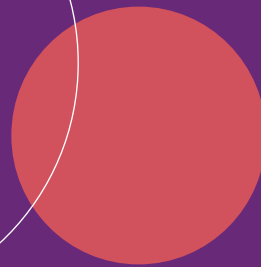


**havelock  
housing**

*Safe Homes Secure Futures*

# ANNUAL REPORT

2019 - 2020



**Havelock Housing Association acknowledges** and respects the Traditional Owners and Custodians of the Canberra region, the Ngunnawal people, and to Elders past and present. We are grateful that we share this land today, and sorrowful for the costs of that sharing. It is our hope and belief that together we are moving to a place of equity, justice and partnership in the future.

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Havelock Housing Association Inc.  
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# IMPACT SNAPSHOT 2019/2020



Our **Disability Housing** program provided 186 tenants homes in 95 properties, including supported group accommodation and independent living properties.



**Havelock House** continues to enjoy near 100% occupancy accommodating residents with high and complex needs plus students. During the year there was a turnover of 67 rooms which reflects the style of accommodation offered



Our **other housing programs** provided around 92 tenants with homes in 88 properties, including single people, families, and single parents.



We are very grateful for the **following support:**

**Department of Health** Grant - Social Inclusion through Sports and Physical Activity Program (2021)

**Hands Across Canberra / Snow Foundation Grant** - Resident Counselling Services

**ACT Health Directorate** - COVID-19 Mental Health and Well-Being Innovation Grant - Havelock House Resident Leadership Program (2021)



There were **6 new staff positions**

including the Community Development (CD) Manager, CD Coordinator, CD Administration Assistant, Finance Administration Assistant and Media & Communications Manager. We also supported Higher Education Interns and a Work for the Dole Program participant.



**Staff training and development** activities included:

Mental Health First Aid Training (supported by Hands Across Canberra and the Snow Foundation)

LGBTIQA+ Diversity Training with Meridian

Indigenous Cultural Awareness Training with Coolamon Advisors

First Aid Training through Ablaze Training Services



The **Community Development program** includes a weekly Chat Room, yoga, a Writing Group, and a Community Gardening Program. We support residents with welcome packages, access to our emergency pantry, and check in and support services.



Our Counsellor from **Avenue Counselling Services** supported over 30 residents in Havelock House through an average of 7-8 sessions a week and 89 sessions at Toora Women Inc.



We provided all residents with **COVID-19 information and advice**. We supplied hygiene and cleaning products, counselling services, an emergency food pantry, partnered with Canberra Racing Club to supply ready to eat meals. We developed Policies and Procedures, an Emergency Services Directory and an Infectious Diseases Management Plan.



We served a **diverse cohort** of residents this year, ranging from 19 to 79 years of age, coming from 50 countries and with over 1/3 identifying as female.



**Media Comms**  
**70% increase**  
 in Facebook followers  
 1 Round Table event  
 6 Radio Interviews  
 4 Canberra Times features  
 3 Canberra Weekly articles  
 1 Parity journal



# Chairman's Report



**As the Chair of the Management Committee of the Havelock Housing Association, I am proud to present the 32nd Annual Report of the Association.**

This year marks my 8th Term as the Chair of the Management Committee, and over this period I have been pleased to be involved in an ongoing improvement in the operations and financial standing of the Association.

The past year has seen the Havelock Housing Association and the Canberra community contend with the COVID-19 crisis and the unique challenges it presented. As a key provider of disability housing in the ACT we have been committed to working with our clients and assisting our residents and members in facing the new challenges presented by the virus.

This period has also been a period of learning for the sector and our organisation and there will no doubt be reforms to policy and procedure that will arise from these experiences. Havelock Housing remains innovative, flexible and dedicated to meeting these challenges and evolving practice and procedure as appropriate to meet the needs of our residents. We remain dedicated to working collectively with the ACT social housing and disability sectors to provide a strong advocacy voice for those we represent.

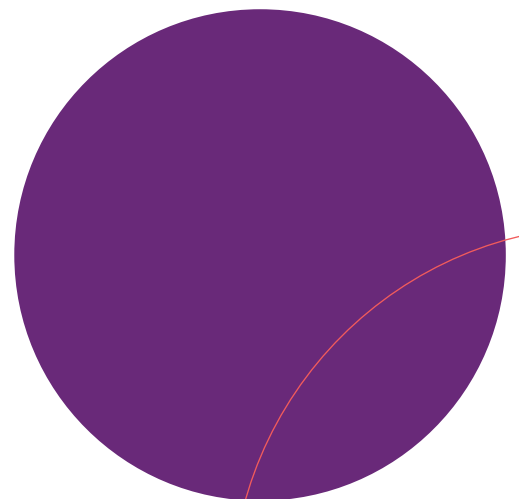
The Management Committee of the Association remains dedicated to enhancing the operations of the Association to ensure we are the highest quality service provider possible for our residents and members. We have been fortunate this year to welcome two new committee members to the Association. Mr Dan Carton, Mr Daniel Landon have all joined the board with impressive skill sets, background and experience, making their contributions to the Management Committee invaluable.

I would like to personally thank our three new colleagues and our other dedicated Committee members for their outstanding contributions to the operations of the Association. Most especially I would like to recognise the great contributions of Ms Christine Murray the Association Vice Chair and Mr Adrian King the Treasurer to the ongoing activities of the Association. Havelock Housing would not be in the strong position it is in currently without the considerable hours and effort they have volunteered to the Association in their time as Management Committee members. I am honoured to work with every single member of the management committee.

In the last twelve months there have been other ongoing changes to the staffing, administration and operation of the Association. Our CEO has been putting in place an enhanced operational model to ensure our residents continue to receive the highest quality service and support. I thank the CEO and our dedicated staff for their efforts over the past year to expand the services of the Association and meet the challenges that we faced with COVID-19. It is pleasing to see that in 2020, the Association has continued to evolve into a stronger, more accountable, respected and financially secure community housing provider for the Canberra community. I am immensely proud to have been involved with these achievements.

I commend this report to you and thank you for your ongoing support of the Havelock Housing Association.

**Craig Shannon**  
Chairman





# CEO's Report



## A year of strengthening our organisation and our community...

When I joined in August last year, Havelock Housing began a journey of major renewal and change. This report shares some of that journey and presents a portrait of those people who have shared and contributed along the way.

It is people that make a house into a home. And it is our staff, our residents, and the increasing number of people who contribute their generosity to our work who make the Havelock Housing community. Our office is in Havelock House, and we see and connect with the Havelock House residents every day. We hear their stories, see their resilience, and share a laugh and sometimes their sorrow. This closeness keeps the Havelock Housing team grounded and connected with the purpose of our working lives.

Every single member of our team is committed to our mission to provide homes for people on low incomes, people with high and complex support needs, and people with disabilities in the Canberra region. Throughout this report you can read comments and stories from our staff and community revealing a little of the extraordinary Havelock Housing team. I am absolutely proud and honoured to work alongside every single one.

The newest aspect of our operations this year is the community development program. We are privileged to have the esteemed social researcher Hugh Mackay join Havelock Housing Association as our Patron early in 2020. Hugh's work over decades has focussed on the importance of community and 'neighbourliness', and these concepts have been a major theme for our reform program this year. Our community development team aims to build the sense of belonging that sustains, nurtures, supports and protects us and contributes to our sense of personal identity. Social interaction builds social cohesion; social cohesion builds social capital; and social capital builds strong societies. This Program will continue to be a core part of our service delivery as a community housing provider.

This report also tells the story of the significant internal control framework change program to improve the quality of our service delivery, with a focus on improving workflows, information systems integration, and increasing productivity.

The very generous support from our community partners made a considerable contribution throughout the year. We are especially thankful to the Bunnings Majura team for their donations to our pantry and gardening program, and to Helping ACT for their regular donations throughout the year.

Havelock Housing Association is growing into the future, with plans to begin investing in more homes in the next two years. We will also continue to build enduring partnerships with the community sector, the private sector, and both the Territory and Commonwealth Governments to help end homelessness and housing insecurity in our region.

**Andrew Rowe**  
CEO

# OUR ACHIEVEMENTS

## OUR HOMES

**Our dedicated Housing Team is proud to have provided and managed tenancies for 472 people during the past year in a total 183 properties (including two congregate living properties).**

On average around 100 people live in Havelock House at any one time, (including around 30 students). We are proud to be the largest provider of Disability Housing in the ACT, managing tenancies for 203 people with disability living in 95 specifically tailored properties. Another 100 tenancies were managed for people who are living in 88 other properties managed by Havelock on behalf of Housing ACT such as Gungahlin Singles Accommodation (GSA), the Housing Asset Assistance Program (HAAP) and our shared equity properties. We provided service to tenants living in properties under the Mental Health, Justice Health and Alcohol and Drug Services (MHJHADS) portfolio and we are delighted that three new properties are coming online later in 2020. We have nurtured our partnership with YWCA Canberra to continue providing a home for older women through the Homes4Homes program.

Our new Property Management Team members have brought their wealth of experience in property development and management, the homelessness sector, and importantly their knowledge and skills in supporting people with high and complex needs to our organisation, to the great benefit of all of our tenants and residents.

The Housing Team works closely with the Community Development staff to ensure that our Enquiry, Intake and Assessment processes are client focused, equitable, streamlined and as responsive as possible in a context where demand for housing exceeds supply. The team also works very closely with our partners at Housing ACT, MARSS, One Link, Samaritan House and other social housing providers in the ACT in an attempt to ensure that every one of our vacancies is matched to those most in need in our community in an efficient and equitable way.

The Property Managers are undertaking professional development and training over the coming months to ensure that our housing services remain client focused, highly professional and effective into the future.

The coming year is filled with exciting challenges and opportunities for our Housing Team. There will be new development opportunities and new partnerships to pursue and the ongoing commitment to bringing new properties online to provide homes for those in need.



I still dream of one day where  
I sleep in a double bed, a kitchen,  
a bathroom I don't need to share.  
However, I do not have any choice  
but to make this home.

"I have gratitude.  
I am warm in winter  
and summer just  
makes me smile".



## HAVELOCK'S RESIDENT PROFILE

**Disability Housing Support Providers** - ABLE Australia, Anglicare, Aruma, Bloomfield support solutions, Care Plus, Catholic Care, Circles Of Life, Community connections, Disability Trust, Duo, Everyman, Feroscare, Focus ACT, Hartley, Kalinga Australia, Koomarri, Livability Australia, Loving Care Community, Paragon Support, Quest Solutions, Sunnyfield, and Valmar

Disability Housing

**186 residents in  
95 properties**

Havelock House

**98 residents in  
20 shared units**

**131 houses and  
52 apartments in  
65 suburbs**

across the ACT

Other Havelock Homes

**72 residents in  
49 properties**

From

**50 different  
countries**

Havelock owned Properties

**21 residents in  
21 properties**

Residents'

**ages range between  
19 to 79 years**

Residents of HHA all have

**incomes in  
quintiles 1 and 2**

and are eligible for social housing support

## OUR COMMUNITY

**Since the last quarter of 2019 Havelock Housing has been incredibly busy, a year of change and a year of significant achievements, and we have made significant gains in the area of supporting residents and building our Community Development Program.**

The revitalised emphasis on 'client focused outcomes' in our Strategic Plan has strengthened our commitment to ensuring that all of our changes and improvements are designed to enhance the support and engagement with residents across the program. In October 2019, an Executive Manager, Performance and Development was recruited, tasked with building a new team and a Community Development Program, for the first time in HHA's history.

The primary purpose of our team is to ensure that housing first principles and a client-centred approach underpins all policies, processes and systems and that these form the foundation of a vibrant, responsive and supportive Community Development program. We also focus on quality and appropriate outcomes for the people we work for.

We recruited a Media and Communications Manager, a Community Development Manager and an Administration Assistant to complete our team. Following our successful application to the Department of Health for our Driving Social Inclusion through Sport and Physical Activity Program, another Community Development Coordinator was recruited in August 2020.

All staff are highly committed and skilled individuals who work collaboratively with each other and across HHA to ensure our vibrant and dynamic Community Development program continues to flourish. Our response to the COVID-19 pandemic was comprehensive and included:

- Providing education, guidance and support to HH residents.
- Working closely with Government Departments, including Housing, Community Services and Health to ensure our health messaging conformed to theirs.
- Providing visual information, hygiene products and cleaning supplies and support to residents.
- A meals services in conjunction with Canberra Racing Club available to all our residents and to the broader NGO community.
- An emergency food pantry for residents, supported by donations from staff, the general public, Helping ACT and Bunnings.
- COVID-19 Policies and Procedures, an organisational Emergency Services Directory and an Infectious Diseases Management Plan, including Lockdown scenario planning.

**"It's exciting to contribute to a program that helps our residents to feel part of a thriving community".**

Staff Member – Louise Baker





## Mental Health and Wellbeing Support

As part of the COVID-19 Emergency Grants program, we successfully applied for \$20K to engage psychological / counselling services at HH. Our highly experienced and qualified Counsellor from Avenue Counselling Services works at Havelock House two half days a week, and we shared the grant for another half day of services at our partners at Toora Women's crisis accommodation. Without exception, every resident accessing the counselling has provided positive feedback about Maria and her warm, accepting and professional approach.

We are all very lucky to have found the perfect match to resident needs, particularly at this time of additional stress during COVID-19. This funding was granted by Hands Across Canberra and the Snow Foundation. The grant also funded all HHA staff to undertake Mental Health First Aid Training (MHFA) – a great achievement, given the size of our organisation. This has been of significant benefit to both staff and residents and helps us to identify signs and symptoms of anxiety, depression and other mental health challenges, and helping us to provide timely and appropriate responses and support. We have recently learned of our successful application to the Community Services Directorate through the **COVID Rapid Response Grant 2** to continue to support these services through to May 2021, for which we are very grateful.

We have applied to the ACT Health Directorate for ongoing funding for these vital services from 2021 to 2023 through the **Healthy Canberra Grants Program**, and are hoping that they will support us in our endeavours to expand the services to GSA residents and to retain them for those living in Havelock House into the foreseeable future.

We were also successful in our application to the **COVID-19 Mental Health and Wellbeing Innovation Grants Program (MHWIGP)** offered by ACT Health Dept. We were granted the maximum \$10,000. With this support we are developing a 12-month pilot program within Havelock House to nurture community leadership and peer support, specific to our congregate living setting. We will engage a mindfulness trainer, a counsellor and a psychologist to mentor and support residents to lead the program. One outcome will be the formation of a Resident-led Support Group and a Practice Guide, developed to share with ACT community housing providers, such as Ainslie Village, Toora Women's and Common Ground.





## OUR COMMUNITY PARTNERSHIPS

**We are extremely grateful to Bunnings Majura Park for continuously supporting us by compiling food donations from staff for our pantry, which featured regularly in our social media.**

We asked for support to develop a community garden at HH and Bunnings agreed to supply us with tools, equipment, seeds, infrastructure, expertise and labour in the future. They encouraged other Bunnings around the ACT to come on board (Gungahlin, Belconnen, Tuggeranong, Fyshwick as well as Majura) and all have pledged material support to us. Bunnings as a company, donated \$5000 to us with which we are building a permanent BBQ within the new garden area, which is highly appreciated by all Havelock residents.

Leaving Havelock is like leaving a family. Since early this year it has been really great because there has been a lot of activities which made me feel at home.

**“The new staff have been wonderful and caring”.**

We are also using the garden related donated goods from Bunnings to initiate a gardening project for Gungahlin Singles Accommodation (GSA) as well as at Havelock House itself. This partnership and support from Bunnings has been a significant factor in supporting residents during times of food insecurity and in helping our CD team to launch a fabulous gardening project.

Another significant partnership for us which began during the COVID-19 pandemic is through our friends from **Helping ACT**. Their objective to ‘facilitate and encourage members of our diverse society to give to those who need it to build a more compassionate and caring community’ has certainly been successful from our point of view and we have cherished the close partnership we have formed with Mr Mohammed Ali and the organisation. We are just one of the organisations supported by Helping ACT and we look forward to continuing our friendship into the future.

We have really valued the support to our residents from other generous companies and organisations during the year. Notably these include Baker's Delight Lanyon and Knead Patisserie, Share the Dignity and Hepatitis ACT. It makes such a difference to our residents when good people of Canberra support them in different and important ways, and we thank everyone for their kindness and generosity throughout the year.





## Havelock Housing – Building Communities Project

**The Department of Health – Social Inclusion through Sport and Physical Activity Grant.** We were delighted to be awarded this generous grant by the federal Department of Health for \$343,890 for activities to December 2022. We were one of 57 successful recipients out of 850 applicants, and one of only 3 successful sole-ACT applicants.

Our Social Inclusion program:

- provided a program Coordinator, a 12-seater bus already purchased, equipment, subscriptions, fees and logistics for all program related activities
- focuses on engagement with all residents across Havelock Housing connecting them with their community and encouraging them to build healthy and active lives
- has an emphasis on social inclusion and community, and building confidence through physical activities including swimming, water exercise, gym, walking, cycling, running, yoga and mindfulness training, and other recreational activities to be identified by the residents themselves
- aims to contribute to social inclusion and the well-being of our residents of all ages and backgrounds, including vulnerable and disadvantaged and those with high and complex needs.



## havelock housing Building Communities

We are very excited about the future of this program and the support and engagement it will provide to residents from across the program, as well as the physical and mental health and well-being outcomes. It is a high-profile program which will also assist in enhancing our media coverage and our reputation in the social housing sector in the ACT, and we sincerely thank the Department of Health for supporting us to do this work.

Apart from recruiting, designing and implementing programs from scratch and seeking funding for them, we have also made it a key priority to work in a collaborative and integrated way with all Havelock Housing staff. P&D staff have worked particularly closely with the Property Managers and the Intake Officer to support each other in the interviewing and recruitment processes, in the Intake and 'welcome' process. Staff have successfully and expertly collaborated to ensure consistently fair, empathetic, timely and compassionate responses to those with whom we work. This is not only rewarding for staff but the improved outcomes for residents have been obvious, with increasing engagement and positive feedback a regular feature of our daily working lives.

This has been a tremendously busy, challenging but rewarding year for our Performance and Development Team and Community Development Program. We are fortunate to have dedicated staff who genuinely seek to make the lives of our residents a little less challenging, and who continue to look at new improved ways to support and encourage them. We look forward to building on the hard work of this year to grow and develop a flourishing Community Development program even further in the coming year.

We have had Chat Rooms and gardening projects. It has made me feel a part of the community. They have a lovely counsellor named Maria, who is very bubbly and great to talk to.

**“We have started physical activities which make me feel like I belong.”**

## ADVOCACY AND THOUGHT LEADERSHIP

**Havelock House has a rich history, and since it was commissioned in 1952 many people's journeys have passed through the historic building.**

Since it was re-commissioned in 1989 as social housing the building and the organisation has provided a home for many thousands of people who may otherwise be sleeping rough, or in unsafe situations.

This service has perhaps never been more important than right now. Our waiting list for a room in Havelock House is never short, the demand is growing and the current estimate is that about 14,000 people in the ACT are experiencing severe housing stress and/or at risk of becoming homeless.

This increasing demand just cannot be met with the existing social housing stock, or within the current social and economic policy environment.

In this context, Havelock Housing has become actively engaged in the social housing policy discourse, and supporting those organisation's whose role is advocacy and representation. Our contribution in this area through the year includes:

- **ACT Shelter** – Our CEO is the Chair of ACT Shelter
- **Community Housing Industry Association (ACT)** – Regional member contributing to policy development, research, and advocacy initiatives
- **ACT Council of Social Services** – We contribute to policy development, and share our knowledge and experience.

Supplementing this sectoral activity, we have strengthened our relationships with members of the Commonwealth Parliament and the ACT Legislative Assembly to increase awareness of our social impact and the importance of housing policy reform. This engagement has been with all sides of the political spectrum, with political party leaders and anyone who has an interest or portfolio responsibility relevant to community housing. In general, our representations have been well-received, acknowledging the challenges with social and affordable housing in Australia.

An important complement to these efforts is our increased focus on communicating Havelock Housing's social impact in the Canberra community. Our initiatives and activity have been regularly reported in Canberra's print media, including the Canberra Times and City News. In addition, our views and experience have been sought for radio and television interviews in relation to housing in Canberra.

The next five years are going to be crucial to our future ability to serve the Canberra community as we invest in building our property portfolio so we can provide more homes to low income individuals and families. We will continue to share our stories, our work, and our positive impact.

We aim to be a bold, respected, and honest contributor to the community.

Follow us on our social media pages, join the conversation, and share your voice!



### OUR PATRON - HUGH MACKAY

**We are extremely fortunate and honoured to have Hugh Mackay as our Patron.**

Hugh Mackay AO is one of Australia's best-known social researchers and the author of nineteen books – twelve in the fields of social psychology and ethics, and seven novels. Hugh's book, *The Art of Belonging*, explores the reasons why some communities thrive, and others break down, and explains how community engagement enriches us all.

His latest book, *Australia Reimagined* is an uplifting and passionate reflection on how to build a more compassionate and cohesive society. In recognition of his pioneering work in social research, Hugh was elected a Fellow of the Australian Psychological Society and has been awarded honorary doctorates by Charles Sturt, Macquarie, NSW and Western Sydney universities. He was appointed an Officer of the Order of Australia in 2015.



# STRENGTHENING OUR ORGANISATION

**As most organisations know, most of the hard work that gets done throughout a year happens 'behind the scenes' and is, to some extent, invisible to outsiders.**

This last year has been both tremendously challenging and rewarding for staff as we have looked at all aspects of our administrative processes, our corporate and other services, planning, policies, and procedures. Notable achievements for us this year included:

- new approaches to our compliance reporting to NRSCH and Housing ACT focusing on outcomes, impact and learning
- thorough reviews of our Enquiry, Interviewing, Intake and Assessment processes and our Feedback and Complaints response system
- improving our data capture and integrity in our online management systems
- streamlining our payroll processing through the use of new timesheet software
- changing banking arrangements to a community-based bank
- reviewing our IT hardware to respond to staff needs and working arrangements off site
- moving our administration system to a cloud based infrastructure, becoming more cost effective, flexible and efficient
- systematically reviewing all of our Policies and Procedures (ongoing) to ensure they reflect best practice and our new strategic direction
- providing professional development opportunities for staff in a range of areas
- auditing our CCTV and security systems with new hardware and systems scheduled for the 20/21 FY
- enhancing security for staff by purchasing more hand-held two-way radio handsets
- installing a new VOIP phone system to streamline day to day operations

So excited to have a garden program up and running.

**"Getting my hands dirty is so good for my mental health".**



# OUR FINANCIAL PERFORMANCE

In 2020 Havelock Housing has continued to show consistent rental income streamed through strong occupancy rates, quick vacancy turnover and management of expenses.

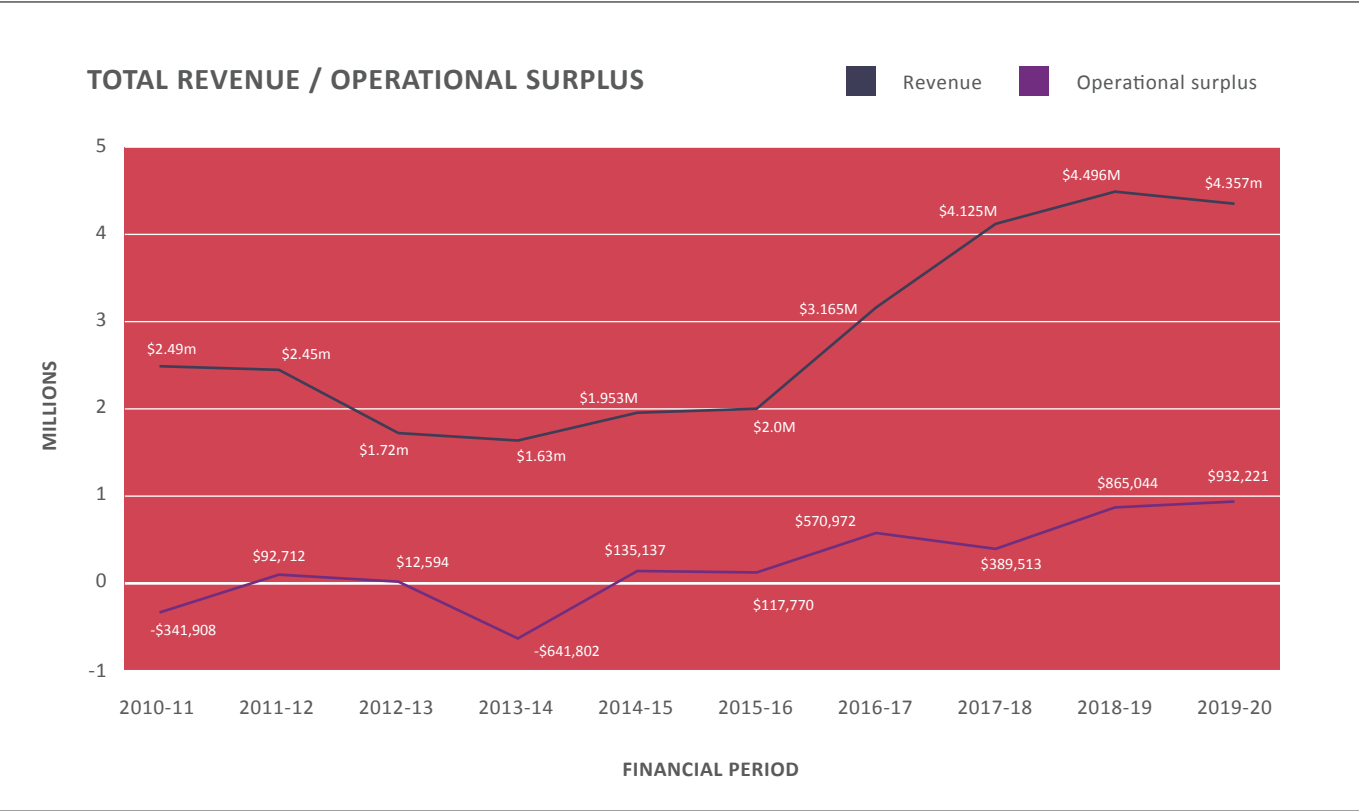
This year we recorded our highest net operating surplus of \$932,221 in the history of the Association. Whilst it is noted that some Local & Federal Government (Covid19) Stimulus Assistance attributed to the result, the underlying net performance was still significantly above budget for this period.

Havelock Housing has ensured that property stock is quickly turned over to minimise property vacancy. Proactive tenancy management has ensured that rental arrears are promptly followed through – as at 30/06/2020 the Association recorded arrears of only \$21,282 / 0.5% of total rental receipts and only \$2,400 in bad debts.

Our financial performance over the last 5 years have now put the Association in a strong position where it can continue its planned growth of property acquisition. Even after allowing for operational reserves, the \$3m in cash held will assist in securing additional properties that will provide safe and secure housing for those in need.

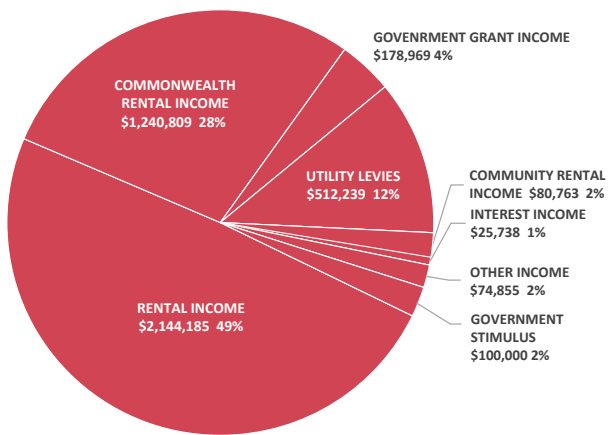
The cash holdings of \$3m held by the Association represent a current asset ratio of 8.4: to 1 (\$8.40 to every \$1 in current liabilities).

We will continue to consolidate our financial position and expect further efficiencies to be found by reviewing operational procedures and improved workflows to continue to reduce our cost to income ratio. Havelock Housing is in a strong financial position and will remain financially secure for the foreseeable future.

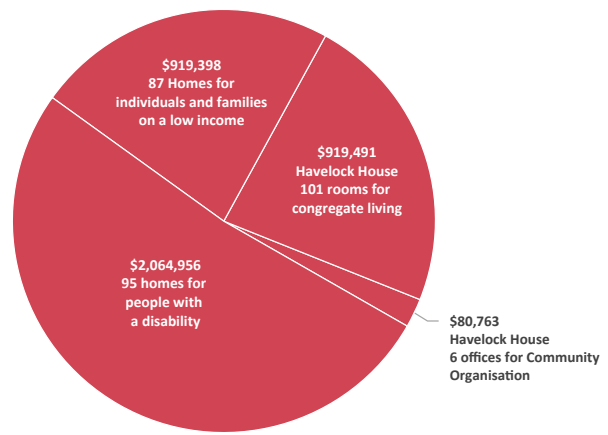




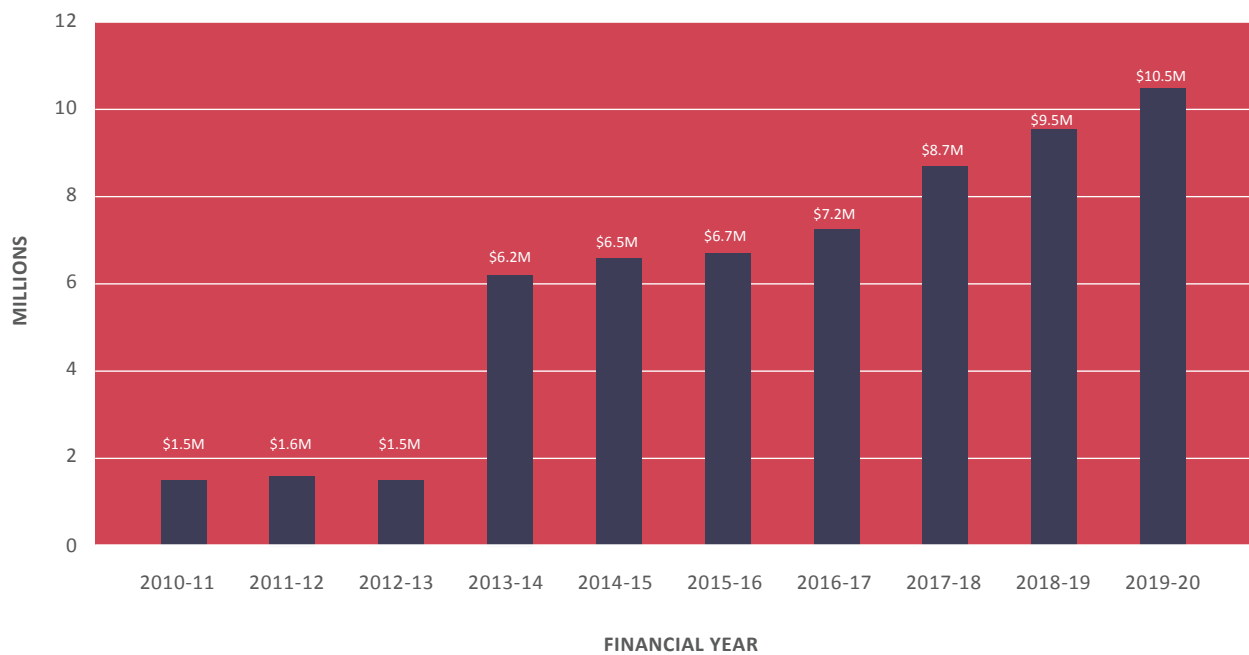
## 2020 REVENUE BREAKDOWN



## 2020 Breakdown of Rental Income



## EQUITY



## 'WRITE 4 ME'

a weekly Havelock House activity for residents to get together, reflect and write as part of the CD program.

### Reflection

When I came to Havelock House I had to help a drunken housemate off the floor. After spending some time helping him he has ended up controlling his alcoholism. To the point he became sober and is now working in Mental Health.

I was homeless when I came to Havelock and virtually was dumped outside Havelock where I slept outside. It was hard as I didn't have a place but the next day Nick found me a room.

Leaving Havelock is like leaving a family. Since early this year it has been really great because there has been a lot of activities which made me feel at home. The new staff have been wonderful and caring. We have had Chat Rooms and gardening projects. It has made me feel a part of the community. They have a lovely counsellor named Maria, who is very bubbly and great to talk to.

We have started physical activities which make me feel like I belong.

**(Kalvin. Recently left Havelock House. Lived here for 5 years.)**



**"Knowing that what I do every day matters, is what matters most".**

Staff Member – Rebecca King

## Poem

Passion of flowers  
Holding me arm in arm  
Intrinsic nature

Red, purple, yellow  
Plethora of shades abound  
Sending body shivers

Strong breaking through cracks  
Green not with envy but love  
Growing stubbornly

Stars parading bright  
Eyes can't gaze but imagine flare  
Heat thriving on my skin.

## Writing

### Havelock House

It's my home, I thought "just for now" when I moved in.

I felt like a prisoner in my room, and I was going crazy.

Crazy with the thought of...

"Oh my God, how did I end up here? It has taken me  
a while to believe that, this is it, my home."

I still dream of one day where I sleep in a double bed,  
a kitchen, a bathroom I don't need to share. However  
I do not have any choice but to make this home.

I have gratitude. I am warm in winter and summer  
just makes me smile.

I have learnt to have a sense of belonging.

It is still difficult to get used to the arguing and  
screaming through the nights. It was hard to adjust to  
the loud sounds of traffic going by.

As well as all the sirens from police cars, to ambulances,  
plus fire trucks.

But with time I have had to accept that this is home  
for now.

The question is, am I happy?  
Even though I still have gratitude.



# HAVELOCK HOUSING ASSOCIATION

## FINANCIAL REPORT FOR THE YEAR ENDED

### 30 JUNE 2020

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## HAVELOCK HOUSING ASSOCIATION INCORPORATED

### COMMITTEE'S REPORT FOR THE YEAR ENDED 30 JUNE 2020

Your committee members submit the financial report of Havelock Housing Association Incorporated for the financial year ended 30 June 2020.

#### Committee Members

The names of committee members throughout the year and at the date of this report are:

Craig Shannon  
Christine Murray  
Carol Croce  
Adrian King  
Dan Carton (commenced 16/04/2020)

Daniel Landon (commenced 18/06/2020)  
Louise Gray (commenced 13/10/2020)  
Dr Cressida Limon (resigned 18/11/2019)  
Simon Rosenberg (resigned 18/06/2020)  
Sarah Phillips (resigned 16/04/2020)

#### Principal Activities

The principal activities of Havelock Housing during the financial year were to provide suitable, secure and housing:

- For people on low to moderate incomes
- For people with special needs and
- For people with a disability.

Havelock Housing also provided Community and Social Engagement Programs to our tenants.

#### Significant Changes

As part of the COVID-19 Stimulus Package, the ACT Government has provided rent relief to all Housing ACT properties that are managed by Community Housing Providers like ourselves. The relief package was initially for 6 months (April 2020 to September 2020), however, more recently this has now been extended a further 3 months to December 2020. This has resulted in approximately. \$290,000 additional cash surplus for this financial period alone.

Havelock Housing has passed through these savings into added services that are available to all Association tenants including access to mental health counselling and a community development program. We have also established partnerships with other community groups who support Havelock Housing with charitable donations and other support.

Overall, COVID-19 has had little to no negative impact on our rental income stream with only 7 approved requests for rent relief to individual tenants whose employment / income was affected by the pandemic.

Whilst there were no new properties acquired in 2019-2020 period, an additional 2 Housing ACT properties were allocated to Havelock Housing to manage under the Mental Health program. Due to construction delays these properties only became available in July 2020 and will house up to 7 additional tenants.

Havelock Housing purchased a new property in conjunction with part funding from Homes 4 Homes (Big Issue) on 20 June 2019. In partnership with the YWCA, this property has enjoyed strong occupancy and delivered good outcomes in the older women social housing cohort.

#### Operating Result

The result from ordinary activities amounted to a net surplus of \$932,221 (2018 \$865,044). Other non-operational income included Government Grants of \$178,969 (including \$131,577 under the Equal Remuneration order) and a separate \$100,000 under the Federal Government Economic Stimulus package (BAS Cash Flow Boost) to Not for Profit Organisations.

In line with the operating surplus, cash assets have increased to \$2.89m (2018 \$2.13m). Building assets are scheduled to be revalued in 2021.

Please refer to note 1a of the financial statements for further details.

Signed in accordance with a resolution of the Members of the Committee.



Mr Craig Shannon, Chair



Mr Adrian King, Treasurer

Dated this .....30th..... day of November 2020

**HAVELOCK HOUSING ASSOCIATION INCORPORATED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Revenue</b>	2	4,357,558	4,496,034
<b>Operating expenses</b>			
Rent expense		(1,021,968)	(1,292,732)
Employee benefits expense		(1,243,596)	(1,224,027)
Utilities and rates expense		(451,653)	(426,719)
Maintenance expense		(288,736)	(238,503)
Depreciation and amortisation expense		(173,977)	(150,459)
CHC affordable housing		-	(126,246)
Insurance expense		(23,548)	(17,019)
Professional and audit fees	3	(20,300)	(20,300)
Telephone & internet expense		(26,247)	(12,079)
Provision for impairment of receivables		(2,422)	(6,527)
Motor vehicle expense		(5,246)	(9,414)
Other expenses		(167,644)	(106,965)
<b>Total Operating expenses</b>		<u><b>(3,425,337)</b></u>	<u><b>(3,630,990)</b></u>
<b>Surplus from operations</b>		<u><b>932,221</b></u>	<u><b>865,044</b></u>
<b>Other comprehensive income</b>			
Movement in asset revaluation reserve		-	-
<b>Total comprehensive income attributable to the members</b>		<u><b>932,221</b></u>	<u><b>865,044</b></u>

*The accompanying notes form part of these financial statements.*

# HAVELOCK HOUSING ASSOCIATION INCORPORATED

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	2,892,408	2,139,403
Trade and other receivables	5	71,162	6,000
Prepayments		24,429	18,255
<b>TOTAL CURRENT ASSETS</b>		<b>2,987,999</b>	<b>2,163,658</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	7,832,210	7,966,927
Intangible asset	6	10,979	16,469
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,843,189</b>	<b>7,983,396</b>
<b>TOTAL ASSETS</b>		<b>10,831,188</b>	<b>10,147,054</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	308,013	554,388
Employee benefits	8	47,809	49,521
<b>TOTAL CURRENT LIABILITIES</b>		<b>355,822</b>	<b>603,909</b>
<b>TOTAL LIABILITIES</b>		<b>355,822</b>	<b>603,909</b>
<b>NET ASSETS</b>		<b>10,475,366</b>	<b>9,543,145</b>
<b>EQUITY</b>			
Asset revaluation reserve		5,250,362	5,250,362
Retained earnings		5,225,004	4,292,783
<b>TOTAL EQUITY</b>		<b>10,475,366</b>	<b>9,543,145</b>

*The accompanying notes form part of these financial statements.*

HAVELOCK HOUSING ASSOCIATION INCORPORATED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020

	Asset revaluation reserve	Retained Earnings	Total
	\$	\$	\$
<b>Balance as at 1 July 2018</b>	<b>5,250,362</b>	<b>3,427,739</b>	<b>8,678,101</b>
Surplus attributable to members	-	865,044	<b>865,044</b>
<b>Balance as at 30 June 2019</b>	<b>5,250,362</b>	<b>4,292,783</b>	<b>9,543,145</b>
Surplus attributable to members	-	932,221	<b>932,221</b>
<b>Balance as at 30 June 2020</b>	<b>5,250,362</b>	<b>5,225,004</b>	<b>10,475,366</b>

*The accompanying notes form part of these financial statements.*

# HAVELOCK HOUSING ASSOCIATION INCORPORATED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from clients		4,103,251	4,129,651
Payments to suppliers and employees		(3,539,080)	(3,359,483)
Government grants		196,866	176,252
Other grants / funding received		-	220,000
Interest received		25,738	23,462
<b>Net cash from operating activities</b>	9	<b>786,775</b>	<b>1,189,882</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment	6	(33,770)	(617,492)
<b>Net cash used in investing activities</b>		<b>(33,770)</b>	<b>(617,492)</b>
<b>Net increase in cash held</b>		753,005	572,390
Cash and cash equivalents at beginning of financial year		2,139,403	1,567,013
<b>Cash and cash equivalents at end of financial year</b>	4	<b>2,892,408</b>	<b>2,139,403</b>

*The accompanying notes form part of these financial statements.*

## HAVELOCK HOUSING ASSOCIATION INCORPORATED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Havelock Housing Association Incorporated is an association incorporated in the ACT under the *Associations Incorporations Act (ACT) 1991*.

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **New or amended Accounting Standards and Interpretations adopted**

Havelock Housing Association Incorporated has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of Havelock Housing Association Incorporated.

The following Accounting Standards and Interpretations are most relevant to Havelock Housing Association Incorporated:

##### *AASB 15 Revenue from Contracts with Customers*

Havelock Housing has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

##### *AASB 1058 Income of Not-for-Profit Entities*

Havelock Housing has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

##### *Impact of adoption*

AASB 15 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.



## HAVELOCK HOUSING ASSOCIATION INCORPORATED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Associations Incorporations Act (ACT) 1991* and the *Australian Charities and Not-for-profits Commission Act 2012*.

##### *Historical cost convention*

The financial statements have been prepared under the historical cost convention.

##### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Havelock Housing Association Incorporated's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(g).

##### **a) Going concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

##### **b) Income tax**

Havelock Housing Association Incorporated is exempted from income tax due the exemption granted under section 6.2 of section 50-30 of the Income Tax Assessment Act 1997.

##### **c) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in Havelock Housing Association Incorporated's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in Havelock Housing Association Incorporated's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

##### **d) Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

##### **e) Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

**HAVELOCK HOUSING ASSOCIATION INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**e) Fair value measurement (continued)**

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**f) Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**g) Critical Accounting Estimates**

Havelock Housing Association Incorporated evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the organisation. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

## HAVELOCK HOUSING ASSOCIATION INCORPORATED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>NOTE 2. REVENUE AND OTHER INCOME</b>		
Rental income	2,144,185	2,175,618
Commonwealth rent assistance income	1,240,809	1,264,567
Government grant income	178,969	160,229
Other grants / funding received	-	200,000
Gas/electricity levy	512,239	499,620
Community rental	80,763	103,402
Management fees	-	11,477
Interest income	25,738	23,462
Other income	74,855	57,659
Government Stimulus	100,000	-
	<b><u>4,357,558</u></b>	<b><u>4,496,034</u></b>

#### **Accounting policy**

##### **Revenue recognition**

Havelock Housing Association Incorporated recognises revenue as follows:

##### *Rental income*

Rental income is recognised when it is due.

##### *Grants*

Grant revenue is recognised in profit or loss when Havelock Housing satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before Havelock Housing is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax (GST).

#### **NOTE 3. AUDITOR'S RENUMERATION**

Remuneration of the auditor of Havelock Housing for:

Auditing or reviewing the financial report	<b><u>20,300</u></b>	<b><u>20,300</u></b>
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#### **NOTE 4. CASH AND CASH EQUIVALENTS**

Cash on hand	700	700
Cash at bank	1,390,248	801,696
Term deposits	1,501,460	1,337,007
	<b><u>2,892,408</u></b>	<b><u>2,139,403</u></b>

#### **Accounting policy**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

# HAVELOCK HOUSING ASSOCIATION INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>NOTE 5. TRADE AND OTHER RECEIVABLES</b>		
Rental in arrears	21,282	21,154
Less: Provision for impairment	(6,749)	(15,154)
Accrued income	50,000	-
Other receivables	6,629	-
	<u>71,162</u>	<u>6,000</u>

### Accounting policy

Trade and other receivables including rental income are recognised at amortised cost, less any allowance for expected credit losses.

## NOTE 6. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSET

### Leasehold Land and Buildings\*

Leasehold land at fair value	2,855,000	2,855,000
Buildings at fair value	4,887,000	4,887,000
Accumulated depreciation	(232,825)	(110,650)
	<u>7,509,175</u>	<u>7,631,350</u>

### Leasehold Improvements

Leasehold Improvements at cost	509,019	475,249
Accumulated depreciation	(236,100)	(202,948)
	<u>272,919</u>	<u>272,301</u>

### Plant and Equipment

Equipment at cost	213,022	229,836
Accumulated depreciation	(189,311)	(197,517)
	<u>23,711</u>	<u>32,319</u>

### Motor vehicles

Motor vehicles at cost	36,356	36,356
Accumulated depreciation	(9,951)	(5,399)
	<u>26,405</u>	<u>30,957</u>

### Total property, plant and equipment

<u>7,832,210</u>	<u>7,966,927</u>
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### Intangible Asset

Website development at cost	<u>10,979</u>	<u>16,469</u>
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\* The ACT Government's interest in the leasehold land and buildings is secured by way of mortgages. Refer to note 13.

## HAVELOCK HOUSING ASSOCIATION INCORPORATED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 6. PROPERTY, PLANT AND EQUIPMENT

##### *Movements in carrying amounts*

Movement in the carrying amounts for each class of non-current asset between the beginning and the end of the current financial year:

	Leasehold Land and Buildings \$	Leasehold Improvements \$	Plant and equipment \$	Motor vehicles \$	Website Development \$	Total \$
<b>Carrying amount at 1 July 2019</b>	<b>7,631,350</b>	<b>272,301</b>	<b>32,319</b>	<b>30,957</b>	<b>16,469</b>	<b>7,983,396</b>
Additions	-	33,770	-	-	-	33,770
Depreciation	(122,175)	(33,152)	(8,608)	(4,552)	(5,490)	(173,977)
Disposal (cost)	-	-	-	-	-	-
Disposal (accumulated depreciation)	-	-	-	-	-	-
<b>Carrying amount at 1 July 2020</b>	<b>7,509,175</b>	<b>272,919</b>	<b>23,711</b>	<b>26,405</b>	<b>10,979</b>	<b>7,843,189</b>

#### **Accounting policy**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

##### *Leasehold land and buildings*

Leasehold land and buildings are measured at fair value less accumulated amortisation and impairment losses.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity.

The fair value of the leasehold land and buildings is obtained on a periodic basis by an independent valuer.

##### *Revaluation*

On 30 June 2018, an independent valuer, JLL conducted a comprehensive revaluation of all land and buildings. Revaluation adjustments were made on a class basis.

Any revaluation increments are credited to an asset revaluation reserve. Revaluation decrements for a class of asset are recognised directly in the surplus/deficit except to the extent that they reverse previous revaluation increments for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

##### *Plant and equipment*

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

# HAVELOCK HOUSING ASSOCIATION INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Accounting policy

##### Depreciation

The depreciable amount is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed assets	Depreciation rate
Buildings	2.5%
Motor vehicles	12.5%
Office equipment	10% - 33%
Leasehold improvements	10%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

These gains and losses are included in the income statement. When revaluated assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

	2020 \$	2019 \$
<b>NOTE 7. TRADE AND OTHER PAYABLES</b>		
Trade payables	123,765	332,344
Accrued expenses	-	28,254
Rent received in advance	104,696	110,465
PAYG	19,596	9,240
Other payables	59,956	74,085
	<b>308,013</b>	<b>554,388</b>

#### Accounting policy

These amounts represent liabilities for outstanding goods, services and rent (landlord) payments under our Service Funding Agreement as at the end of the financial year. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are paid within agreed terms of trade.

### NOTE 8. EMPLOYEE BENEFITS

#### CURRENT

Annual leave provision	47,809	48,290
Time-in-lieu provision	-	1,231
	<b>47,809</b>	<b>49,521</b>

#### Accounting policy

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



## HAVELOCK HOUSING ASSOCIATION INCORPORATED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>NOTE 9. CASH FLOW INFORMATION</b>		
Reconciliation of Cash Flow from operations with profit after income tax		
Surplus after income tax	932,221	865,044
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus:		
- Depreciation expense	173,977	150,459
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- Decrease in trade and other receivables	(65,162)	54
- (Increase) in prepayments	(6,174)	(3,004)
- Increase / (Decrease) in accounts payable and other payables	(246,375)	194,581
- (Decreases) / Increase in employee benefits	(1,712)	(17,252)
	<u><b>786,775</b></u>	<u><b>1,189,882</b></u>

#### **NOTE 10. FINANCIAL INSTRUMENTS**

##### ***Financial risk management objectives***

Havelock Housing's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

##### ***Market risk***

###### ***Foreign currency risk***

Havelock Housing is not exposed to any significant foreign currency risk.

###### ***Price risk***

Havelock Housing is not exposed to any significant price risk.

###### ***Interest rate risk***

Havelock Housing is not exposed to any significant interest rate risk.

###### ***Credit risk***

Havelock Housing is not exposed to any significant credit risk.

###### ***Liquidity risk***

Vigilant liquidity risk management requires Havelock Housing to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

Havelock Housing manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

###### ***Remaining contractual maturities***

The following tables detail Havelock Housing's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

# HAVELOCK HOUSING ASSOCIATION INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 10. FINANCIAL INSTRUMENTS (CONTINUED)

	Weighted average interest rate	1 year or less	Between 1 year and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
<b>2020</b>		\$	\$	\$	\$	\$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	123,765	-	-	-	-
Other payables	-	184,248	-	-	-	-
Total non-derivatives		<u>308,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Weighted average interest rate	1 year or less	Between 1 year and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
<b>2019</b>		\$	\$	\$	\$	\$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	360,598	-	-	-	-
Other payables	-	193,790	-	-	-	-
Total non-derivatives		<u>554,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

#### **Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

### NOTE 11. FAIR VALUE MEASUREMENTS

Havelock Housing Association Incorporated does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

#### **(a) Fair Value Hierarchy**

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in level 3.

## HAVELOCK HOUSING ASSOCIATION INCORPORATED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 11. FAIR VALUE MEASUREMENTS

##### Valuation techniques

Havelock Housing selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by Havelock Housing are consistent with one or more of the following valuation approaches:

- *Market approach*: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach*: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- *Cost approach*: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, Havelock Housing gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair value of Havelock Housing's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements:					
Leasehold land and buildings	6	-	7,509,175	-	7,509,175
<b>Total assets recognised at fair value</b>		-	<b>7,509,175</b>	-	<b>7,509,175</b>

#### NOTE 12. RELATED PARTY TRANSACTIONS

The Committee Members of Havelock Housing throughout the year were as follows:

Craig Shannon	Daniel Landon (commenced 18/06/2020)
Christine Murray	Louise Gray (commenced 13/10/2020)
Carol Croce	Dr Cressida Limon (resigned 18/11/2019)
Adrian King	Simon Rosenberg (resigned 18/06/2020)
Dan Carton (commenced 16/04/2020)	Sarah Phillips (resigned 16/04/2020)

A Committee Member listed above is a partner with a firm that was involved in evaluation of privately funded grant applications. Havelock Housing Association was a respondent and successful in the grant application. The Committee member abstained from being involved in Committee deliberations or voting related to this topic. The Committee member also abstained from voting as part of the grant determination.

#### NOTE 13. KEY MANAGEMENT PERSONNEL

Any person(s) having authority and responsibility for planning, directing and controlling the activities of Havelock Housing, directly or indirectly, including its committee members, is considered key management personnel.

	2020 \$	2019 \$
<b>Key management personnel compensation:</b>		
Aggregate compensation	<b>610,714</b>	<b>643,501</b>

## HAVELOCK HOUSING ASSOCIATION INCORPORATED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 14. CONTINGENT LIABILITIES

The ACT Government holds mortgages over 18 Association properties acquired with funds from a Commonwealth grant scheme between 1993-97 and 2004-05. These acquisitions pre-dated the National Regulatory System for Community Housing, and in the absence of this the mortgages were established to secure the use of the properties as social housing.

Under the terms and conditions of the mortgage, the mortgage would only be crystallised and actionable by the ACT Government if there is a breach of any of the specified conditions as set out in clause 3 of the annexure to the Memorandum of Mortgage. Examples where Havelock Housing would be liable to settle the liability to the ACT Government would be where Havelock Housing:

- Ceases to use the property for the agreed purposes
- Fails to maintain the property adequately
- Becomes insolvent/bankrupt, seeks to come to an arrangement with its creditors or otherwise cannot continue to trade, etc.
- Wishes to sell or otherwise dispose of the property
- Seeks to remove the mortgage.

In 2014, the ACT Government was consulted about the appropriate treatment of these mortgages on Havelock Housing's accounts, with the resulting decision that no liability was recognised on Havelock Housing's Balance Sheet, and the mortgages were instead disclosed as a contingent liability.

Havelock Housing initiated discussions with the ACT Government to negotiate an outcome that allowed these assets to be recycled or renewed. Havelock Housing received formal advice from the ACT Government in May 2020 that although the asset value represented by the mortgages were not recorded on the ACT Government accounts, they would not be discharged and would be included on the Government's accounts. The treatment of the assets and the related contingent liability may have to be adjusted in the future once an agreement with the ACT Government is reached. In 2018 these assets were valued at \$7,310,000. The contingent liability represented by these mortgages is estimated at \$5,166,000.

Havelock Housing and Housing ACT have identified that there may be historical amounts owing to Housing ACT for invoices that relate to "fire call out" and "Tenant Responsible Maintenance" matters. Housing ACT have indicated favourable terms to rectify any amounts identified. At this time the amount outstanding cannot be determined. An assessment by the Committee indicates that it is unlikely that any significant liability will arise. The Committee are of the view that no material losses will arise in respect of the "fire call out" matters at the date of these financial statements.

#### NOTE 15. COMMITMENTS

Havelock Housing has a 5-year Managed Service Plan on 2 office photocopiers – the agreement expires in August 2021. No new financial agreements were entered into this financial year.

#### NOTE 16. EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for Havelock Housing up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect Havelock Housing's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

#### NOTE 17. ASSOCIATION DETAILS

The registered office of Havelock Housing is:

Havelock Housing Association Incorporated  
85 Northbourne Avenue  
TURNER ACT 2612

**HAVELOCK HOUSING ASSOCIATION INCORPORATED**  
**FOR THE YEAR ENDED 30 JUNE 2020**

In the opinion of the Committee

1. The financial report, including notes, as set out on pages 4 to 18 are in accordance with the *Associations Incorporation Act (ACT) 1991*, and the *Australian Charities and Not-for-profits Commission Act 2012*, and
  - (a) Comply with the Accounting Standards; and
  - (b) Give a true and fair view of the Association's financial position as at June 30, 2020 and of its performance for the year ended on that date.
2. In the Committee Member's opinion there are reasonable grounds to believe that Havelock Housing will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



.....  
Mr Craig Shannon, Chair



.....  
Mr Adrian King, Treasurer

Dated this ..... 30th ..... day of November 2020



**RSM Australia Pty Ltd**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Havelock Housing Association Incorporated for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

**RSM Australia Pty Ltd**

**Ged Stenhouse**  
Director

Canberra, Australian Capital Territory  
Dated: 30 October 2020

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**AUDIT | TAX | CONSULTING**

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RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
HAVELOCK HOUSING ASSOCIATION INCORPORATED**

**Opinion**

We have audited the financial report of Havelock Housing Association Incorporated, which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the committee's declaration.

In our opinion, the financial report of Havelock Housing Association Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**Basis for Opinion**

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

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

**Other Information**

Those charged with governance are responsible for the other information. The other information comprises the information included in Havelock Housing Association Incorporated's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

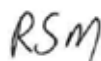
The Committee Members of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Committee Members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing Havelock Housing Association Incorporated's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Havelock Housing Association Incorporated or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'RSM'.

**RSM Australia Pty Ltd**

A handwritten signature in black ink that reads 'G Stenhouse'.

**Ged Stenhouse**  
Director

Canberra, Australian Capital Territory  
Dated: 30 October 2020

## STAFF QUOTES



**Linda Vella**  
Intake Officer

*Seeing what it means  
to people getting a home,  
makes me so happy*



**Bruce Inkpen**  
Exec Manager Finance

*I enjoy helping  
those in need*



**Bruce Perry**  
Property Manager

*To interact with  
residents makes every  
day worthwhile*



**Krystal Reid (and Charli)**  
Property Manager

*Kind and  
supportive Executive  
Managers – inclusive of  
everyone*



**Humph Cornthwaite**  
Exec Manager Housing

*Sometimes challenging,  
always rewarding...*



**Sue Allan**  
Executive Manager, Performance  
and Development

*Everyone deserves  
a place to  
call home...*



# **havelock housing**

**Building Communities**



