign to increase Jobseeker and Youth Allowance payments to reduce poverty and inequality
- Worked with sector DHHS, CHIAVic and Australian Co-operative Housing Alliance (ACHA) to share COVID response resources

Looking forward to 2021

- Strategic plan development for next five years
- Working with co-ops to increase community awareness of co-op housing



Better housing solutions

Contribute to a revitalised, innovative and affordable housing system

Looking back on 2019/20

- Increased funding for major property works to repair and improve properties informed by co-op Future Direction Plan aspirations
- Worked with co-op partners to improve property vacancy turnaround
- Deliver pipeline of planned property projects

Looking forward to 2021

- Repair and refurbish Lakewood building in Ringwood
- Energy efficiency measures focused on maintenance and asset improvement works
- Develop a shared equity model of co-op program offer
- Delivering new properties for co-ops throughout 2021

“Co-op housing has made a lot of people, especially women feel safe and stress free.”



EMPOWERED PEOPLE

Enabling co-ops, engaging members

Recognition of co-op member contributions

The Board acknowledges and thanks, all co-op members who have committed their time to the running of their own co-ops, provided feedback in consultations and surveys, participated in advisory committees and consulting groups throughout the financial year – 1 July 2019 to 30 June 2020.

Consultations throughout the year included:

- Quarterly policy consultations
- Establishing a Co-op Program Committee
- Engagement Review
- Improving the referral process
- Getting ready for implementation of the Victorian Housing Register
- Regional forums and organising regional end-of-year gatherings
- Question & Answer forums
- Company Rent and Affordability Benchmark consultation

Policy Advisory Committee (PAC)

PAC is made up of representatives endorsed by each region consulting with member co-ops and providing recommendations to the Board regarding policies, procedures and guides that help co-ops operate within the Program, carry out the management of their co-op, and meet their compliance requirements.

Policy Advisory Committee members for 2019-2020 financial year		
Name	Co-op Name	Region
David Bowles	Thomson River	Gippsland
Michelle Boxell	Eyrie	Bendigo
Anna Brayshaw	Riverland	Geelong + Western Victoria
Norma Castro	Herbert Street	Metro South-East
John Cooper	Serenity	Ballarat
Ian Curwood	Herbert Street	Metro South-East
Liza Dezfouli	Liberty	Metro North
Kris Gregson and Jill Newnham <i>share the role</i>	Dromana	Peninsula
Anette Mueller	Eyrie	Bendigo + Central Victoria
Margaret Rosser	Victory	Ballarat
Beth Rundle	Satelite	Metro West

For the full list of PAC members and a report on activities see Board Committee + Reports on page 41.

Co-op Program Committee (CPC)

CPC was established to consult with the co-op membership to recommend Program direction and development and raise emerging program issues to the CEHL Board.

The committee charter was drafted and accepted in June 2020, following consultation with member co-ops.

Co-op Program Committee members as of July 2020		
Name	Co-op Name	Region
Elizabeth Ellen	Kakadu	Geelong + Western Victoria
Shirley Martyn-Julian	Riverland	Geelong + Western Victoria
Anne Wilson	Herbert St	Metro South-East
Karren Walker	Sun	Metro North

For the full list of CPC members and a report on activities see Board Committee + Reports on page 42.

Company Rent and Affordability Benchmark Advisory Group (CRABAG)

The CEHL Board established the Company Rent and Affordability Benchmark Advisory Group to:

- examine the current and possible alternative company rent models and affordability benchmarks
- recommend a company rent model and affordability benchmark that best balances, and reflects, the Program Principles and the needs of co-ops

The advisory group members were appointed by the Board and will make its recommendation to the Board in November 2020.

Company Rent and Affordability Benchmark Advisory Group members for the 2019-2020 financial year		
Name	Co-op Name	Region
Ben Neil (Independent Chairperson, Capire)		
Bruce Fraser	Rainbow Eight	Bendigo + Central Victoria
T. Raveendiran (Ravi)	Tamil Senior Citizens	Metro South-East
Julie Gilchrist*	Solar City	Shepparton + North West Victoria
Jo Massey*	Earth	Metro North
Vivian Routley*	Liberty	Metro North
Matthew Walker*	Earth	Metro North

*Members resigned in June 2020. The work of the committee continues with support from the Policy Advisory Committee and the Co-op Program Committee.

Training Advisory Committee (TAC)

TAC is made up of co-op representatives from the regions. TAC facilitates collaboration between CEHL employees and co-op members to review and develop co-op training activities and materials.

TAC representatives seek input from members from their region to contribute to the development of training and materials, that help co-op members to contribute effectively in the development of their co-operative.

Training Advisory Committee members for 2019-2020 financial year		
Name	Co-op Name	Region
Gayle Carley	Lakesdale	Gippsland
Felicity Grosse	Forest Creek	Bendigo + Central Victoria
Para Kangasingam	Herbert Street	Metro South-East
Judith Nash	Mangroves	Peninsula
Sharon Quinn	Wattle tree	Metro North

Newsletter Advisory Group (NAG)

NAG is made up of representatives from the regions. The group work collaboratively to decide on the content of the quarterly newsletter *Co-operatively Speaking* and seek contributions from members in their region. NAG are consulted about other CEHL stakeholder publications, when required.

NAG meet quarterly, meetings are chaired by the CEHL Communications Manager and a Co-op Development Coordinator attends each meeting.

Newsletter Advisory Group members for 2019-2020 financial year		
Name	Co-op Name	Region
Sarah Andrew	Liberty	Metro North
Gayle Carley	Lakesdale	Gippsland
Liza Dezfouli	Liberty	Metro North
Don Carpenter (December 2019)	Carinya	Peninsula

NAG REPORT

Co-operatively Speaking this year evolved into an electronic newsletter, giving flexibility on how content is provided in written or video format.

NAG also contributed valuable ideas in the design of the monthly update sent to co-op directors about Program projects and activities.

We thank Don Carpenter for his salty tales and wisdom borne from his days in the Navy. Don contributed to *Co-operatively Speaking* and the Newsletter Advisory Group for more than six years and was always an active member of his co-op. Don left the Program in early 2020 to move into a retirement village.



2020 Scholarships

Congratulations

CEHL Scholarship Program provides \$2,000 education scholarships to people living in our co-ops to further their education. This year, nine scholarships were awarded.

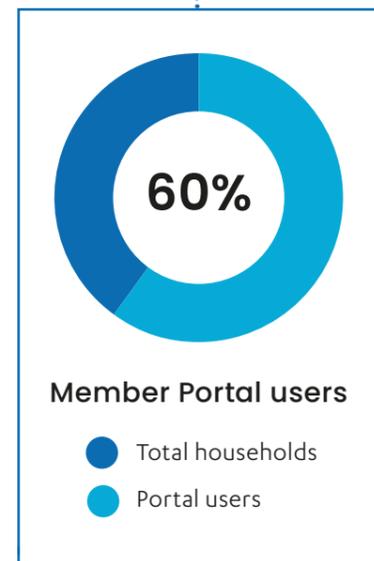
Name	Co-op	Certificate	Scholarship recipient comments
Victorian Certificate of Applied Learning			
Adam Casley-Old	Earth	Building and Construction	"The (scholarship) money will help so much to buy schoolbooks, school fees, tools for VCAL class, school uniform and much more."
Certificate			
Noilani Beck	Dragon City	Animal Studies	"Wow that's fantastic, thank you so very much the money will help with my schooling a great deal."
Troy Relouw	Central City	Training and Assessment	"This goes a long way reducing the costs associated with my upskilling and supports me and my family. Kind thanks and appreciation."
Sarah Andrew	Liberty	Education Support	"Thank you very much for this opportunity. This all means a lot, Thank you!!!!"
Graduate Certificate			
Cathleen Staats	NASA	Domestic and Family Violence	"Thanks to everyone on the selection panel. I am thrilled to receive this scholarship."
Degree			
Olivia Hope Campbell	Maryvale	Criminology 4, Psychological Science	"Thank you so much for choosing me as a scholarship recipient!"
Jessica Leslie	Earth	Bachelor Degree	"Thank you for your support"
Leuca Sharman	Sun	Business Management and Finance	"Thank you for giving me this opportunity!"
Randa Assi	Diamond Valley/Whittlesea	Science	

Staying connected while physically distanced

Staying connected while physically distancing has had its challenges.

A silver lining has been the uptake and usage of the member portal. Over half of all members we have email details for are now actively using the portal. Co-ops and committees have rapidly adopted technology and now all meetings are being held online.

This quick response was enabled by the Co-op Development Coordinators running series of online training workshops to help members get started meeting online.



CEHL Board and employees strategic planning meeting

Co-op training advice and support

Significant work has gone into supporting co-ops to adapt to the legislated changes to the Residential Tenancies Act, the Victorian Housing Register processes, and managing 'business-as-usual' during the pandemic. In this period of rapid change, the strength of the co-operative community has shone through.

Co-op training in 2019-20

- Getting member selection right
- Residential Tenancies Act, changes and Victorian and Civil Administration Tribunal (VCAT) for landlords
- Co-op impacts of Residential Tenancies Act changes
- Zoom training – how to use online video conferencing

Co-op Development Coordinators continue to do a great job working with co-ops:

- to finalise their Future Direction Plans
- embedding changed processes to referral processes and reporting requirements of the Victorian Housing Register
- understand, and plan for changes required to program policies and processes, as a result of the amended Residential Tenancies Act
- hosting (4) Regional member forums and (8) applicant information sessions



Trent Bartlett, Foundations of Directorship trainer and Heidi Lee, CEHL Chairperson.

Foundations of Directorship – Board director training

In September 2019, the Business Council of Co-operatives and Mutual in conjunction with the Australian Institute of Company Directors offered the first AICD course designed specifically for co-operative and mutual directors in Australia. Attending the training were: Stephen Nash, Managing Director; Nicola Foxworthy,

Program Director, Gordon Kieselbach, co-op elected Director; Fiona Herman, co-op elected Director and Heidi Lee, co-op elected Director and Board Chairperson.



“The best thing about co-op is – security of housing, friendships with like-minded members, learning and running a business (together).”

“In a changing world of climate change, unemployment, mental health, being a part of co-op makes us more resilient by taking care of the place, nature and each other.”

Co-op housing living

Mikoto, Earth Co-op member
living at Murundaka Cohousing Community

Since my son has moved out, I am finding living on my own quite lonely, but I have a close community here.

I am a Japanese interpreter by trade, but with the pandemic there is no face-to-face interpreting work. I am very lucky I have some translation work I can do from home, although it can be stressful working on the screen with tight deadlines.

I'm also a zero-waste community cook and permaculturist, and have been very busy since the lockdown shopping and cooking over

200 healthy vegetarian meals for the people in our co-op. My supermarket is our garden. I love cooking using fresh seasonal produce.

Being a member of Earth co-op has meant... I can find everything I need here, a sense of belonging, connection with our community, sharing beautiful space, meaningful activities, for example, growing our own food, cooking from scratch, sharing the produce and composting. During the pandemic, we learned that “We” promotes ‘wellness’ but thinking only about “I” is not healthy.

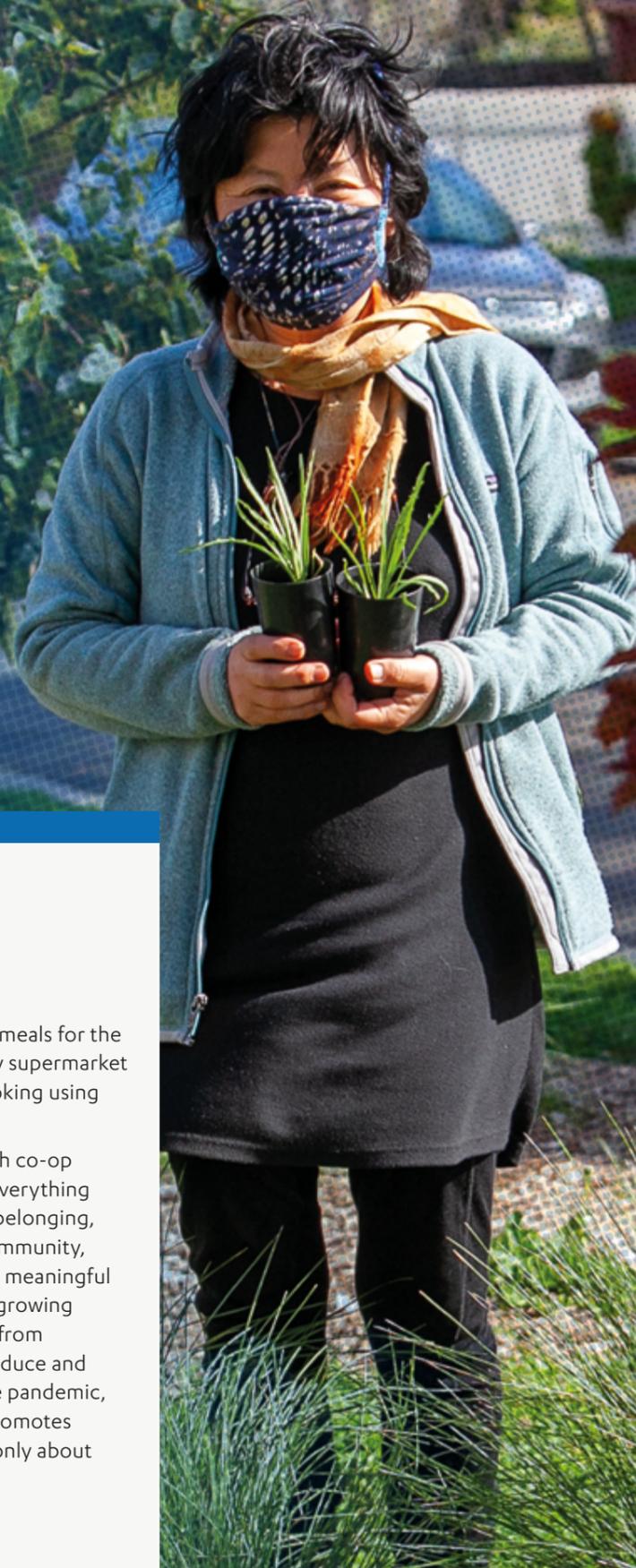


Photo by: Chris Grose, Merri Co-op

© Shooting Spree Photography



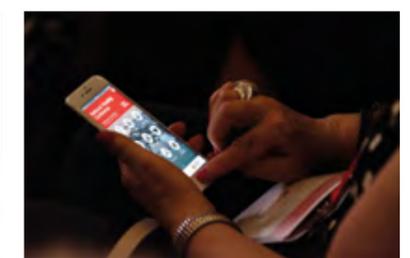
National Housing Conference

Every two years, delegates from CEHL and the Board attend the National Housing Conference, convened by the Australian Housing and Urban Research Institute (AHURI).

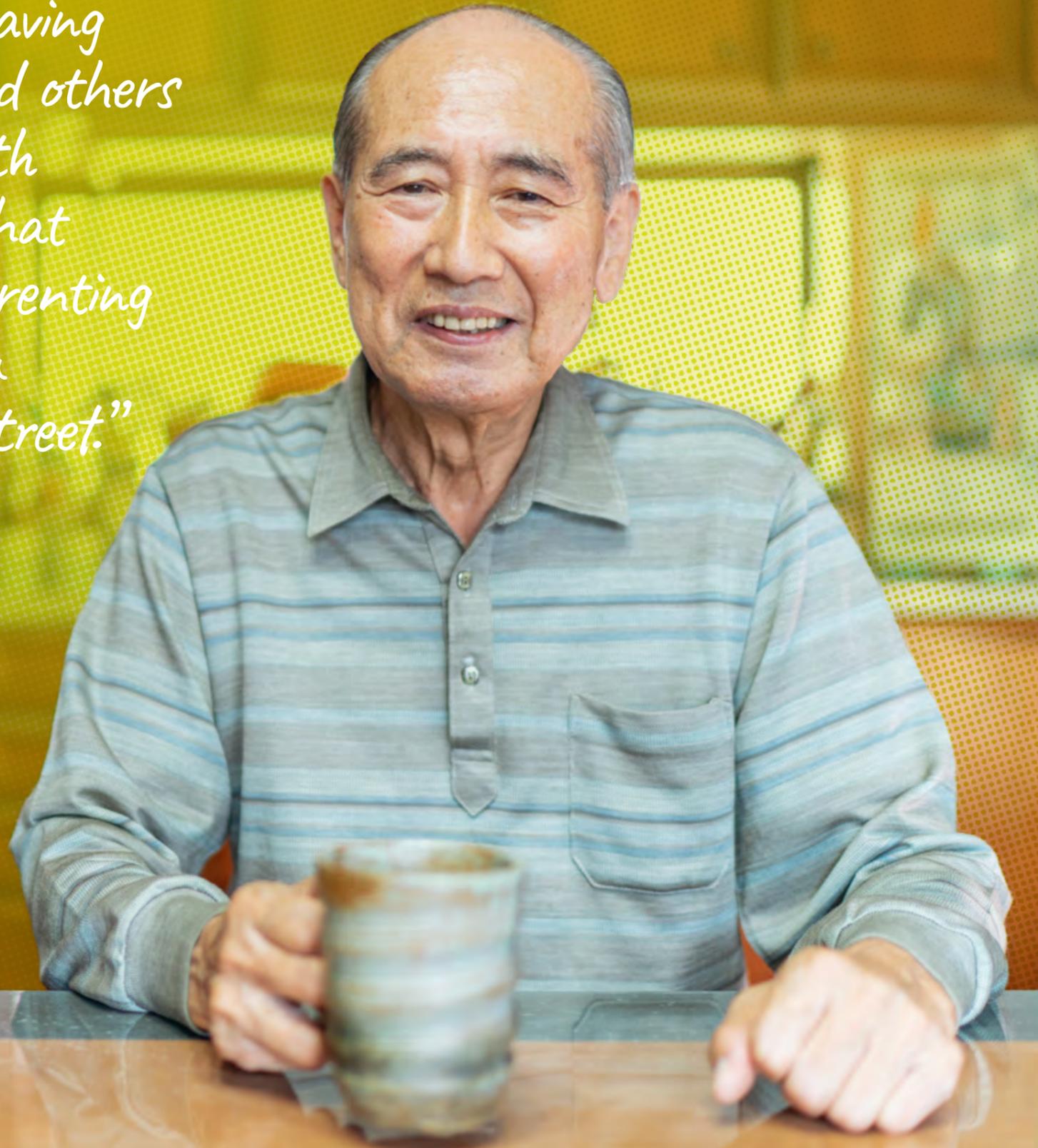
It's the largest gathering of the social and affordable housing sectors in Australasia, attended by key decision makers from all sectors. Focused on big picture, national challenges, the theme of the conference held during August 2019, in Darwin, was Housing future communities.

“I have attended these conferences over the past couple of decades, and usually feel frustrated that they do not lead to any specific change. I am more optimistic after this conference as the facts about Australia's affordable housing crisis are so compelling, and key commentators and policy makers are showing more interest than ever.”

Stephen Nash,
CEHL Managing Director



“Co-op housing is about having a voice and others helping with matters that in private renting would be a one-way street.”



STRONG COMMUNITIES

Sustainably growing our impact

Co-op voice in Program decisions

CEHL works in partnership with co-ops to plan and manage the Program.

While final decisions rest with the CEHL Board, they are made only after considering ideas and priorities put forward by member co-ops.

How the co-op voice is 'heard'



Shareholder/member co-ops nominate and elect co-op members to the Board



Co-op members are members of every Board Committee



The Board establishes Advisory Groups, made up of co-op members, independent chair and experts to consult with program participants on important program issues

Co-op Future Direction Plans (FDP) are a long-term planning tool for both co-ops and CEHL.

- Co-ops set goals for their co-op in terms of member profile, property, finance and other priorities that a co-op may have

- CEHL uses information in the FDP to understand each co-ops' needs and develops strategies, to meet those needs and plan program-wide property works, property developments, and co-op support

Co-ops connecting

Co-ops in six regions; Ballarat, Bendigo, Geelong, Metro South, Metro West and Peninsula organised and hosted regional end-of-year gatherings to relax, socialise and connect with one-another in December 2019.

Before the lockdown of 2020 co-ops were getting together to meet and connect – now it's all online.

Metro North International Co-ops Day celebration



Geelong members mapping out co-ops in their region



Bendigo regional end-of-year celebration



Lakewood band playing at Metro South East end-of-year celebration



Metro South-East end-of year celebration



Victorian Housing Register priority housing target – exceeded

Co-ops have exceeded CEHL's required target of vacancies allocated to people for priority housing.

The target for 2019-20 was 3.73%. The percentage of vacancies allocated to priority households in the Program this financial year was 41.4%.

CEHL opted in to the VHR on 1 May 2019. A review of VHR is scheduled for late 2020.

Rent model implementation – delayed

Rent is the main source of revenue for co-ops, CEHL and the Program.

The rent received from co-op members is the only funding source that enables assessed rents (rent based on income), maintenance and co-op resources to be provided.

The first phase of the new rent model was implemented in 2018/19 which provided an additional \$1M towards major works (Third Schedule) on Program properties.

The final phase of implementation of the new rent model, due July 2020, has been delayed until April 2021 (at time of printing) due to the Victorian Governments' omnibus of COVID response measures including a moratorium on rent increases.

The new rent model:

- Protects CEHL's charitable status, enables access to government grants and exemption from GST, land tax, stamp duty on new properties and maintenance costs
- Increases income to the Program, more funds for co-ops and for Third Schedule works (major property upgrades)
- Maintains an affordability benchmark of 25% of main gross income and equitable rent charges

Company Rent and Affordability Benchmark Review

The Company Rent and Affordability Benchmark Review's followed on from the rent model review as per the Rent Model Advisory Groups' recommendations. The review will examine:

- the Program service offering to co-ops and the amount co-ops contribute for those services (Company Rent); and
- the percentage of income used to assess rent, to ensure households have a reasonable proportion of income for living expenses after paying rent and Program sustainability (Affordability Benchmark)

The Company Rent and Affordability Benchmark Advisory Group (CRABAG) was appointed to ensure appropriate and accessible engagement opportunities for co-ops throughout the review. See page 15 for members of CRABAG. They are due to make their recommendations to the CEHL Board by November 2020.



Research – Analysing the benefits of co-op housing

Western Sydney University and the Australian Co-operative Housing Alliance (of which CEHL is a member) secured funding for new research to analyse the benefits of Australian housing co-operatives. This research is funded (partially) by the Australian Government through the Australian Research Council (Linkage grant).

“Throughout the world, housing co-operatives have been associated with a range of benefits for residents due to their focus on community involvement, better quality housing, greater social networks, sense of belonging, and improved employment and education outcomes,” lead researcher Louise Crabtree explained,

“While there has been research into the benefits of housing co-ops in Europe, Canada and North America, this will be the first comprehensive research of its kind in Australia.

This important research is a collaboration with the Western Sydney University research team led by Associate Professor Louise Crabtree, the Australian Co-op Housing Alliance.

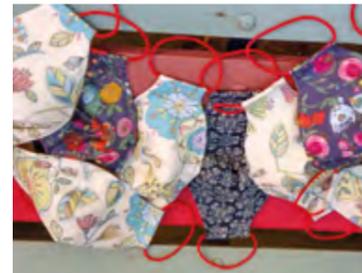


ACHA members are:



Raise the Rate campaign

CEHL is a signatory to the Raise the Rate Campaign headed by the Australian Council of Social Services. CEHL supports the goal of the campaign to increase the social security safety net, with ongoing indexation payments in line with wage movements each year.



The CEHL Craft Group custom made masks for colleagues

Organisational Development

CEHL Enterprise Agreement

Delegated employees from each team worked together to negotiate a new enterprise agreement that was accepted by employees, the Board and Fair Work Australia. The agreement sets out the employment conditions and brings it in line with sector standards.

Job satisfaction

CEHL undertakes a biannual employee survey to gain insight into employee engagement in the organisation and levels of job satisfaction.

Conducted in April 2020, at the start of the first COVID-19

lockdown, the survey found job satisfaction levels at an all-time high. Employees especially connect with the purpose and values of the organisation and the flexible work arrangements.

The positive work culture is reflected in the initiatives of employees and participation in wellbeing activities, a welcome support, especially while working remotely.

A group of crafty employees started making custom made masks for their colleagues. Activities to keep one-another connected during this time, also include online Karaoke, a daily quiz, baking group, exercise group and a half hour relaxation session once a week.



HOW WE PERFORMED

CEHL and all registered housing agencies report on key performance measures that review operational management in the following areas:

- ✔ Tenant and housing services
- ✔ Housing assets
- ✔ Community engagement
- ✔ Governance
- ✔ Probity
- ✔ Management
- ✔ Financial viability

CEHL undertakes this reporting requirement on behalf of housing co-operatives in the Program and provides the information to the Housing Registrar.



Key Performance measures



104

New tenancies during the year



93.7%

Tenancies maintained
Long-term housing, 0.6% reduction from last financial year



98.8%

Average occupancy
Rates have remained greater than 97% for the past four years



33 days

Vacancy management
The number of days properties are vacant. This figure is an average of total number of vacancies both tenable and untenable throughout the year



0.9%

Evictions
During the year as a percentage of total tenancy exits



16

Complaints (out of 16 received) resolved within 30 days



708

Total number of urgent repairs requested



1,186

Total number of non-urgent repair requests

- ✔ Improved: While the number of requests has increased from 2018/19, CEHL has improved response times for both urgent and non-urgent repairs



92.5%

Urgent repairs completed within 24 hours

- ✔ Improved response time (2018/19 figure 91%)



84.2%

Non-urgent repairs completed within 14 days

- ✔ Improved response time (2018/19 figure 77.8%)

BETTER HOUSING SOLUTIONS

Contribute to a revitalised, innovative and affordable housing system

\$1M boost for major works and upgrades

An additional \$1 million from extra revenue gained through the first stage of implementation of the new rent model, boosted funds for major works and maintenance delivered this financial year.

The funding has enabled additional 36 major works projects (Third Schedule)



\$2.78 M

Total budget allocated for major works (Third Schedule) in the Program



253

Major works (Third schedule) were completed, made up of:



62

Bathroom upgrades



43

Kitchen upgrades



48

General works



15

Structural works



42

External works



43

Major rewiring and electrical upgrades



745

Property inspections



“You have made a lot of people, especially women feel safe and stress free – it helped me so much to have my own place that I love. – it’s the best thing”



Electrical upgrades

New and special for this year, a portion of the CMC and VicWide planned works budget was allocated to electrical upgrades. This was an important safety focus for groups that have recently transferred into CMC or VicWide.

Maintenance improvements

While the number of maintenance requests have increased from last year, CEHL response time for repairs has improved for both urgent and non-urgent repairs. (see Key Performance measure for details on page 29)

Our maintenance service to Community Managed Co-ops (CMCs) also continued to improve while the number of properties in this portfolio has increased. Our focus has been on important safety works.

“First grade maintenance support, in particular safety checks and upgrades of appliances.”

\$4.5M Social Housing Growth Fund

By opting into the Victorian Housing Register (VHR) CEHL has successfully been able to access Social Housing Growth Funds, providing \$1.6M for Program properties and \$2.9M for capital investment properties (see page 35 for details about the capital investment strategy).

The capital investment funds will provide housing outcomes for low-income households over a 10-year period, and when sold, will provide a financial return to the Program.

Property developments

Property governance processes

Significant foundational work has been completed that formalises consistent decision making and evaluation processes for property disposal, acquisition and development decisions in the Program. Information provided by co-ops in their Future Direction Plans is integral to every property decision. This work has enabled CEHL to develop a consistent pipeline and delivery of property outcomes for the Program.

In addition, new Design & Construction Specification Guidelines, along with CEHL’s Design Principles ensure new build properties meet the Program’s and regulatory best practice quality and standards.

- 36 properties are currently in the pipeline for development, including 8 new homes approved to commence construction
- Completed dual occupancy development for the Program (subsequently allocated to two co-ops through the Allocations expression of interest process)
- 51 property evaluations
- 20 property disposals
- 1 property acquisition (VicWide)



Pictured above, development of a single dwelling property in Thornbury was handed back by the co-op and subsequently sub-divided and developed to provide two dwellings for two co-ops in a desirable location.

Energy smart / climate safe homes

The loss and damage to a number of homes in Mallacoota in the 2019/20 fires emphasised the importance of work underway to mitigate the climate risk in the Program.

CEHL is working with co-ops to assess the climate change risks and develop a best-practice strategy to mitigate these risks and improve home comfort.

Currently underway:

1. Getting climate ready

working with experts on how to assess and manage the risks that climate change presents to households and properties in the Program

2. Model for solar

working with Community Housing Industry Association (CHIA) and the sector to develop a model for solar energy installs that will work within our Program

3. Improve home energy efficiency and comfort

- installing draught proofing and home appliance upgrades in the Latrobe Valley
- trialling heat pump hot water systems with eight (8) households in two regions
- provided energy saving tips and ideas to saving money on energy bills
- created design guidelines for energy efficiency measures as a standard on property upgrades
- in discussion regarding bulk buy deals to upgrade heaters and hot water services



Financial security

Capital investment strategy – a Program income stream

CEHL purchases investment properties as a strategy to provide revenue back to the Program when sold. Program funds are not used to purchase the investment properties. The capital investment approach creates value by seeking bulk purchase discounts, GST benefits and funding grants where possible.

Properties acquired for capital investment provide much needed affordable housing in the community, however, they are not suitable for co-op Program use, as they will not be held over a longer term and therefore don't meet the Program Principle of Security of Tenure.

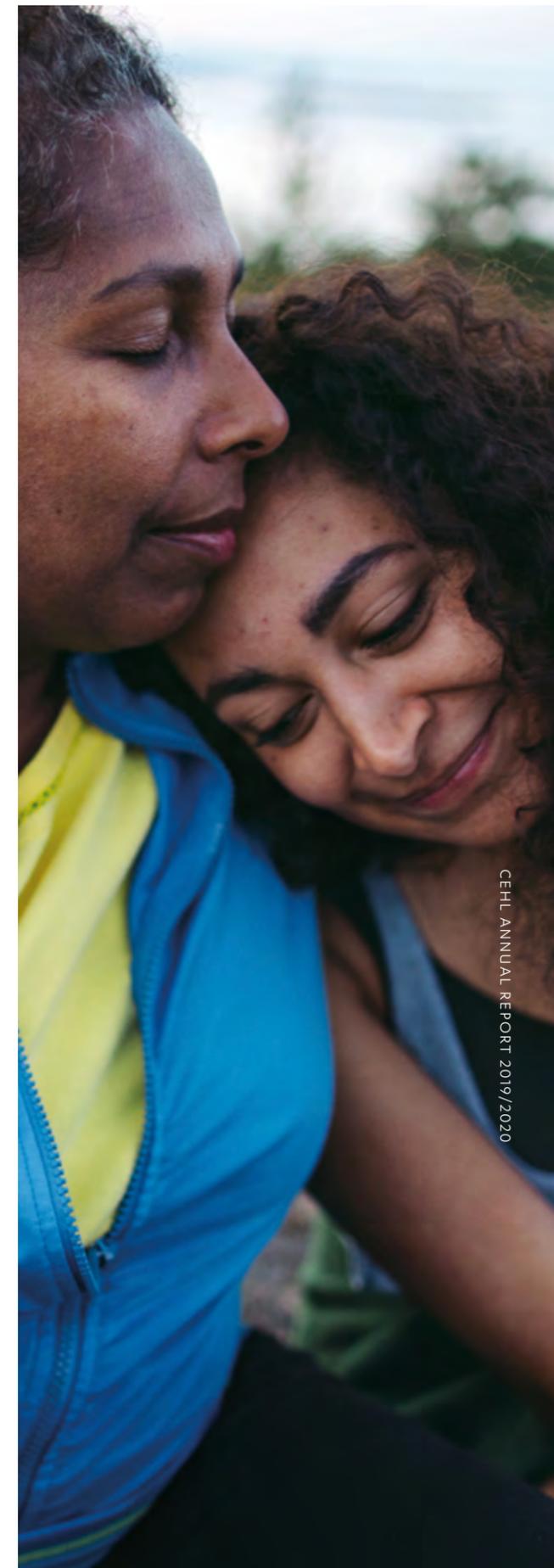
Long-term low-cost financing with NHFIC

CEHL secured long-term (12-year) low-cost financing saving CEHL over \$4M over the next twelve (12) years. The refinancing has been secured through the National Housing Finance and Investment Corporation (NHFIC) social bond.

“It is pleasing to see the strong support from domestic and international investors for the community housing sector in our third bond, which was the largest social bond by an Australian issuer at the time.

The funds from this bond will be channelled directly to community housing providers to support Australians most in need at such a challenging time,”

NHFIC CEO, Mr Dal Bon said.



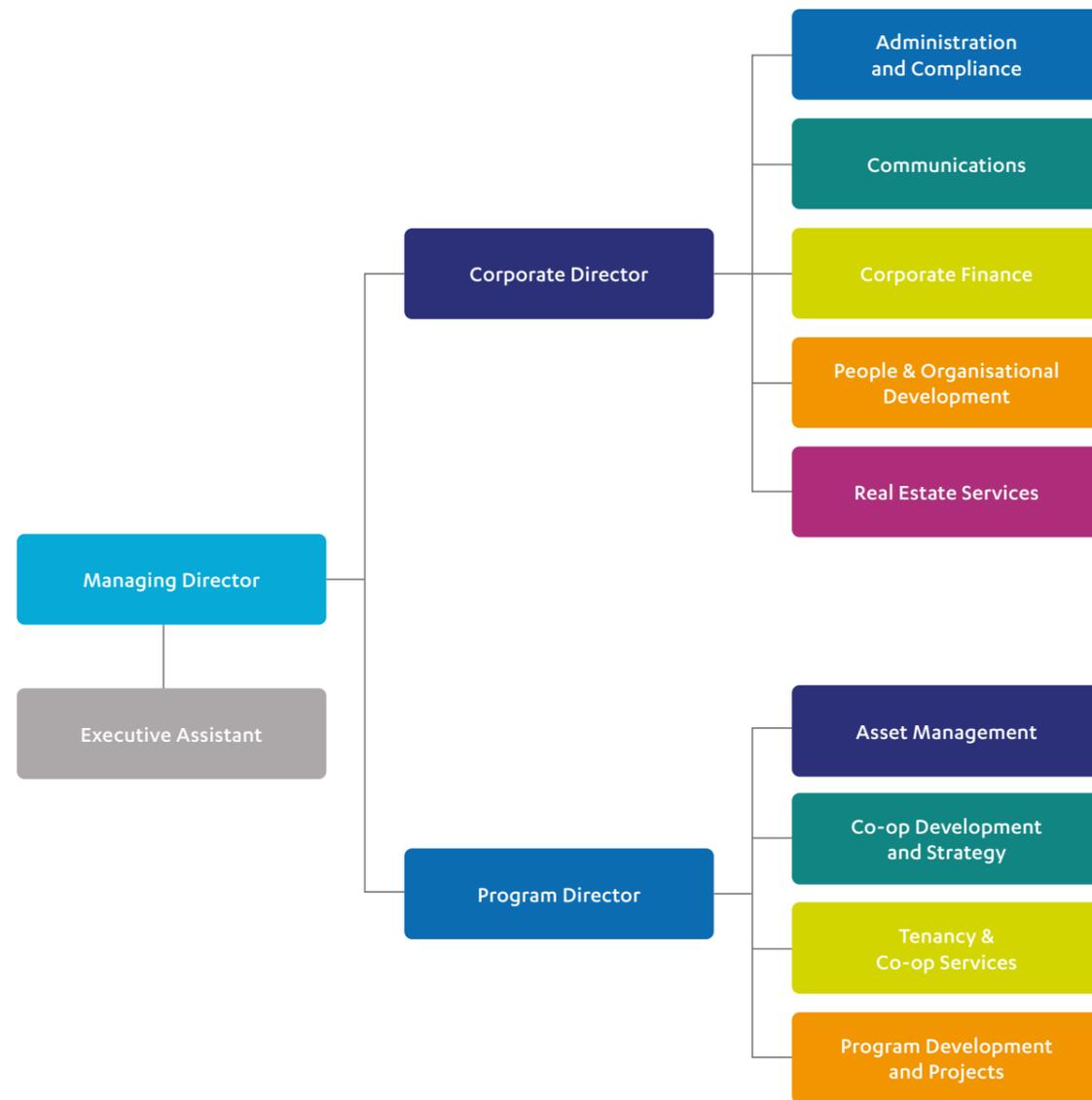
HOW WE WORK

Our dedicated teams of employees are committed to providing outstanding service to member co-ops, and direct tenants in the 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 and Program. The Corporate Team provides business services to the organisation. The Program Team provides program management, co-op development and resourcing tenancy and management and maintenance.

Organisational chart



GOVERNANCE

CEHL is a not-for-profit company limited by shares under the Corporations Act 2001.

A Registered Housing Association, CEHL leverages private finance off its asset base and seeks partnerships and government funding to undertake property development and acquisition. 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

Governance structure



CEHL is governed by a Board of eleven Directors comprising:

- Five co-op elected directors, including the Board Chair
- Five directors appointed for their technical skills
- The Managing Director, appointed by the Board

Board committees made up of Board members and independent experts have the responsibility to progress strategic initiatives, in Program Policy, Property, Finance and Risk, and People Culture and Governance.

The CEHL Board is responsible for the strategic management and the overall financial performance of CEHL.

On issues of strategic Program significance, the Board requires engagement with co-op members to hear and understand their feedback before a decision is made.

*Indicates has elected or appointed co-op members

CEHL BOARD OF DIRECTORS



Heidi Lee
Chairperson and Elected Director

Qualifications: Master of Architecture (Research); Bachelor of Arts (Architecture) (Hons); Member of the Australian Institute of Company Directors

Experience: Heidi has been participating in the CEHL Housing Program since 2011 and is a member of Merri CERC. Heidi was elected to the CEHL Board at the AGM in November 2015 and was appointed as Chairperson in November 2018.

Board committee: Property Committee member



Sylwia Greda-Bogusz OAM
Elected Director

Qualifications: Doctor of Education-Sociology; Masters of Educational Studies – Behavioural Psychology

Experience: Sylwia has been a Castle CERC member since 2013. Sylwia has extensive experience in multicultural and aged care services. In 2019 Sylwia received an Order of Australia Medal for service to the Polish community of Victoria. Sylwia was elected to the Board at the AGM in November 2016.

Board committee: People, Culture and Governance



Fiona Herman
Elected Director

Qualifications: Bachelor of Health (Nursing), Master of Health and Human Services Management, NFP Directors Course, AICD

Experience: Fiona has been a member of the CEHL Program since 1999, is a member of Endeavour CERC and was elected to the Board in 2015. Fiona is the Deputy Chair, CEHL Board and Chair of the Policy Advisory Committee.

Fiona was elected to the Board at the AGM in November 2013.

Board committee: Policy Advisory Committee Chairperson



Gordon Kieselbach
Elected Director

Experience: Gordon has been a member of Geelong West CERC since 2000. He has served as a police officer in the South Australian Police Department and has also worked in the insurance industry. Gordon was elected to the Board at the AGM in November 2018.

Board committee: Co-op Program Committee member



Robyn Evans
Elected Director

Qualifications: Corporate Directors, Australian Institute of Company Directors; Prince 2 Project Management Foundation Course and Graduate Certificate in Business Management.

Experience: Robyn is a member of Merri CERC. Robyn has extensive experience in project management and planning for Local Government. Robyn was elected to the Board at the AGM in November 2019.

Board Committee: Finance and Risk Committee member



Stephen Copland
Appointed Director

Qualifications: Bachelor of Town and Regional Planning.

Experience: Stephen is a highly experienced property developer with a background at the Ministry of Housing, Urban Land Corporation, Stockland and for the last 14 years at National Pacific Properties as General Manager. Stephen is a life member of the Urban Development Institute of Australia [Victoria] and served on its Board for over 12 years (including 2 years as president). Stephen joined the CEHL Board in 2015.

Board Committee: Property Committee Chairperson



Tony De Domenico OAM
Appointed Director

Qualifications: MAICD, FAIM, APRIA

Experience: Tony is a Director of the National Housing Finance and Investment Corporation (NHFIC). He was previously the Chair of AHURI, Deputy Chair of Development Victoria and CEO of the Urban Development Institute of Australia (Vic). Tony received an Order of Australia Medal in 2018 for his contribution to urban planning, research and development in Victoria. Tony joined the CEHL Board in February 2013.

Board Committee: Chair of the People Culture and Governance Committee



Brodie Woodland
Appointed Director

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 joined the CEHL Board in 2015. Brodie has previously been a member of the People Culture and Governance Committee. Brodie joined the CEHL Board in 2015.

Board committee: Co-op Program Committee member



Samantha Winter
Appointed Director

Qualifications: Master of Business Administration, Bachelor of Economics.

Samantha is a Chartered Accountant and also a Graduate of the Australian Institute of Company Directors.

Experience: Samantha has extensive finance, governance and management experience. Samantha joined the CEHL Board in December 2019.

Board Committee: Chair of the Finance and Risk Committee



Keith Bayliss
Appointed Director

Qualifications: Graduate Australian Institute of Company Directors, Associate Australian Property Institute, Member Royal Institute of Chartered Surveyors, Certified Practising Strata Manager and Associate Diploma in Valuations

Experience: Keith has over 30 years experience as a senior executive and director in the property industry. Keith joined the CEHL Board in December 2019.

Board Committee: Property Committee member



Stephen Nash
CEHL Managing Director

The Managing Director is appointed by the Board.

Qualifications: Master of Applied Science (Innovation and Service Management), a Graduate Certificate in Housing Management and Policy, and an Associate Diploma in Welfare Studies.

Experience: Stephen has worked extensively in senior management roles in the Community Housing sector. Stephen was appointed Managing Director in November 2013.

Board committee: People, Culture and Governance Committee, Property Committee and Finance and Risk Committee member

Karren Walker, Chair, Co-op Elected Director completed her term in 2019

Joel Chibert, Appointed Director resigned in 2019

David Williams, Appointed Director resigned in 2019

BOARD COMMITTEES + REPORTS

Each committee has a role in the strategic development and governance of specific aspects of the organisation and Program.

All committees undertake an annual review of performance to seek improvements in functioning.

Finance and Risk Committee

Committee members	
Samantha Winter (Chair)	Appointed Director
Robyn Evans	Elected Director
Gordon Kieselbach*	Elected Director
Pallavi Khanna	Independent member
Stephen Nash	Managing Director
Brad Hosking	Corporate Director
CEHL employee participants	
Timothy Dart	Manager – Corporate Finance

*Committee member until Dec 2019, then joined the Co-op Program Committee

Purpose: The Finance and Risk Committee is responsible for overseeing effective financial risk management and reporting.

Achievements: This financial year the committee's focus on efficient spending and interest management has delivered great benefits to the Program and stepped towards a stronger financial future.

CEHL's Capital Investment Strategy is now delivering in excess of \$250,000 of net revenue to the Program each year, as well as providing affordable housing.

CEHL secured a low-interest bond with the National Housing Finance and Investment Corporation (NHFIC) that will save us in excess of \$4M over the next 12 years.

Property Committee

Committee members	
Stephen Copland (Chair)	Appointed Director
Keith Bayliss	Appointed Director
Heidi Lee	Elected Director
Stephen Nash	Managing Director
Nicola Foxworthy	Program Director
CEHL employee participants	
Brad Hosking	Corporate Director
Meg George	Manager – Asset Management
Melissa Wittig	Manager – Real Estate Services

Purpose: The Property Committee is responsible for overseeing property development, acquisition, disposal, project and asset management.

Achievements: With Future Direction Plans (FDP) now substantially completed, many regions are seeing new developments under construction and more in the pipeline.

There are currently 36 properties in the pipeline of development across nine projects in Geelong, Melbourne and Frankston. This includes a 16-unit building in Brunswick.

People Culture and Governance Committee

Committee members	Co-op
Tony De Domenico OAM (Chair)	Appointed Director
Brodie Woodland*	Appointed Director
Sylwia Greda-Bogusz	Elected Director
Stephen Nash	Managing Director
Karren Walker (2019)	Elected director
David Williams (2019)	Appointed director
Brad Hosking	Corporate Director

*Committee member until Dec 2019, then joined the Co-op Program Committee.

Purpose: The People Culture and Governance Committee reviews strategic staffing matters, with the aim of sustaining a positive, high performance organisational culture. They also review governance succession, make recommendations to, and assist the Board with matters in a strategic and timely manner.

Achievements: An independent review of CEHL governance found that CEHL currently has excellent governance processes. They also identified opportunities to continue to refine and adapt our governance, so we can keep delivering value to co-ops, in an ever-changing world.

Policy Advisory Committee (PAC)

Committee members		
Fiona Herman (Chair)	Elected Director	
Sylwia Greda-Bogusz OAM (until Dec 2019)	Elected Director	
Co-op representative committee members	Co-op	Region
David Bowles	Thomson River	Gippsland
Anna Brayshaw	Riverland	Geelong + Western Victoria
Norma Castro	Herbert Street	Metro South-East
John Cooper	Serenity	Ballarat
Liza Dezfouli	Liberty	Metro North
Kris Gregson shares role with Jill Newnham	Dromana	Peninsula
Anette Mueller	Eyrie	Bendigo + Central Victoria

Purpose: The Policy Advisory Committee consult with the co-op membership each quarter and recommend Program Policy to the CEHL Board for approval.

Achievements: This year, the committee refreshed the suite of Program policies and procedures enabling the 2012 Program Directives to be officially 'retired'.

Three policy consultation cycles were completed during this year, updated and new policies were published on the website for review by co-op members.

The policies and procedures reviewed, revised and approved by the Board included eight (8) asset management policies, three (3) procedures and two (2) factsheets and guides.

Co-op Program Committee (CPC)

Committee members

Gordon Kieselbach	Co-op elected Director
Brodie Woodland	Appointed Director

Co-op Program Committee members as of July 2020

Independent members

Ben Neil (Independent Chair)	Capire
Gillian McFee (Independent co-op expert)	Gillian McFee & Associates

Appointed co-op members

Appointed co-op members	Co-op	Region
Elizabeth Ellen	Kakadu	Geelong + Western Victoria
Shirley Martyn-Julian	Riverland	Geelong + Western Victoria
Karren Walker	Sun	Metro North
Anne Wilson	Herbert St	Metro South-East

Purpose: The Co-op Program Committee is a new committee, established in 2020. They will consult with the co-op membership and recommend Program direction and development and raise emerging Program issues to the CEHL Board.

The committee charter was drafted and accepted in June 2020 and members appointed in July 2020.



OUR STAKEHOLDERS

Program Shareholders

- Common Equity Rental Housing Co-operatives (CERCs)
- Community Managed Co-operatives (CMC)

Program Stakeholders

- VicWide tenants

Partners

- Australian Co-op Housing Alliance
- Business Council of Co-operatives and Mutuals
- Catholic Homes
- Community Housing Ltd
- Doutta Galla Aged Services
- EACH Social and Community Health
- Harlea Properties (CEHL manages NRAS on their behalf)
- Launch Housing
- National Affordable Housing Consortium (NAHC)
- Housing Choices (Urban Choices)
- Volunteering Geelong

Professional Memberships

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

Financial Stakeholders

- Bank Australia
- National Australia Bank
- National Housing Finance and Investment Corporation
- Westpac

Government

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

SUMMARY FINANCIAL REPORT

For the Year Ended 30 June 2020

Extracts from our audited Financial Report

Set out on the following pages are the following extracted pages from our Financial Statements for the year ended 30 June 2020:

- Directors' Report _____ Page 1
- Directors' Declaration _____ Page 29
- Statement of Surplus or Deficit and Other Comprehensive Income _____ Page 8
- Statement of Financial Position _____ Page 9
- Statement of Cash Flows _____ Page 11
- Independent Auditor's Report to the Members of Common Equity Housing Limited _____ Page 30

All amounts are expressed in Australian dollars.

A full version of our audited Financial Statements for the year ended 30 June 2020 will be lodged with the Australian Charities and Not-for-profits Commission.

Directors' Report

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.

Review of operations

The operating surplus of the Company amounted to \$757,254 (2019: \$1,835,306). The surplus after property portfolio transactions and fair value adjustments was \$59,091,882 (2019: deficit of \$(50,468,364)).

Significant changes in state of affairs

The directors determine the fair value of Program properties held under investment properties utilising independent valuations and by reference to property market indices. Despite a significant increase in the value of properties during the year, there has since been a reduction as a result of the COVID-19 outbreak. The outcome at 30 June 2020 has been an overall increase in the value of investment properties of \$59.5m, as reflected in the statement of surplus and deficit.

From 31 May 2020 to 31 August 2020 there has been a decrease in the value of Program Properties. Please refer to 'Events after the reporting date' below for the directors' assessment of the impact of COVID-19 measures on property values in Victoria since 31 May 2020.

Events after the reporting date

Management acknowledges that as a result of COVID-19, as observed in the final quarter of the year ended 30 June 2020, there is uncertainty surrounding the property market and there may be a further decline in Program property values. Due to a limitation on available relevant market data, it is not possible to estimate the level of any decline in fair value as at the date of this report.

On 17 September 2020 the Company entered into an unconditional Contract of Sale for the disposal of its Balmain Street Cremorne Head Office. The sale amount is \$12.3m which is approximately \$5m above its carrying value. The Company will continue to operate from these premises up to 28 February 2022 unless a replacement Head Office is acquired before that time.

Other than the matters noted above, no other 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.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Shares under option and issued under the exercise of options

There were no unissued ordinary shares of the Company under option outstanding at the date of this report.

There were no ordinary shares of the Company issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

Company Secretary

The company secretaries are Bradley Hosking and Timothy Dart.

Extract from the Audited Financial Statements

	2020 (\$)	2019 (\$)
Operating Surplus	757,254	118,306
Capital Grants	0	1,717,000
Gross Surplus from operations	757,254	1,835,306
Fair value adjustments	58,951,039	(53,117,091)
Other adjustments	(616,410)	813,421
Surplus (deficit) for the year	59,091,883	(50,468,364)

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2020 has been received.

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out in the full audited Financial Statements, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulations 2013*; and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. This declaration is made in accordance with a resolution of the Board of Directors.



Stephen Nash
Director

Samantha Winter
Director

Melbourne, 29 September 2020

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	
	eligible	attended	eligible	attended	eligible	attended	eligible	attended	eligible	attended
Heidi Lee*	14	14	5	5	4	1	5	5	–	–
Sylwia Greda Bogusz OAM	14	14	–	–	2	2	–	–	–	–
Fiona Herman	14	13	–	–	–	–	–	–	4	4
Gordon Kieselbach	14	10	3	3	–	–	–	–	–	–
Robyn Evans	8	8	3	3	–	–	–	–	–	–
Stephen Nash	14	14	5	3	4	4	5	4	–	–
Brodie Woodland	14	13	–	–	2	2	–	–	–	–
Tony De Domenico OAM	14	13	–	–	4	4	–	–	–	–
Stephen Copland	14	13	–	–	–	–	5	5	–	–
Samantha Winter	7	6	3	3	–	–	–	–	–	–
Keith Bayliss	7	6	–	–	–	–	3	3	–	–
Karren Walker	6	6	–	–	2	1	–	–	–	–
Joel Chibert	6	5	2	2	–	–	–	–	–	–
David Williams	6	4	–	–	2	2	–	–	–	–

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

Statement of Surplus or Deficit and Other Comprehensive Income

For the Year Ended 30 June 2020

	2020 (\$)	2019 (\$)
Revenue	18,689,764	18,200,397
Administrative expenses	(9,162,624)	(7,940,015)
Finance costs	(1,076,661)	(1,827,035)
Depreciation and amortisation expense	(528,840)	(523,435)
Property expenses	(7,164,385)	(6,074,606)
Gross surplus	757,254	1,835,306
(Loss)/gain on disposal of assets	(864,263)	565,568
Fair value adjustment investment property	59,500,414	(50,748,430)
Fair value adjustment other financial assets and liabilities	(549,375)	(2,368,661)
Other income	247,853	247,853
Surplus/(deficit) for the year	59,091,883	(50,468,364)
Other comprehensive income for the year	–	–
Total comprehensive income for the year	59,091,883	(50,468,364)

The above statement of surplus or deficit and other comprehensive income is extracted from the full version of our audited financial statements for the year ended 30 June 2020.

Statement of Financial Position

As at 30 June 2020

	2020 (\$)	2019 (\$)
Assets		
Current assets		
Cash and cash equivalents	20,744,772	9,464,427
Trade and other receivables	1,882,327	5,708,159
Prepayments	113,632	110,729
Total current assets	22,740,731	15,283,315
Non current assets		
Other financial assets	1,847,838	1,648,176
Property, plant and equipment	22,440,816	12,342,191
Investment properties	885,412,207	834,709,013
Total non current assets	909,700,861	848,699,380
Total assets	932,441,592	863,982,695

Liabilities		
Current liabilities		
Trade and other payables	6,582,566	5,544,384
Borrowings	210,000	39,992,500
Employee benefits	1,068,775	640,385
Total current liabilities	7,861,341	46,177,269
Non current liabilities		
Borrowings	75,267,754	27,448,985
Employee benefits	117,219	253,043
Total non current liabilities	75,384,973	27,702,028
Total liabilities	83,246,314	73,879,297
Net assets	849,195,278	790,103,398

Equity		
Issued capital	116	119
Reserves	550,214,303	547,240,411
Retained earnings	298,980,859	242,862,868
Total equity	849,195,278	790,103,398

The above statement of financial position is extracted from the full version of our audited financial statements for the year ended 30 June 2020.

Statement of Cash Flows

For the Year Ended 30 June 2020

	2020 (\$)	2019 (\$)
Cash flows from operating activities		
Receipts from rental income and grants	22,434,171	15,055,605
Payments to suppliers and employees	(14,999,379)	(14,047,615)
Interest received	81,636	81,636
Interest paid	(1,076,661)	(1,836,539)
Net cash provided by/(used in) operating activities	6,439,767	(746,913)
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	13,464	–
Proceeds from disposal of investment property	8,059,659	11,925,365
Payments to acquire property, plant and equipment	(8,606,132)	(326,255)
Payment for investment properties and projects	(2,066,999)	(6,942,280)
Net cash (used in)/provided by investing activities	(2,600,008)	4,656,830
Cash flows from financing activities		
Net amount of borrowings received (repaid)	7,440,586	(55,531)
Net cash (used in)/provided by financing activities	7,440,586	(55,531)
Net increase in cash and cash equivalents held	11,280,345	3,854,386
Cash and cash equivalents at beginning of year	9,464,427	5,610,041
Cash and cash equivalents at end of financial year	20,744,772	9,464,427

The above statement of cash flows is extracted from the full version of our audited financial statements for the year ended 30 June 2020.

Independent Auditor's Report on the Summary Financial Report to the Members of Common Equity Housing Limited

Our Opinion

The accompanying Summary Financial Report of Common Equity Housing Limited (the Company), which comprises the summary statement of financial position as at 30 June 2020, the summary statement of surplus or deficit and other comprehensive income, and summary statement of cash flows for the year then ended and related notes, and the directors' declaration is derived from the audited financial report of the Company for the year ended 30 June 2020.

In our opinion, the accompanying Summary Financial Report is consistent, in all material respects, with the full financial report, which was prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), the related Australian Charities and Not-for-profits Commission Regulation 2013, and Australian Accounting Standards (Reduced Disclosure Requirements).

Summary Financial Report

The Summary Financial Report does not contain all of the disclosures required by the ACNC Act. Reading the Summary Financial and this auditor's report, therefore, is not a substitute for reading the full financial report and the auditor's report thereon. This Summary Financial Report and the full financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited full financial report.

The Full Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the full financial report in our report dated 29 September 2020.

The Directors' Responsibility for the Summary Financial Report

The directors of the Company are responsible for the preparation and presentation of the Summary Financial Report.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the Summary Financial Report is consistent, in all material respects, with the full financial report based on our procedures, which were conducted in accordance with Australian Auditing Standard 810 Engagements to Report on Summary Financial Statements.

PKF

Steven Bradby
Partner

Melbourne, 29 September 2020

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