

Annual Report 2020/21

Stronger Together



Contents

What we do	01
Co-operative Housing Program	02
Strategic plan	04
CEHL Member co-operatives	06
Chair and Acting Managing Director's message	08
Highlights	09
2020–21 Program snapshot	10
Empowered people	12
Thriving co-operatives	18
How we performed	22
Better housing solutions	26
How we work	34
Governance	35
CEHL Board of Directors	36
Board committees and reports	38
Our stakeholders	42
Summary financial report	44

We are pleased to present the Common Equity Housing Limited (CEHL) Annual Report for 2020/21 reporting on CEHL performance over the past financial year against the CEHL strategic objectives.



Acknowledgement of Traditional Owners

CEHL acknowledges Indigenous Australians as the traditional owners of the country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their cultures and to their elders both past and present.

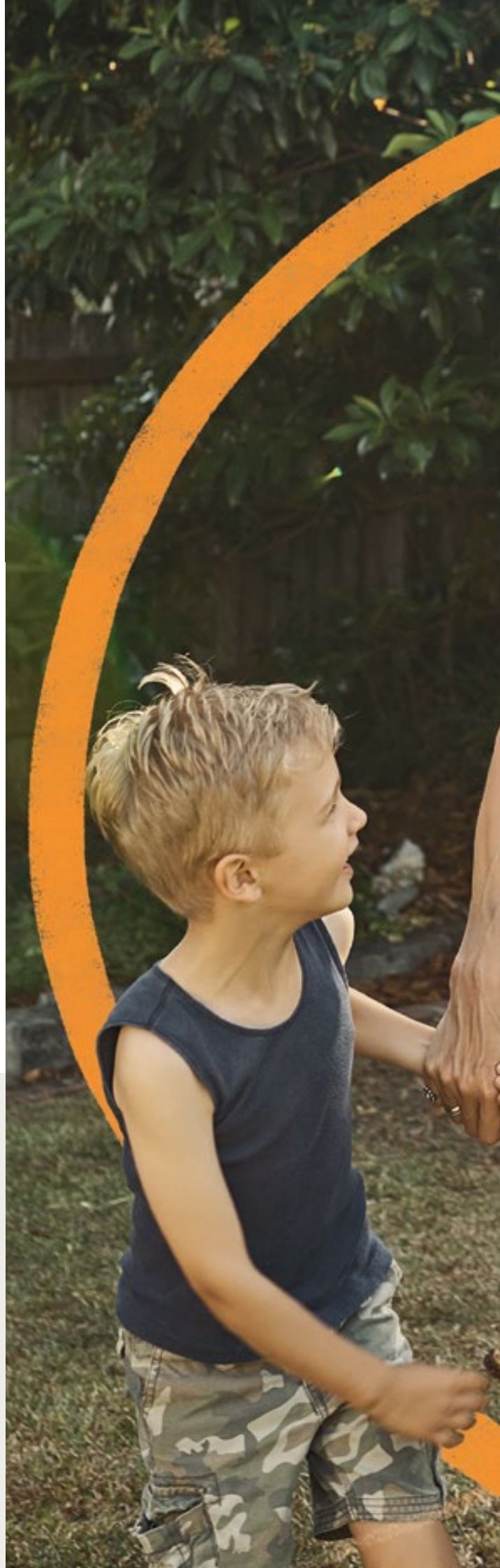


Embracing social and cultural diversity

CEHL is committed to equality, inclusivity and respect.

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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 at info@cehl.com.au or 1800 353 669





What we do

CEHL partners with autonomous housing co-operatives to deliver the CEHL Housing Program.

We actively promote 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.

Co-ops are member-owned enterprises where members work together to meet their common economic, social and cultural needs and aspirations.

The co-op sector is an integral part of socio-economic rebuilding – focused on member and community needs first.

Co-operative Housing Program

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

Co-ops are run by members, for members. 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.

CEHL provides member co-ops with:

- ✓ Resources, for co-ops to meet their members' needs and support their development
- ✓ 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
- ✓ Reporting and advocacy on behalf of co-ops

Regulation and compliance

As a registered Housing Association, CEHL reports to the Housing Registrar (on behalf of co-ops) who regulates registered 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 delivers a housing program that offers significant rent subsidy to eligible members and can access government funding, when available, to grow the housing program.





Strategic plan

Our vision

Empowered people

Thriving co-operatives

Better housing solutions

Our values

We work **TOGETHER**

We are **RESPONSIBLE**

We **CARE** for one another

We make a **DIFFERENCE**

See the CEHL Strategic Plan – Towards 2025 for more details.

Our purpose

To partner with member co-ops to deliver an effective, sustainable and member-led co-operative housing program.

Our role

- Provide and maintain a quality housing program
- Facilitate, resource and govern the member-led co-op housing program
- Build the capability and capacity of co-op members
- Provide an environment for co-op self-determination

Our belief

We believe that delivering the CEHL Housing Program in partnership with co-ops delivers unique value to co-op members and the broader community.

Our commitment to Co-operative Principles

- ✓ Voluntary and open membership
- ✓ Democratic member control
- ✓ Members' economic participation
- ✓ Autonomy and independence
- ✓ Education, training and information
- ✓ Co-operation among co-operatives
- ✓ Concern for community

Our goals and priorities

Creating growth and achieving positive outcomes for members, co-operatives and communities sit at the heart of the strategy. Over the next five years our strategic priorities are about creating:



EMPOWERED members, co-ops and communities living well through co-operatives

- Work in partnership with co-ops to engage and connect members using communication and engagement tools. Provide opportunities for co-op members to participate in co-op and program activities.
- Work in partnership with co-ops to build member co-op skills and capability to influence and the Program. Provide easy to use resources that support this capability.
- Acknowledge and promote the social, economic and cultural benefits of co-operatives to the broader community.



MEANINGFUL impact on the lives of people in the Program and community

- Develop a measurement framework that reports on our performance and demonstrates the impact created within the Program.
- Build partnerships with organisations that complement our service to create better outcomes for member co-operatives.
- Actively advocate to reach and influence decision-makers. Seek increased investment in innovative and affordable co-operative housing.
- Use collective scale and buying power to obtain low cost services and utilities creating saving and benefits for member co-operatives.



A THRIVING, trusted member-led co-operative housing program providing quality housing

- In collaboration with member co-operatives, we will design, develop and implement a program direction that will be adaptive and responsive to current and future members for the years ahead.
- Develop innovative choices for co-ops that respond to the needs and aspirations of member co-operatives.
- Provide clear opportunities for co-ops to influence the Program and key program decisions.
- Invest in our housing portfolio to ensure we manage, maintain and deliver quality housing.
- Develop governance processes and build the governance capability of member co-ops to ensure we together, meet compliance obligations.



A SUSTAINABLE organisation equipped to grow and strengthen current and future housing co-operatives

- Ensure financial strength and sustainable growth. We will explore additional profit generation opportunities to accelerate our impact and grow the organisation's commitments and purpose.
- Invest in the organisation's systems, processes and technology with fit-for-purpose tools enabling quality reporting, analysis and advice.
- Invest in our people to build the capability of our team. Build on our workplace culture and provide meaningful opportunities to grow and develop within the organisation.
- Further develop social and environmental responsible policies and processes in the way we deliver the co-op program and invest in our existing and future housing portfolio.

CEHL Member co-operatives



103
total co-ops

12

Bendigo and
Central Victoria

6

Shepparton and
Northern Victoria

7

Ballarat

15

Metro North

10

Metro West

16

Metro South East

18

Geelong and
Western Victoria

6

Peninsula

13

Gippsland



number of individual
co-ops in region

Ballarat

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

Bendigo and 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 CERC Ltd
Pyrenees CERC Ltd
Rainbow Eight CERC Ltd
Sunraysia CERC Ltd
Young Achievers CERC Ltd

Geelong and 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 Ltd
Maryvale CERC Ltd
Morwell CERC Ltd
NASA CMC
Tarra CERC Ltd
Thomson River CERC Ltd
Traralgon United CMC
Valley CERC Ltd
Warratraf CERC Ltd
Wirn Wirn Dook CMC
Wonthaggi Pioneers CMC
Woorayl CERC Ltd

Metro North

Access CERC Ltd
Carringbush CMC
Diamond Valley-Whittlesea RHC Ltd
Dwellers CERC Ltd
Earth CERC Ltd
F.K.N CERC Ltd
Liberty CERC Ltd
Merri CERC Ltd
Nell Street CMC
Northern Alliance CMC
St. Euphrasia's CERC Ltd
St. Josephs CERC Ltd
Stockbridge CERC Ltd
Sun CERC Ltd
Wattletree CMC

Metro South East

AFE CERC Ltd
As Salam CMC
Castle CERC Ltd
CERC 13 CERC Ltd
Cranny CERC Ltd
Endeavour CERC Ltd
Entity CERC Ltd
Herbert Street CMC
Impact CERC Ltd
Lakewood CMC Ltd

LARC CERC Ltd
Ranges CERC Ltd
Sherbrooke CERC Ltd
Start Polish CERC Ltd
Tamil Senior Citizen CERC Ltd
Victoria-Polonez CERC Ltd

Metro West

Advance 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 and Northern Victoria

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



We are pleased to present the 2020-21 Annual Report to members, an overview of the work we have achieved together; member co-operatives and CEHL over the past 12 months.

In our member-orientated and purpose-driven business, much has been achieved in challenging circumstances. While the impact of the COVID-19 pandemic has, and will continue to play out for some time, many silver linings and opportunities have risen.

We welcome the much needed financial support from the State Government, both for maintenance and to support new homes being built. This silver lining of the pandemic has enabled rapid escalation of works and opened up new opportunities which will have ongoing positive outcomes for co-ops and our Program.

Our new *Strategic Plan – Towards 2025* reaffirms our belief that we are stronger together, that delivering the CEHL Housing Program in partnership with co-ops brings unique value to co-op members and the broader community.

We look forward to working with newly appointed Managing Director Liz Thomas, co-ops and employees on our Toward 2025 vision of Empowered people. Thriving co-ops. Better housing solutions.

We'd like to acknowledge Stephen Nash's outstanding contribution to CEHL and the Program. During Stephen's 8.5 years, CEHL modernised and built very strong foundations for our future.

Thank you to all co-ops, members and employees for your work throughout the year, adapting to the challenges the COVID-19 pandemic has presented – your co-operative values and dedication have shone through!

We encourage you to read about the past year's activities and achievements, and thank you for the part you have played in accomplishing them.

Brad Hosking
Acting Managing Director

Heidi Lee
CEHL Chairperson
Merri Co-op member

Thank you to all co-ops, members and employees for your work throughout the year, adapting to the challenges the COVID-19 pandemic has presented.

Highlights



Empowered people

2020-21 achievements

- 104 new members join CEHL co-ops
- Online Question and Answer forums introduced
- Members participating in Articulating Value in Housing Co-operatives research

Looking forward to 2021-22

- Developing a member value and outcomes framework
- Improving feedback and complaints process
- Improving website navigation for co-op resources and document directory
- Building capacity of members and employees



Thriving co-operatives

2020-21 achievements

- Board endorses member feedback and CEHL maintains housing affordability benchmark at 25%
- Board establishes Co-op Program Committee to further amplify co-op voice in program decisions
- The *Strategic Plan – Towards 2025* sets a clear direction for the next 4 years
- Co-op capacity building and training

Looking forward to 2021-22

- Working with co-ops to implement the *Strategic Plan – Towards 2025*
- Working with co-ops to define the value of co-op (Member value project)
- Setting Program direction and priorities in partnership with co-ops
- Flexible delivery model for co-ops
- Supporting growth of co-op membership



Better housing solutions

2020-21 achievements

- Secured \$7.12M to deliver \$6.7M in property upgrades
- Secured \$15M NHFIC finance, to support the Lakewood rectification and upgrade of 80 co-op units, and growth in the pipeline of new Program properties
- 409 Planned works projects

Looking forward to 2021-22

- Growing housing portfolio to match co-ops' needs, through Big Housing Build funding opportunities
- Delivering Maintenance Stimulus funded works
- Completing Lakewood building repair and refurbishment
- Completing new co-op housing in Brunswick

2020–21

Program snapshot



4,291

people housed



2,101

homes



103

housing co-ops



104

new tenancies



59

median age of
co-op members



60

different Local
Government Areas



409

property upgrades

Includes maintenance stimulus
and third schedule works



71

FTE employees



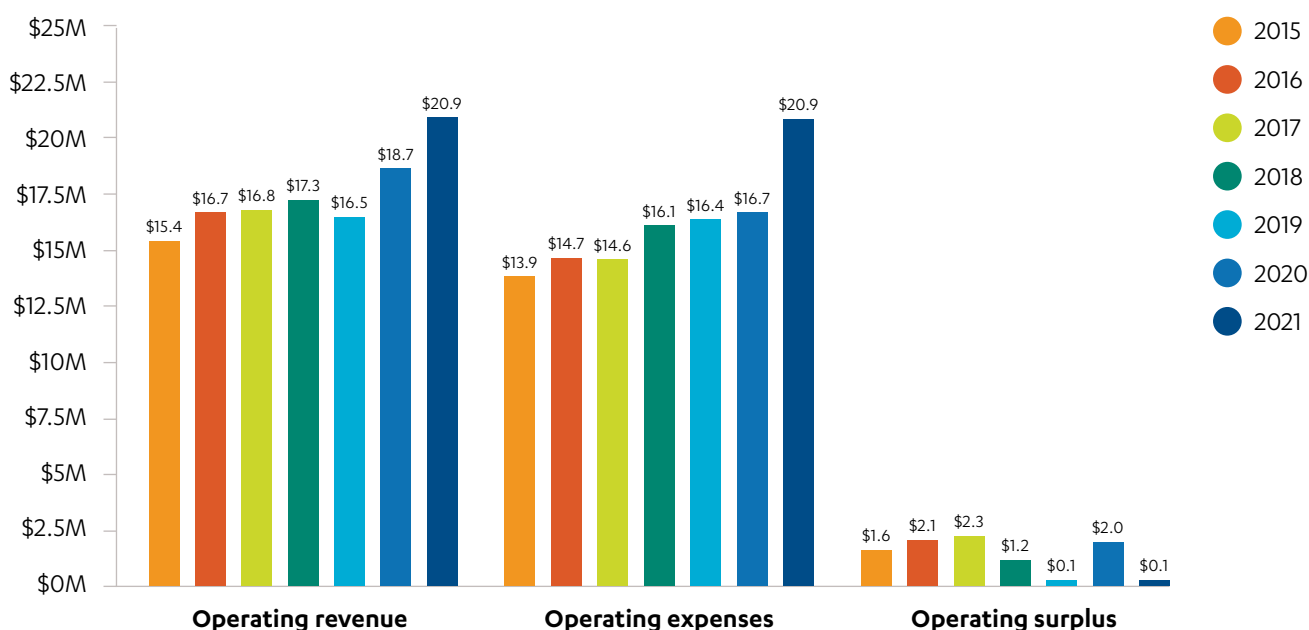
\$1B

total asset value

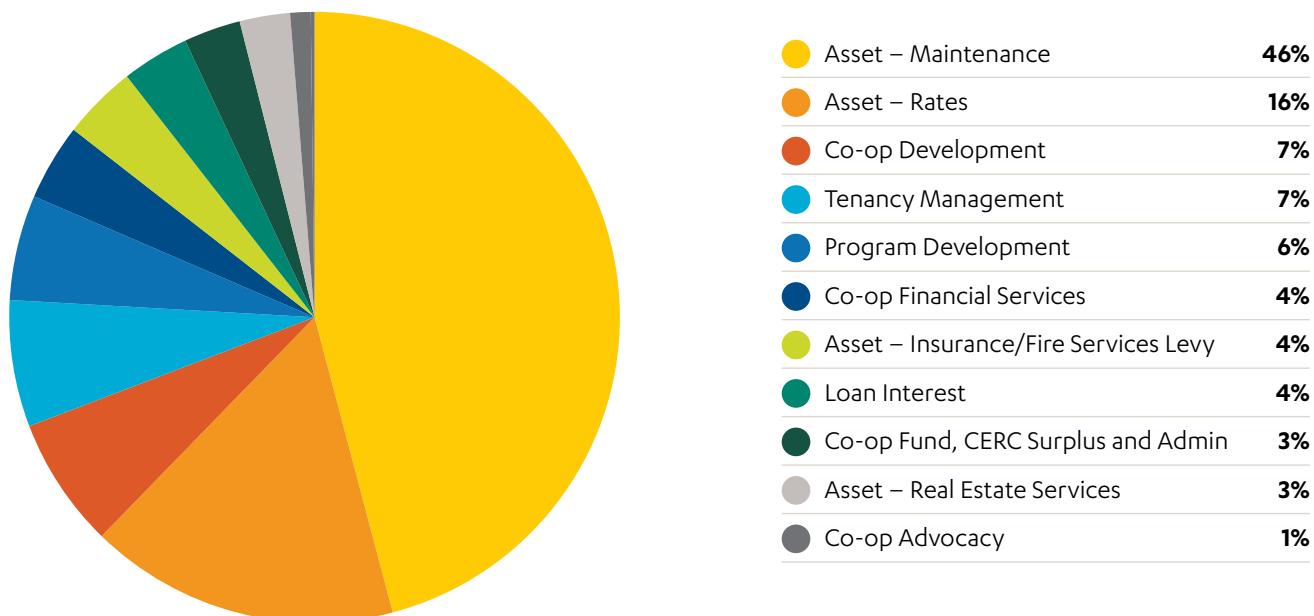
\$20.9M
Operating revenue
 (12.1% increase from 2019/20)

\$20.9M
Operating expenses
 (25.3% increase from 2019/20)

Financial outline 2020/21



Application of \$27.2M Program revenue – FY 2020/21





Empowered people

Active members – building skills and making a difference

Co-op members contribute their time to run their co-operatives, provide feedback in program consultations, surveys, and participate in advisory committees and groups. Your dedication and contribution that is acknowledged and appreciated by the CEHL Board – we thank you.

The tables on the following pages list co-op members who actively participated in committees and advisory groups in the 2020-21 financial year.

Consultations throughout the year included:

- ✓ Company rent and affordability benchmark consultation
- ✓ Quarterly policy consultations
- ✓ Question and answer forums
- ✓ Victorian Housing Register (VHR) review
- ✓ Member Satisfaction Survey

See the Board Committee and Reports section for details about the Co-op Program Committee and Policy Advisory Committee.

For me, co-op is about building relationships and community



Empowered people

Company Rent and Affordability Benchmark Advisory Group

Purpose

To examine the current and alternative company rent model and affordability benchmark. Recommend a company rent model and affordability benchmark that best balances Program Principles and the needs of co-ops.

Members

Members of the advisory group were appointed based on selection criteria for the period of the consultation (2018-2020). The advisory group was made up of four co-op members, an independent chair and an independent technical advisor.

Following the resignation of the committee members in 2019/20, the remaining two members closed out the committee's work supported by the Policy Advisory Committee and the Co-op Program Committee which concluded in December 2020.

Name	Role
Bruce Fraser	Co-op Member
T. Raveendiran (Ravi)	Co-op Member

Final report

The Company Rent and Affordability Benchmark Review project was conducted during 2018-2020. Feedback from the consultation found that member co-ops did not show broad support for a change to the 25% affordability benchmark. Co-op input into the content and process was extremely valuable for the Board to factor into their decision. The Board decided there would be no change to the 25% affordability benchmark without further consultation. The change to the Company Rent Model will be developed based on feedback provided within the workbooks co-ops completed during the consultation with the aim of allowing further flexibility in tasks that co-ops wish to undertake. The Board thanks all the people involved in the Advisory Group, the co-ops and their members who provided feedback throughout the consultation.

Newsletter Advisory Group (NAG)

The Newsletter Advisory Group work collaboratively to decide on the content of the quarterly newsletter; *Co-operatively Speaking* and seeks contributions from members and program participants. NAG members also provide advice and feedback about other CEHL publications when required.

Members

NAG members are appointed in response to a recruitment drive at the start of each calendar year. The aim is for regional representation and encouraging people with an interest or skills in writing to join the group.

Name	Co-op
Sarah Andrew	Liberty
Liza Dezfouli	Liberty
Gayle Carley	Lakesdale

Key achievements for 2020-21 financial year

- Incorporating video content to the newsletter, which has been positively received
- Delivered five newsletters with over 80 articles focused on stories about co-ops, co-op member activities, Program updates and tips for low-cost living
- Over 12 co-op member stories written by NAG members

Looking forward to in 2022

- Publishing more co-op and member focused stories
- Increasing readership

Training Advisory Committee (TAC)

Purpose

The Training Advisory Committee facilitates collaboration between CEHL employees, and co-op members to review and develop training workshops and materials.

TAC representatives seek input from co-op members, to provide insight and advice on their learning and training needs. They make recommendations to CEHL on the planning and delivery of training for co-ops. The committee is co-chaired by a co-op member and CEHL Co-op Development Coordinator.

Members

TAC members are appointed in response to an Expression of Interest with the aim of having representation from all regions.

Name	Co-op
Gayle Carley	Lakesdale
Felicity Grosse	Forest Creek
Para Kangasingam	Herbert St
Susan Goosen-Street	Lakewood
Judith Nash	Mangroves
Damian Dickson	Sun
Sharon Quinn	Wattletree
Lesley Cooper	Serenity

Key achievements for 2020-21 financial year

- Appointed three new TAC representatives to the committee
- Provided advice to CEHL on the development and delivery of the following online training workshops:
 - Making Virtual Meetings Work
 - Changes to Tenancy Laws – the Essentials
 - Developing Your Co-op

Looking forward to in 2022

- Developing a training plan for 2022 based on member feedback gathered via survey
- Recruiting interested members

2021 scholarships

Name	Co-op	Course/area of study	Scholarship recipient comments
Donna Matthews	Cut Paw Paw	Therapy Dog Handler, Animal Assisted Therapy, K9 Support Whitfield	Thank you very much. I am very excited. Look forward to the ceremony in November!
Deborah Shaw	Earth	Death Doula, End of Life, Preparing the Way	Thanks again for the scholarship. I am thrilled to accept it.
Certificate			
Deborah Ross	Dragon City	Cert IV Community Services – Bendigo TAFE	Thank you so much, I really appreciate this, very excited, will certainly help me get through my studies.
Joanna Massey	Earth	Cert IV Drug and Alcohol – Melbourne Polytechnic	If granted the scholarship I would feel grateful and supported by our co-operative program and community to be doing this study. <i>From impact statement.</i>
Diploma			
Vivian Pettit	VicWide	Diploma of Nursing – The Gordon	Thank you so much for this opportunity, I am overwhelmed with joy and this is going to help immensely with school fees and text books.
Degree			
Kelli Daffy	Swan	Bachelor of Commerce/Arts – Deakin University Geelong	It would alleviate the stress of being able to purchase the required resources as well as the ongoing costs of commuting to two different campuses. <i>From impact statement.</i>
Layla Elmahmoud	Diamond Valley	Bachelor Nursing – Latrobe University	I would like to sincerely thank you. I am currently on placement and have been struggling financially so this scholarship will ease much stress while I complete my studies.
Jocelyn Osorio	Endeavour	Bachelor (Honours) Industrial Design/Environment & Sustainability – Swinburne University	This scholarship will help me so much and alleviate some of the stress I have from financial pressures. It makes such a difference to me in my life and I appreciate it so much.
Masters			
Courtney Davie	Dolphin	Master of Social Work – Monash University	Wow!! Thank you so much!! What a lovely surprise ... I am so honoured and grateful, this could not have come at a better time for me.

Empowered people

Honour Board

The CEHL Board acknowledges the contribution co-op members do every day in the work of their co-op and the wider program. Those members, who have made an outstanding contribution to the CEHL Co-operative Housing Program are acknowledged by the Board and inducted to the Honour Board. Nominations are made by co-ops and their members for consideration by the Board.

In the past two years no further members have been added to the Honour Board.

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



Nina Haysler, Heidi Lee, Rade Musulin, Claire La Bouchardiere, Jo Dodd and Melina Morrison at the BCCM Leaders' Summit Sydney 2021. Photo credit Christine Gleisner.

BCCM Leader's Summit: Sustainability Edition

The Business Council of Co-operatives and Mutuals' (BCCM) Annual Leaders' Summit (March 2021) rallied the Co-op and Mutual Enterprise (CME) sector to seize the opportunity to transform our communities, economy and Australia's future by leveraging the innate difference in the way co-ops and mutuals 'do business'.

CEHL Board members and employees attended the conference. CEHL Chairperson, Heidi Lee, presented at a panel on business sustainability alongside panelists from ASIC, BAL Lawyers, Finity Consulting and Point Advisory.

BCCM

**The affordable
rent and
stable tenure
has changed
my life**



CHIA Vic Big Housing Build event

Networking with housing sector representatives and government at the Community Housing Industry Association (CHIA Vic) Big Build and other similar events enables CEHL board members, executive and staff to establish strong relationships.

The sector has been working closely together which is reflected in a number of strategies developed for the benefit all housing associations and providers.



CEHL co-op members participate in Articulating Value in Housing Co-operatives Research

CEHL housing co-op members are taking part in this important research for our sector. The research seeks to identify the benefits of housing co-operatives and how those benefits are created.

The research is being conducted by Western Sydney University, Swinburne University of Technology, and the University of Newcastle Australia, and is supported by the Australian Research Council and the Australian Co-operative Housing Alliance (ACHA) of which CEHL is a member.





Thriving co-operatives

Sally thriving in co-op

“Lakewood Co-op is a big part of my life and holds a lot of special memories for me. I have made a lot of great friends and am part of an amazing community,” Lakewood Co-op member Sally Stamm.

Finding a place to call home took some time for Sally. Living in ‘limbo’, Sally moved from bedsit to bungalow. “I wasn’t able to really live. I’d never experienced true stability with regards to housing. Being on a pension and finding rent that I could afford was a stressful rat race. There was no point in unpacking boxes because I was always on the move.”

An opportunity, over 10 years ago, to take part in a personal and community development program run by CEHL (at Lifeworks in Ringwood) led Sally to become one of the members of Lakewood Housing Co-operative.

“I cried tears of deep joy when I received the letter to say that I had been offered a home at Lakewood and I have always viewed it as a wonderful gift from CEHL.”

“I never thought in a million years that I would ever have an opportunity to settle.”

“Being part of the co-op, I’ve come out of my shell.” Through the support of co-op members and CEHL’s Co-op Development Coordinators, Sally’s confidence in her own abilities has grown, she’s taken on roles as co-op secretary and is now is on the Lakewood Member Selection Committee.

While the extensive refurbishment works are underway at Lakewood, co-op members are currently rehoused in the local area. It’s been especially challenging during COVID lockdowns and Sally can’t wait to get back to Lakewood and connect with her co-op community.

“The best thing about being part of a co-op is the sense of community – not feeling alone and making so many new friends. I can’t wait to get back to my apartment, games nights, sharing food – we are like a big family.”





**The best thing
about being
part of a co-op
is the sense of
community**

Thriving co-operatives

Online question and answer forums

Question and Answer forums (Q&As) were established in 2020 to enable member co-ops and program participants to learn more about Program issues, processes, ask questions and offer new ideas. Topics covered included the *CEHL Rent model* and *How Co-ops Influence the Program*. Sessions were well attended and are an effective forum for information sharing.

Co-op development and training

Co-op development focused on empowering and working in partnership with co-ops, and managing vacancies. Significant work was done developing and running training workshops regarding the new Tenancy Laws. Three training workshops were developed and delivered over the year:

- Making virtual meetings work
- Changes to Tenancy Laws
- Developing your Co-op

Tenancy and co-op services: here to help

The Tenancy and Co-op Services Team incorporates both tenancy management and finance services, working with co-op members, co-op treasurers and renters.

During the past year we have supported many people through the challenges of changed income and circumstances due to the impact of the COVID pandemic. The flexibility of our rent model helps people when they need it the most.

Despite the interruption to our usual methods of providing tenancy and finance services, the team have provided outstanding service in challenging circumstances. COVID restrictions made us rapidly rethink the way we usually deliver services. Virtual tenancy inspections have been a real success, introduced during lockdowns and appreciated by many renters.

The number of tenancies and properties directly managed by CEHL has increased, a reflection of co-ops making choices about the range of responsibilities they want to take on, and what is of value to their co-op.





The flexibility of our rent model helps people when they need it most

Co-op Program Committee (CPC) established July 2020

The Co-op Program Committee:

- Provides advice to the CEHL Board on increasing member voice and its impact
- Takes actions that lead to the CEHL Co-operative Housing Program being co-op led
- Builds the capacity of co-ops and their members in engagement and governance

CPC objectives



Help build stronger relationships and trust between co-ops and their members with the co-op program



Increase confidence of co-op members with decision-making on co-op program issues, in which the CPC has been involved



To appropriately reflect the co-operative values and principles in how CPC operates

See the CPC report on page 38 for more details.

Achieving objectives through opting in to VHR

The Board opted-in to the Victorian Housing Register (VHR) in December 2019, a central database designed to enable all people needing affordable housing to be considered for vacancies in both community and government housing.

The key objectives for participating in VHR was to:

- Access growth funds
- Maintain co-op and program viability
- Access to wider range eligible and co-op interested applicants

After 12 months of implementation, a review was undertaken and found that participation had met all objectives. Bringing access and opportunity for government funding enabling CEHL to provide more affordable housing, for more people. Housing allocation targets were easily exceeded without impact on co-op or Program viability.

Implementation of the VHR has not been without challenges. CEHL and co-ops continue to work together to improve the referral and transfer processes. Recent activities to attract genuinely 'co-op interested' applicants are proving positive, and co-ops play a large role in advocating the value and benefit of co-op housing at Information Sessions.



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/ new co-op members

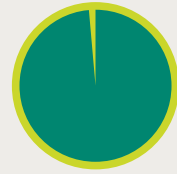
All tenancies sourced from the Victorian Housing Register



93%

Tenancies maintained

Long-term housing 0.7% reduction from 2019/20 FY is consistent with industry standard



98.3%

Average occupancy rate

Rate has been greater than 97% for the past five years



45

Vacancy management

The number of days properties are vacant. An average of total tenantable and untenable throughout the year. Performance measures are in place to improve vacancy management*



3.6%

Evictions

Eviction rate remains low compared to sector. CEHL focuses on support measures to maintain tenancies



1.2%

Rent outstanding

IMPROVED
Is 19% lower than 2019/20 FY



640

Urgent repair requests

IMPROVED
Less requests than previous year (2019/20 figure 708)



768

Non-urgent repair requests

IMPROVED
Due to proactive/preventative maintenance (2019/20 figure 1,186)



22

Complaints

STANDARD MET
21 out of 22 complaints resolved within 30 days

93.8%

Completed within 24 hours

IMPROVED
Response time (2019/20 figure 92.5%)

85.9%

Completed within 14 days

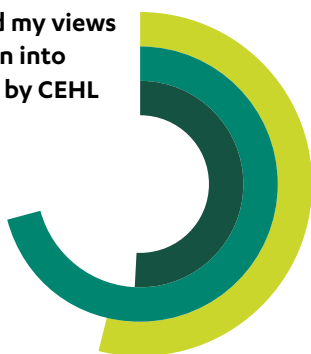
IMPROVED
Response time (2019/20 figure 84.2%)

* Longer turnaround times was a clear trend across the sector in last year's reporting due to COVID restrictions.

How we performed

Member satisfaction survey

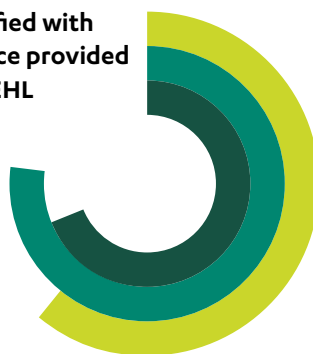
Satisfied my views are taken into account by CEHL



- 2016. . . . 51%
- 2018 71%
- 2020 54%

Comments indicated dissatisfaction with complaint process and planning for the future

Satisfied with service provided by CEHL



- 2016. . . . 69%
- 2018 77%
- 2020 61%

Comments indicated dissatisfaction with information about tenancy issues and rent

Satisfied with repairs and maintenance managed by CEHL



- 2016. . . . 63%
- 2018 69%
- 2020 59%

Comments indicated dissatisfaction mainly due to communication about works and waiting for works

**Percentage is a weighted average of CERC, CMC and VicWide renters. 1,892 households surveyed (by email), 25% response*

The Member (Tenant) Satisfaction Survey is conducted in accordance with the requirements of the Housing Registrar. The results from the survey are aggregated in the sector and included in the Housing Registrar's Sector Performance Report along with key performance measures listed under 'How we performed' page 23.

CEHL conducted the survey in June 2020, which was delayed due to the COVID-19 pandemic. It was a time of widespread tension and anxiety in the community.

The survey found an overall decrease in 'member/tenant' satisfaction levels, a trend experienced across the sector. CEHL fell below the sector benchmarks, and measures are in place to address issues identified in each category.

As the survey is completed anonymously, CEHL was unable to determine from the data if respondents had recently received CEHL services.

To address this issue, surveys capturing feedback at the time of service delivery were introduced in 2021.

Results so far are promising, with an 88% satisfaction rate. We are looking to roll out the timely surveys for other CEHL services.



Impact of COVID on the Program

Program revenue shortfall of \$1.39 million – CEHL services and building works affected.

The CEHL rent model responds to changing circumstances and supports households when they need it most. When COVID-19 restrictions were implemented throughout 2020-21 some household members lost their jobs or had reduced work hours, that resulted in reduced income.

Revenue was also impacted by the moratorium on rent increases. Households whose rent increased in this period paid less than the 25% affordability benchmark during the year. Some households scheduled to pay an increase due to higher incomes pre-COVID, were also unable to be processed due to the moratorium.

The overall loss of revenue to the Program was \$1.39 million, resulting in less maintenance works than originally proposed.

Lockdowns also significantly impacted the delivery of maintenance, building works, property and tenancy inspections. In addition, tenancing vacant properties and recruiting new members was challenging during this time.



85

Maintaining housing security

In the past financial year, eighty-five households in the CEHL program applied for, and received, an immediate reduction in their rent, supporting them to manage COVID impacts.



Better housing solutions

\$11.1M biggest ever investment in property improvements

CEHL's successful bid for Victorian Government Housing Stimulus funding has meant an additional \$6.7 million for program property upgrades. Together with a budget of \$4.4 million of planned works, will enable significant increase of works over two years.

This financial boost brings forward vital climate and home energy efficiency upgrades in addition to planned works.

Our bid was underpinned by the detailed understanding of our property portfolio. Essential background work completed, over recent years, by working together with co-op maintenance directors, coupled with CEHL's Asset Management Strategy.

Access to the extra funds was made possible through CEHL's participation in the Victorian Housing Register (VHR) and by being a regulated Housing Association.



88%

Satisfaction

Recent surveys indicate high levels of satisfaction with works completed and services provided

"Many thanks CEHL's Asset Management Team, their efforts in the last three years have dramatically reduced the co-op's extensive list of much-needed and long outstanding maintenance items. I'm really pleased."

Anette, Eyrie CERC



Better housing solutions

Upgrading more homes than ever

Combining government funds and CEHL's annual property upgrade budget, this year sees CEHL's biggest ever investment in property improvements to be undertaken over a two-year period.

The \$6.7 million stimulus funding for program properties has enabled an additional 500+ fully funded projects to be directed toward:

- General upgrades to reduce maintenance liability and risk
- Energy efficiency improvements
- Climate risk reduction

COVID impact on works

CEHL's planned works¹ budget of \$4.4 will be rolled out over two-years as scheduling and timing of works has been challenging throughout 2020–21.





The COVID-19 pandemic has significantly impacted works with extended periods of building work restrictions, long lead times and increasing costs for supplies and labour.

As of 30 June 2021, 59 Stimulus projects and 129 Third Schedule projects were completed. Our ambitious plan for the 21/22 financial year is to complete the stimulus and planned works that have been scheduled in consultation with co-ops.

¹ Planned works includes cyclical and Third Schedule works such as bathroom and kitchen upgrades, structural works and external works.

Planned works 2020–2022

Planned works includes cyclical and Third Schedule works such as bathroom and kitchen upgrades, structural works, external works, and planned replacements.

Stimulus funded works	Planned works
 Total funds \$6.7M	 Total funds \$4.4M
 534 Total number of stimulus projects	 266* Total number of projects
59 projects completed as of July 2021, \$669K	129 projects completed as of July 2021, \$1.4M
144 projects in progress FY 21/22, \$2.2M	77 projects in progress FY 21/22, \$1.2M
331 projects to commence in 2022, \$3.8M	60 projects* to commence in 2022, \$1.8M

*FY 21/22 project list to be finalised in consultation with co-ops

See the [Maintenance Stimulus Project](#) page on the website for a complete breakdown of the type of works per region.



Architects image of refurbished Lakewood Co-op building in Ringwood.

Working together CEHL and Co-ops

To deliver the high volume of works the Asset Management Team has reorganised to improve efficiencies. The positive feedback gained so far, indicates high satisfaction with information provided and works provided.

The changes have created more opportunity for detailed discussions with co-ops about works plans and issues that require support. We appreciate the level of engagement and positivity co-ops have shown to this new way of working together.

Lakewood refurbishment works

CEHL secured a \$15 million low interest loan through National Housing Finance and Investment Corporation (NHFIC), in part, to complete the repair and refurbishment works to the existing Lakewood building in Ringwood, consisting of 80 two and three-bedroom apartments.

The works will rectify moisture ingress issues and upgrade liveability, energy efficiency, ventilation systems and the amenity of the site for all residents.

The balance of NHFIC funds are being utilised to support the growth of the Program property pipeline.



"The new, all-white upgrade looks pretty jazzy for a 'small budget model' and is a much brighter, and way more user-friendly workplace than the 1950s version it replaced."

Anette, Eyrie CERC



Better housing solutions

Property developments

Property planning and governance process

Planning a pipeline and location of new properties is informed by; Co-op Future Direction Plans (FDP), CEHL's Asset Management Strategy and portfolio data, balanced with opportunities to acquire stock from developers or existing CEHL owned sites for redevelopment.

The Property Committee review proposals and the CEHL Board have the final sign off for all projects. It's a detailed process with many checks and balances to include co-op considerations, maintain a consistent process and delivery of property and housing outcomes in the Program.

Co-op Future Direction Plans guides the process

Co-op Future Directions Plans are the foundation tool for CEHL and co-ops to assess property opportunities. When opportunities arise through property hand back, disposal or development, as well as new acquisitions, co-op FDP data is used to recommend the property for allocation through an Expression of Interest (EOI) process. Property transactions provide co-ops with the opportunity to review their portfolios, right-size their households and increase their membership by adding a property to their portfolio.

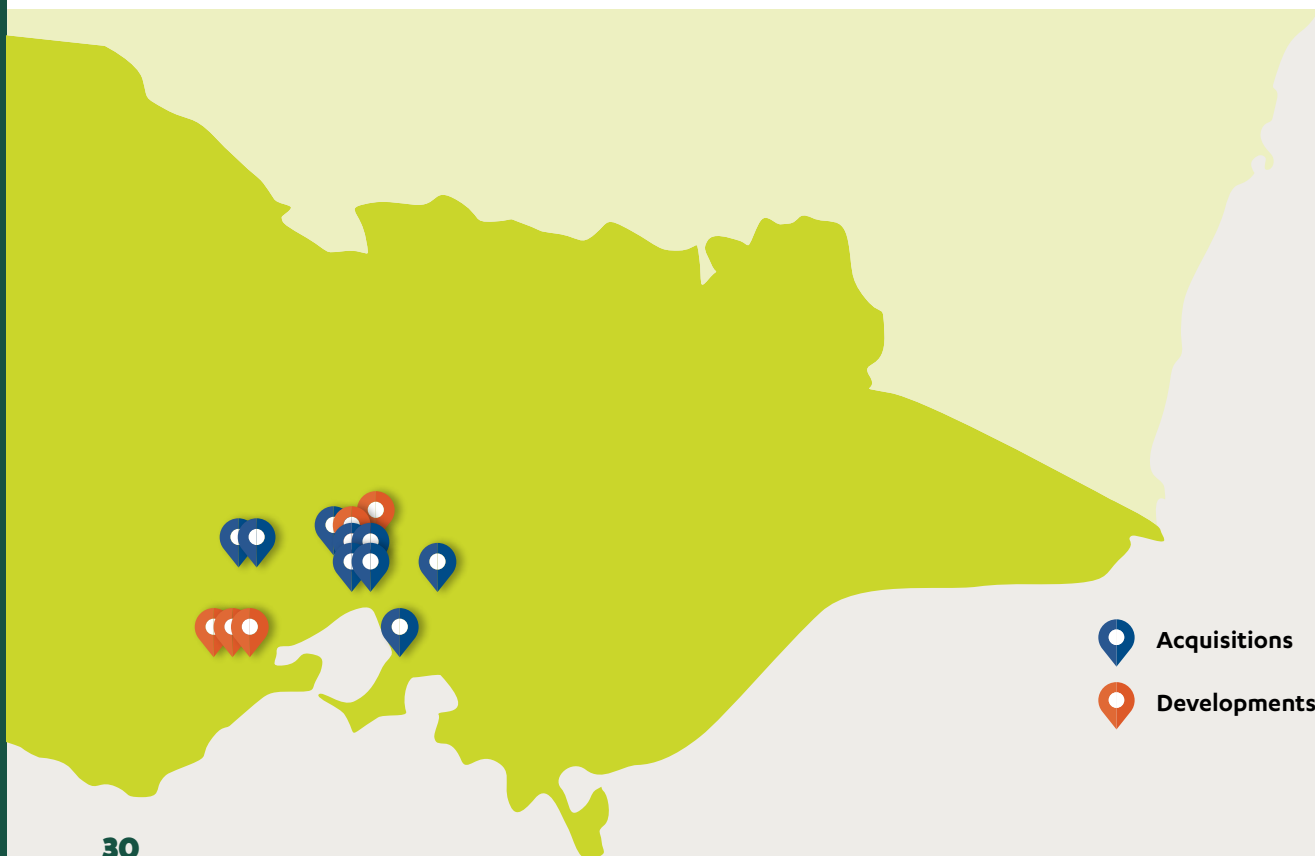
Property utilisation and right-sizing properties

Effective utilisation of properties achieves positive outcomes for renters and revenue – for both co-ops and CEHL. We work together with co-ops and renters to meet the housing needs of their members and minimise vacancies across the Program.

Emma's family of five needed to be relocated as the property no longer met our Program standard. While one member downsized to a property suitable for their needs, Emma and her family moved into a family-sized home in the inner city, perfectly meeting their needs.

"We feel like we won lotto... we can't quite believe that we now have a four-bedroom beautiful house in Carlton to call home."

Emma, Access Co-op member





Top left, top right, bottom left: Artist's impression of some of the new Program properties in various regions

Above: House frame of dual occupancy redevelopment in Geelong region

Properties underway and in planning

Property disposals (sold)

- 25 properties

Property acquisitions (purchased)

- 18 Program acquisitions
- 11 Capital investment acquisitions

Program property pipeline to be delivered in the coming financial year

- 50 new program properties in various regions with a mix of 2, 3 and 4 bedroom homes
- 1 multi-residential development Brunswick (16 apartments), expected delivery 2022/23

Capital investment acquisitions

CEHL purchases capital investment properties to return funds to the Program and provide much needed affordable housing for low-income households. As a registered Housing Association and through CEHL's charitable status, CEHL can access tax benefits and grants that otherwise could not be applied to the Program.

The benefits return two-fold, by providing affordable housing for low-income households and returning funds to the Program through rent, and when the properties are sold. In the last financial year these properties provided net income of \$476k to the Program.

Properties acquired for capital investment are not suitable for co-op program use, as they will be sold in the short term which does not enable CEHL to meet the Program Principle of Security of Tenure.





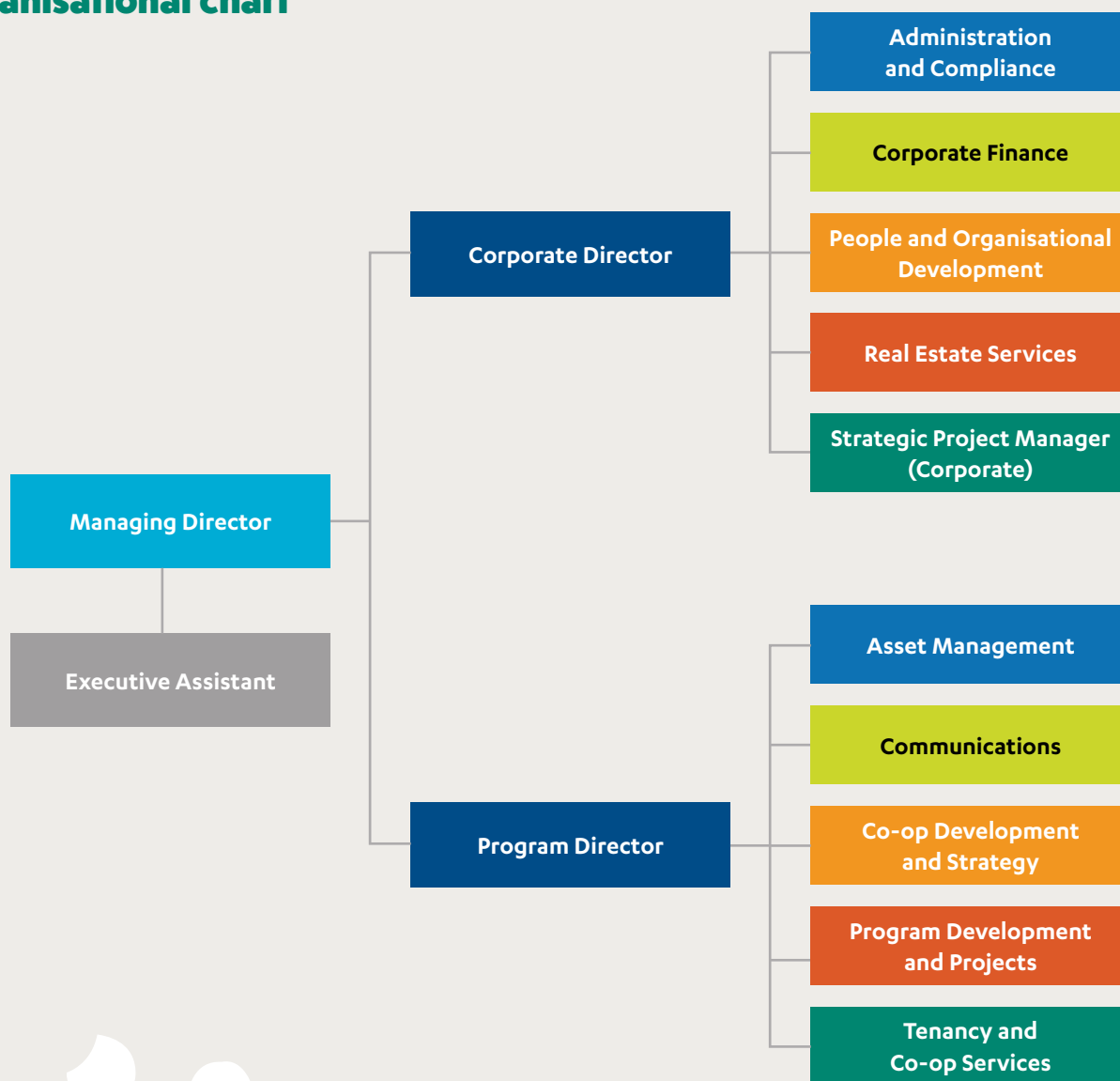
**Co-op housing has
made a lot of
people, especially
women, feel safe
and stress free**

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 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.

As a registered Housing Association, CEHL leverages private finance off its asset base and seeks partnerships and government funding to undertake property development and acquisition. 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 – Towards 25* are available online at cehl.com.au/AboutCEHL/Governance

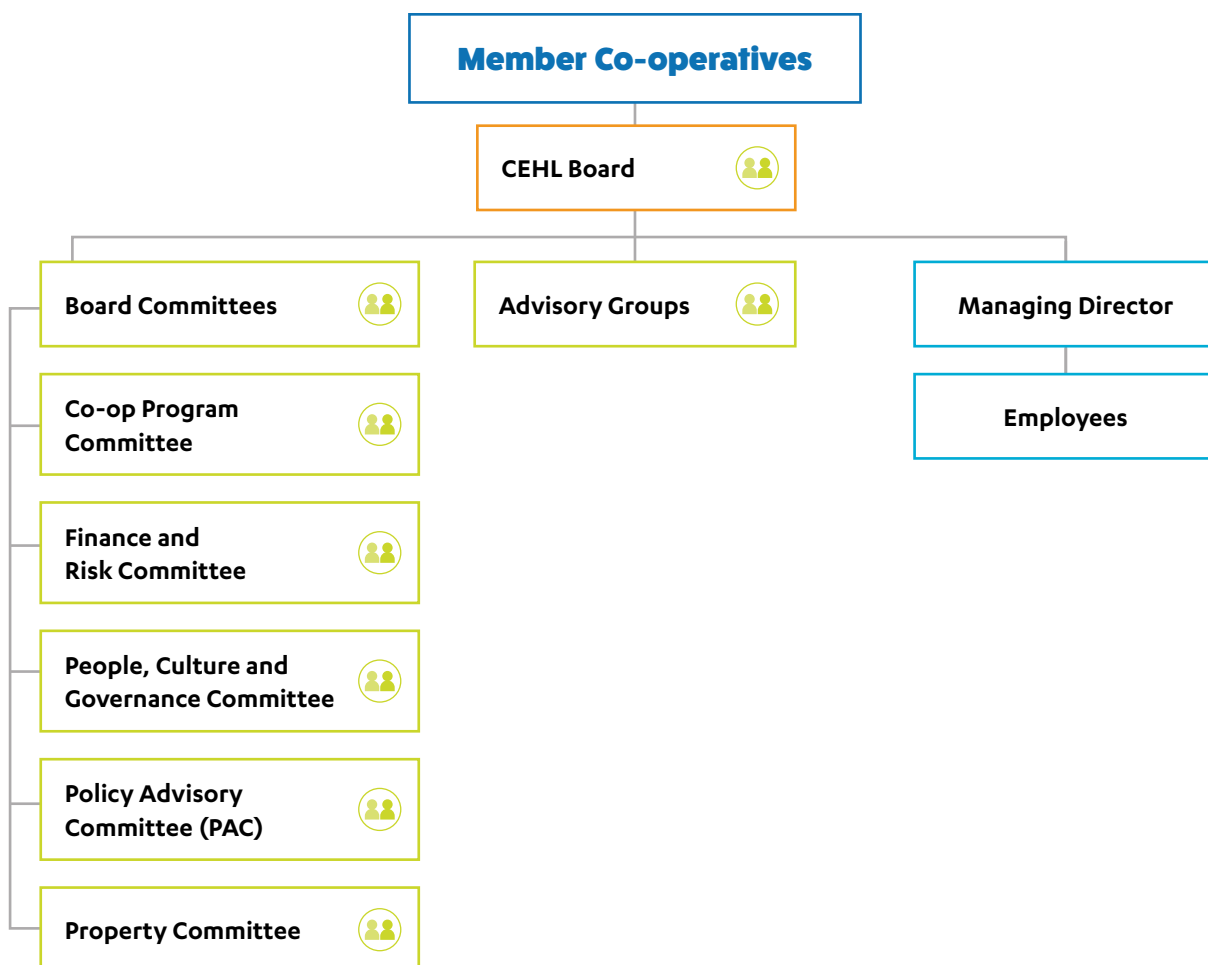
Governance structure

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 the co-op 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

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



Heidi Lee
Chairperson and Elected Director

Qualifications

Master of Architecture (Research);
Bachelor of Arts (Architecture)
(Hons); MAICD

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 in November 2015 and was appointed as Chairperson in November 2018.

Board Committee

Property Committee member



Fiona Herman
Elected Director

Qualifications

Bachelor of Health (Nursing), Master of Health and Human Services Management, NFP Directors course, MAICD

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

Board Committee

Policy Advisory Committee
Chairperson



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



Sylwia Greda-Bogusz
OAM
Elected Director

Qualifications

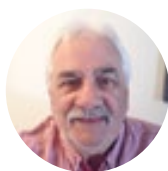
Doctor of Education-Sociology;
Master of Educational Studies – Behavioural Psychology

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 member



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



Keith Bayliss
Appointed Director

Qualifications

Associate; Australian Property Institute, Member Royal Institute of Chartered; Surveyors, Certified Practising Strata Manager and Associate; Diploma in Valuations; GAICD

Experience

Keith has over 30 years' experience as a senior executive and director in the property industry. Keith was appointed to the Board in December 2019.

Board Committee

Property Committee Chairperson from 3/21 when Stephen Copland retired from the Board



Tony De Domenico

OAM

Appointed Director

Qualifications

FAIM, APRIA, MAICD

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 was appointed to the Board in February 2013.

Board Committee

People, Culture and Governance Committee Chairperson



Jean Nankin

Appointed Director

Qualifications

Bachelor of Economics, Graduate Diploma Urban and Regional Planning and Graduate Diploma in Property

Experience

Jean has over 25 years extensive experience in acquiring and developing properties across the Retail, Social Housing and State Government sectors. Jean was appointed to the Board in March 2021.

Board Committee

Property Committee member



Brodie Woodland

Appointed Director

Qualifications

Master of Arts (Public Administration), Bachelor of Law (LLB) (Hons), MAICD

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 was appointed to the 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; MAICD

Experience

Samantha has extensive finance, governance and management experience. Samantha was appointed to the Board in December 2019.

Board Committee

Finance and Risk Committee Chairperson

Stephen Copland was appointed to the board in 2015 and resigned in February 2021.



Stephen Nash

CEHL Managing Director

Managing Director: The Managing Director is appointed by the Board.

Note: *Stephen Nash, Managing Director resigned in July 2021*

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

Member of the People, Culture and Governance; Property; Finance and Risk Committees

Board committees and reports

The Board committees play a role in the strategic development and governance of each aspect of the organisation and Program. Committees carry out an annual review of performance to identify opportunities for improvement.

Co-op Program Committee (CPC)

Purpose

The Co-op Program Committee:

- Provide advice to the CEHL Board on increasing member voice and its impact
- Take actions that lead to the CEHL Co-operative Housing Program being co-op led
- Build the capacity of co-ops and their members in engagement and governance

Members

Members of CPC were appointed based on selection criteria for a period of two years. The committee is made up of four co-op members, an independent chair and an independent technical advisor. CPC members are appointed by the CEHL Board based on a skill selection process.

Committee members for 2020-21 financial year

Committee members name	Role
Gordon Kieselbach	Co-op Elected Director
Brodie Woodland	Appointed Director
<i>Co-op Program Committee members as of July 2020</i>	
Appointed committee members	
Elizabeth Ellen	Co-op Member
Dianne Gorman (appointed 06/21) Shirley Martyn-Julian (resigned 03/21)	Co-op Member
Karren Walker	Co-op Member
Anne Wilson	Co-op Member
Ben Neil	Independent Chair
Gillian McFee	Independent Co-op Advisor

Key achievements for 2020-21 financial year

- Established Engagement Principles and Process to ensure that proposed engagement for key program projects provide member co-ops with effective opportunities to influence program decisions
- Focused on understanding the value of co-operatives for members and building member voice in program discussions and decisions, to build a strong foundation for future engagement on key program topics

- CPC also recommended that this approach to engagement be clearly communicated to member co-ops, with an engagement plan, outlining program engagement opportunities in the next few years

Looking forward to 2022

- Applying engagement framework principles developed
- Playing a role in building understanding about the *Strategic Plan* and what it means for co-ops going forward

Finance and Risk Committee

Purpose

The Board has established the CEHL Finance and Risk Committee (the Committee) to assist it with oversight of effective arrangements regarding:

- Financial Management
- Financial Reporting, Annual Audit and Internal Audits
- Insurance
- Risk Identification and Management
- Legal Compliance

Committee members for 2020-21 financial year

Name	Role
Robyn Evans	Co-op Elected Director
Pallavi Khanna	Independent Member
Samantha Winter (Chair)	Appointed Director

Key achievements for 2020-21 financial year

- Overseeing a strong financial performance for the year in challenging circumstances
- A clean audit report from external auditors, PKF, which shows continued improvement in financial policies and processes
- Minimising the increase in insurance premiums through a review of self-insurance and excess limits
- Providing oversight to financial, audit, risk and compliance related matters

Looking forward to in 2022

- Refreshing CEHL's strategic risk review
- Development of a framework, in conjunction with the Property Committee, for non-Program property investment
- Development of an assurance map by CEHL's internal auditors to highlight internal control strengths and areas for improvement

People Culture and Governance Committee

Purpose

The People, Culture and Governance Committee is responsible for the oversight of effective arrangements regarding:

- Strategic staffing matters
- Sustaining a positive and high-performance organisational culture
- Governance succession, performance review and development
- Managing Director recruitment, development and performance review

Committee members for 2020-21 financial year

Name	Role
Tony De Domenico OAM (Chair)	Appointed Director
Sylvia Greda-Bogusz OAM	Co-op Elected Director
Heidi Lee	Co-op Elected Director

Key achievements for 2020-21 financial year

- Development of new Board Manual
- Review and delivery of the Board's Governance Policy Suite
- Development of a Board Induction Pack
- Development of a Prospective Director Guide
- Review of the People, Culture and Governance Committee Charter
- Completion of a succession plan for senior positions
- Oversight of CEHL's Workplace Health and Safety reporting

Looking forward to in 2022

- Review on modernising and updating the 2007 Constitution

Board committees and reports

Policy Advisory Committee (PAC)

Purpose

The Policy Advisory Committee (PAC) assist the CEHL Board with the responsibility of policy development. PAC consult with the co-op membership each quarter and recommend Program Policy to the CEHL Board for approval.

Members

PAC is made up of co-op elected representative from each region and a CEHL Board member.

Committee members for 2020-21 financial year

Name	Co-op	Region
Fiona Herman (Chair)	Co-op Elected Director	n/a
John Cooper Margaret Rosser	Co-op Members	Ballarat
Michelle Boxell (current) Anette Mueller	Co-op Member	Bendigo and Central Victoria
Anna Brayshaw	Co-op Member	Geelong and Western Victoria
David Bowles (current)	Co-op Member	Gippsland
Liza Dezfouli (current)	Co-op Member	Metro North
Norma Castro Ian Curwood (current)	Co-op Member	Metro South East
Beth Rundle (current)	Co-op Member	Metro West
<i>Vacant position</i>	Co-op Member	Peninsula
<i>Vacant position</i>	Co-op Member	Shepparton and Northern Victoria

Key achievements for 2020-21 financial year

- Reviewing existing policies and procedures to ensure they met the requirements of the amended Residential Tenancies Act. For a complete list members can access via the portal cehl.com.au/Co-opResources/Co-opGovernance/UpdatedResources-due-to-rentallawchanges
- Over four consultation cycles, informed by co-op input, PAC also and proposed amendments to over 20 policies and procedures as listed in the below:

Program policies and procedures reviewed by PAC, grouped by category

Co-op membership

- Applications to the Program Member Selection
- Targeted Member Selection
- Program Response to a Co-op Member's Loss of Membership
- Program Response to the Ending of a Joint Membership
- Obligation to Program Participants

Tenancy

- Establishing a Tenancy
- Non-Referred Renter
- Ending a Tenancy (Rental Provider initiated)
- Death of Renter
- Leave of Occupancy by the Renter
- Appropriate Alternative Accommodation

Tenancy transfer

- Internal Tenancy Transfer
- Transfer Applications by Current Program Participants
- Transfer to VicWide

Support

- Hardship
- Program Response to Changing Housing Needs
- Referral to Support Agencies

Other

- Program Complaints and Appeals
- Appropriate Use of Property

Property Committee

Purpose

The Property Committee Board has been established by the CEHL Board to assist it with the oversight of effective arrangements regarding; Property development acquisition, disposal and project management and Asset management.

Committee members for 2020-21 financial year

Name	Role
Keith Bayliss (Chair 03/21 – current)	Appointed Director
Stephen Copland (Chair 07/20 to 02/21)	Appointed Director
Heidi Lee	Co-op Elected Director
Jean Nankin	Appointed Director

Key achievements for 2020-21 financial year

- Implemented new design and construct specifications to provide members with consistent, quality housing outcomes
- Progressed the strategic approach to address the shortfall in funding future maintenance works
- Sought opportunities through the Big Build Social Housing Growth Fund to provide future growth in housing opportunities for members
- Dealt with numerous proposals to acquire, redevelop, and dispose of properties for the overall improvement of the property portfolio to meet members needs

Looking forward to in 2022

- Seek further opportunities through Government stimulus funding to provide additional housing outcomes for members
- Continue with the Capital Investment Strategy to provide additional future funding for the program
- Review the performance of the Asset Management Strategy and develop the new strategy to continue to improve the overall quality of members housing

Our stakeholders

Shareholders

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

Program stakeholders

- Co-op members
- 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)
- Housing Choices (Urban Choices)
- Launch Housing
- National Affordable Housing Consortium (NAHC)
- 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)
- Consumer Affairs Victoria (Victorian Property Fund)
- Homes Victoria
- Victorian State Government
- Victorian Housing Registrar





Summary financial report

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 2021:

- Directors' Report Page 44
- Directors' Declaration Page 45
- Statement of Surplus or Deficit and Other Comprehensive Income Page 46
- Statement of Financial Position Page 47
- Statement of Cash Flows Page 48
- Independent Auditor's Report Page 49

All amounts are expressed in Australian dollars.

A full version of our audited Financial Statements for the year ended 30 June 2021 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 \$1,292,037 (2020 (Restated): \$2,014,040). The surplus after property portfolio transactions and fair value adjustments was \$100,840,935 (2020 (Restated): \$60,343,249).

During the period the Company's Management undertook a thorough assessment of the Company's accounting procedures. Several prior year errors were noted as a result of this assessment, with the total impact being to increase the Company's prior year surplus by \$1,251,368. These are explained in detail in notes 11 and 12 of this financial 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

Stephen Nash resigned as Managing Director in July 2021. Brad Hosking, Corporate Director, is currently acting as Managing Director whilst an appropriate replacement is found.

Other than the matter 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 2021 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

	2021 (\$)	(Restated) 2020 (\$)
Operating Surplus	54,250	2,014,040
Capital Grants	1,237,787	0
Gross Surplus from Operations	1,292,037	2,014,040
Fair value property adjustments	98,723,422	59,492,423
Other adjustments	825,476	-1,163,214
Surplus (deficit) for the year	100,840,935	60,343,249

Meetings of directors

During the financial year, 15 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		Co-op Program Committee	
	eligible	attended	eligible	attended	eligible	attended	eligible	attended	eligible	attended	eligible	attended
Heidi Lee*	15	15	6	4	4	3	6	6	4	-	9	1
Sylwia Greda-Bogusz OAM	15	15	-	-	4	3	-	-	-	-	-	-
Fiona Herman	15	15	-	-	-	-	-	-	4	4	-	-
Gordon Kieselbach	15	13	-	-	-	-	-	-	4	4	9	5
Robyn Evans	15	10	6	6	-	-	-	-	-	-	-	-
Brodie Woodland	15	11	-	-	-	-	-	-	-	-	9	5
Tony De Domenico OAM	15	14	-	-	4	4	-	-	-	-	-	-
Samantha Winter	15	14	6	6	-	-	-	-	-	-	-	-
Keith Bayliss	15	15	-	-	-	-	6	6	-	-	-	-
Jean Nankin	7	6	-	-	-	-	2	2	-	-	-	-
Stephen Nash	15	15	6	6	4	4	6	5	-	-	-	-
Stephen Copland	8	7	-	-	-	-	4	4	-	-	-	-

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

Indemnification and insurance of officers and auditors

The Company had insurance provided on its behalf by the Victorian Managed Insurance Authority during the financial year to indemnify Directors and Officers of the Company against liability incurred as a director or officer, to the extent permitted by the *Australian Charities and Not-for-profit Commission Act 2012*.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses as such disclosure is prohibited under the terms of the contract. The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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 2021 has been received.

Directors' declaration

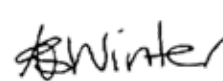
The directors of the Company declare that:

- 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:
 - comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulations 2013*; and
 - give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company.
- 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.

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



Heidi Lee, Director
Dated 28 September 2021



Samantha Winter, Director

Summary financial report

Statement of Surplus or Deficit and Other Comprehensive Income

For the Year Ended 30 June 2021

	2021 \$	2020 (Restated) \$
Revenue	22,186,554	18,689,764
Administrative expenses	(8,977,385)	(8,846,590)
Finance costs	(1,103,474)	(1,076,661)
Depreciation and amortisation expense	(464,138)	(528,840)
Property expenses	(10,349,520)	(6,223,633)
Gross surplus	1,292,037	2,014,040
Gain/(loss) on disposal of assets	298,913	(861,692)
Fair value adjustment – investment property	98,723,422	59,492,423
Fair value adjustment – other financial assets and liabilities	526,563	(301,522)
Surplus for the year	100,840,935	60,343,249
Other comprehensive income for the year	-	-
Total comprehensive income for the year	100,840,935	60,343,249

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 2021.

Statement of Financial Position

As at 30 June 2021

	2021 \$	2020 (Restated) \$
Assets		
Current assets		
Cash and cash equivalents	38,903,278	20,744,772
Trade and other receivables	4,306,127	1,913,748
Prepayments	186,207	113,632
Non-current assets held for sale	6,348,957	-
Total current assets	49,744,569	22,772,152
Non-current assets		
Other financial assets	1,597,295	1,847,838
Property, plant and equipment	1,257,260	7,649,788
Investment properties	999,212,588	900,195,125
Total non-current assets	1,002,067,143	909,692,751
Total assets	1,051,811,712	932,464,903
Liabilities		
Current liabilities		
Trade and other payables	8,332,094	5,354,509
Borrowings	210,000	210,000
Employee benefits	1,106,663	1,068,775
Total current liabilities	9,648,757	6,633,284
Non-current liabilities		
Borrowings	90,729,787	75,267,754
Employee benefits	145,588	117,219
Total non-current liabilities	90,875,375	75,384,973
Total liabilities	100,524,132	82,018,257
Net assets	951,287,580	850,446,646
Equity		
Issued capital	115	116
Reserves	550,214,303	550,214,303
Retained earnings	401,073,162	300,232,227
Total equity	951,287,580	850,446,646

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 2021.

Summary financial report

Statement of Cash Flows

For the Year Ended 30 June 2021

	2021 \$	2020 (Restated) \$
Cash Flows from Operating Activities:		
Receipts from rental income and grants	19,727,137	22,412,092
Payments to suppliers and employees	(17,585,639)	(14,970,734)
Interest received	67,038	72,378
Finance costs paid	(1,103,474)	(1,076,661)
Net cash provided by/(used in) operating activities	1,105,062	6,437,075
Cash Flows from Investing Activities:		
Proceeds from disposal of plant and equipment	1,570,101	13,587
Proceeds from disposal of investment property	8,822,016	8,062,228
Purchase of property, plant and equipment	(452,913)	(174,365)
Payment for investment properties and projects	(8,101,891)	(10,498,766)
Net cash (used in)/provided by investing activities	1,837,313	(2,597,316)
Cash Flows from Financing Activities:		
Movement in borrowings	15,216,131	7,440,586
Net cash (used in)/provided by financing activities	15,216,131	7,440,586
Net increase in cash and cash equivalents held	18,158,506	11,280,345
Cash and cash equivalents at beginning of year	20,744,772	9,464,427
Cash and cash equivalents at end of financial year	38,903,278	20,744,772

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 2021.

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 2021, the summary statements of surplus or deficit and other comprehensive income, and cash flows for the year then ended, related notes, and the directors' declaration is derived from the audited financial report of the Company for the year ended 30 June 2021.

In our opinion, the accompanying summary financial report has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*, and complies with Australian Accounting Standards, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Summary Financial Report

The summary financial report does not contain all of the disclosures required by the ACNC Act. Reading the summary financial report and auditor's report thereon, therefore, is not a substitute for reading the full financial report and the auditor's report thereon. The 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 have expressed an unmodified audit opinion on the full financial report in our report dated 28 September 2021.

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 that gives a true and fair view in accordance with the Australian Accounting Standards and the ACNC Act.

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

Melbourne, 18 October 2021



Steven Bradby

Partner



**Common Equity
Housing Limited**

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