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**TENANTS AND  
COMMUNITY**

 **argyle**



## TENANTS AND COMMUNITY

To provide social outcomes for people who access Argyle

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# TENANTS THRIVING THROUGH COLLABORATION

Fostering skills, relationships and opportunities for engagement

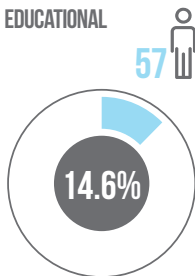
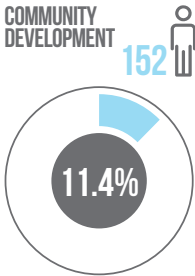
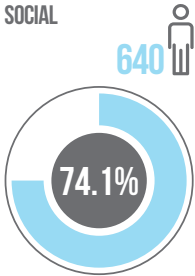
Argyle is committed to getting feedback in many ways so that tenants feel they are listened to and supported to sustain their tenancies. Tenant Participation has proven to be a way for our tenants to have fun, experience new opportunities, learn and connect with others.

Through relaxed, non-threatening activities, tenants have developed a level of trust with Argyle that has boosted their confidence and given them a sense of pride.

Over 80 social outings, educational sessions and community forums



### ACTIVITY BASE & ATTENDANCE



were carried out by Argyle throughout 2016 - appealing to all tenant interests and age groups.

With over 849 tenants in attendance throughout the year - the majority of

events were of a social nature.

Through our Tenant Participation program, tenants learn new skills - by organising meetings, allocating and managing







budgets, communicating with fellow tenants and organising welcoming kits. In addition, our tenants have the opportunity to get to know their Tenancy Officers in social settings and give honest feedback about the service that Argyle provides.

A particular highlight of the past year was the cultural awareness day organised by two Aboriginal tenants in Wagga. Their aim was to bridge the gap and bring

about reconciliation and greater understanding with their fellow tenants. The day included sharing personal and local history, bush foods, painting and learning about symbols – it was very successful and strong ties were formed within the Argyle community.

In 2016, Argyle introduced tenant input for state-wide policy and legislative change that was ratified by the Argyle board.

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*“We gained a new and different perspective on indigenous cultures and the issues they face.” - Cheryl, Tenant*



# TAKING TERTIARY STUDY OUT OF THE TOO HARD BASKET

## AN EXTRA BOOST FOR TENANTS TO REACH THEIR GOALS

The Argyle Tertiary Scholarship is a Board initiative aimed at incentivising and providing financial support for tenants while they study or receive vocational training.

The scholarship has enabled tenants to change their lives and achieve positive outcomes.

Many of the recipients have been long-term social housing tenants. Together with Argyle staff, the Argyle Tertiary Scholarship Program is assisting these tenants to escape the cycle of dependence

and achieve their dreams.

Since its inception in 2015, the scholarship has assisted 15 tenants with funding totalling \$19,500.

Scholarships have been awarded in all of the Argyle office areas to tenants ranging in age from 16 to 60 from many different cultures and across disciplines





as diverse as Medical Science, Skills for Work and Agricultural Management.

Thankfully, we will continue providing access to education with the support of the Board and business partners KPMG and Arthur J. Gallagher & Co – a further seven scholarships are funded for the year ahead.




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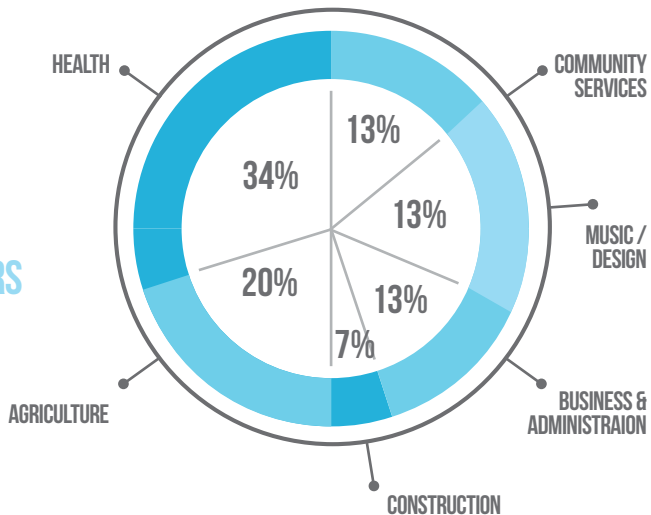
*“I thought it was too late for me to change my life. The scholarship has helped me to feel more confident about my future and the possibility of my dreams being able to come true.” - Barry, tenant*

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*“I left home to study Bachelor Nursing at the University of Wollongong – this was a big deal for me. It was a long- term goal for me and came to fruition thanks to Argyle Housing. The funds meant I could start my studies straight away, clearing my worries so I was able to see ahead. I am so grateful.” - Emily, tenant*

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INVESTED **\$19,500**  
 RECIPIENTS **15**  
 AGES **16-60 YEARS**





# TIFFANY'S STORY

"Only a year ago I lay in a hospital bed – 33 kilos and barely able to walk. The doctors had pretty much given up on me. I asked Argyle for help – for me that was a feat in itself.

When Amy from Argyle stepped up and gave me non-judgemental assistance, I thought it was a miracle. She helped me to understand that I was faced with a simple scenario and I had to make a choice – to stay where I was or take a step towards where I would like to be.

The Argyle team had asked what I wanted and believed in me without hesitation. I just wanted to finish something – to get my drivers licence – and now I have. Today I have a Certificate III in Design, am healthy and, for the first time in my life, I am driving a car.

Chantelle assisted me to apply

for the scholarship. Knowing this scholarship was available made me more confident and helped me believe I was capable of completing my course.

It allowed me to purchase the required supplies, such as paints, brushes, canvases and computer software, which I wouldn't have been able to do if I hadn't received the scholarship.

I have now started a Certificate III Media to complement my design qualification. My goal is to be self-funding, to be able to be well enough to work and be a valuable asset to the community. I look forward to using my skills to give back to Argyle and other tenants through art classes, photography and design.

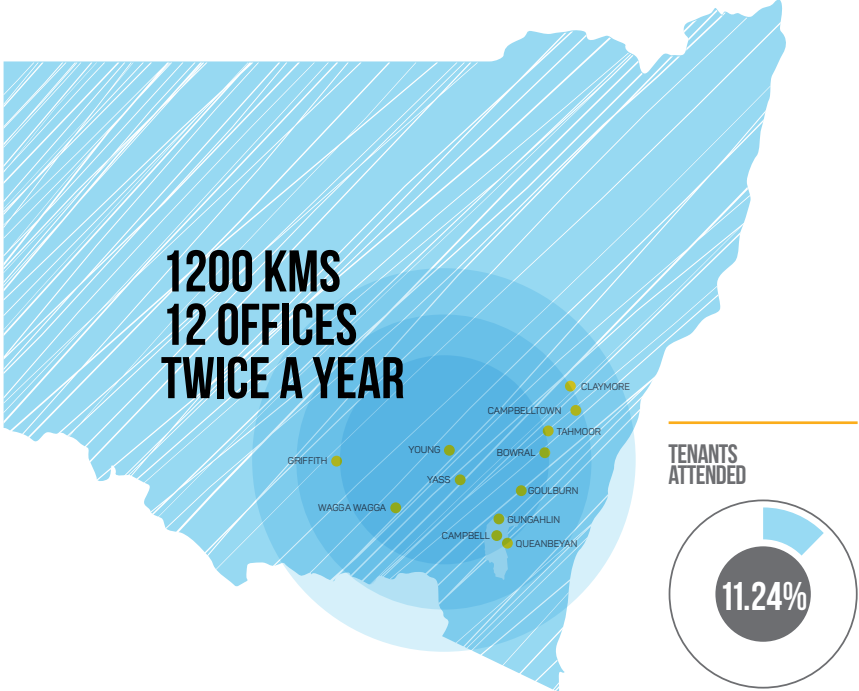
I cannot thank everyone enough for helping me to choose a life worth living."



# HITTING THE ROAD

## A REGIONAL ORGANISATION IN TUNE WITH REGIONAL PEOPLE

Argyle CEO Wendy has held biannual tenant forums since she started with the organisation in 2014. Driving over 1200 kms and visiting each of the 12 offices twice a year, Wendy enjoys the opportunity to speak with tenants directly. These sessions are well attended and provide an opportunity for tenants to air their concerns, discuss important issues and have an opportunity to make suggestions about how Argyle can improve its services.












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*“They are a fantastic way for us tenants to have our voices heard. The forum is also a place to come and return positive feedback about Argyle services and staff members.” - Magdalena, tenant*

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Overall the forums are characterised by laughter, direct feedback, sharing, getting to know each other and, sometimes, sadness and fear.

On the whole tenants are pleased with the communication and services from Argyle. The forums this year revealed that we have some issues with the wording of our letters and some inconsistent follow-up by Tenancy Officers. We are working through these concerns. All the tenants enjoy the newsletter and want this to continue being delivered.

Response times for repairs and maintenance have improved across all areas. The most common issues with maintenance include plumbing, electrical, standard of contractor workmanship, ceilings and roofs.

Inspections continue to occur twice a year. In most areas, tenants' feedback onsite is generally about maintenance issues and follow-up.

This is the first time that we have had affordable tenants attend forums. They were appreciative of our running the session in the evening and have suggested a Saturday morning next time around. They raised similar issues with communication and maintenance.

In all forums the tenants raised issues of their personal and community safety, which are aligned with the anti-social behaviour policy. Argyle is looking at our relationships with police and local councils and Neighbourhood Watch in a coordinated effort to improve safety.



# NSW HOUSING OPTIONS FROM ARGYLE

## PAVING A WAY FOR THOSE IN NEED

In 2010 Argyle embraced the new housing application system known as Housing Pathways to make applying for housing assistance easier, simpler and fairer.

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*“I was lost! I didn’t know where to turn, had so many things going on in my life and I came in to see Bernie and she helped me to understand what options I had and then she gave me everything I needed to know and hung in there with me until I was housed.” – Margaret, tenant*

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For people who are at risk of, or are homeless, this was an opportunity for Argyle to assist people in local areas.

Housing Pathways supports Argyle to make local decisions about the allocation of housing to applicants.

**WE’VE HAD 4,000 INTERACTIONS** with those seeking help to secure appropriate housing.

**WE’VE MADE 250 CONNECTIONS TO EARLY INTERVENTION NSW HOUSING** products, assisting those accessing private rentals to bypass the housing wait list.

Of the **700+ APPLICATIONS** we handed out for NSW Housing, **432 APPLICANTS WERE SUCCESSFUL** and **7.5%** were escalated to **PRIORITY STATUS**.

We take the time to get the **ALLOCATION** right at the start of the tenancy, which reduces stress for tenants and demand on resources, so we have been able to maintain a low transfer rate of **2%**.

# SARAH'S STORY



"At the age of 46, after a life working as a Corporate IT Consultant for 30 years, mother of three children, living on three continents, I suddenly found myself homeless, prostituting and a hopeless alcoholic in Perth. The downslide happened so quickly I was hardly aware of it. I was diagnosed as having bipolar II disorder and an uncontrollable addiction to drugs and alcohol.

An act of God had me attend my first meeting of Alcoholics Anonymous in Perth eight years ago. I have attended five rehabs and have struggled with living life on life's terms mainly because of my bipolar disorder. I have in the past achieved four years of sobriety,

however I became homeless and this affected my mental state massively.

In January of this year I went to rehab again, this time in Sydney. I left and made my way to the Southern Highlands in NSW. I feel grounded, settled and peaceful in this area, and had previously had my longest period of sobriety while living in Bundanoon. Sydney brings out my anxiety and mania. I found that private rentals were few and far between and that settling in the Southern Highlands was not going to be that easy. I am on a disability pension and had been advised to contact Argyle in Bowral for housing. I also contacted Link2Home

for emergency service. They gave me immediate temporary accommodation at a local motel.

My first appointment at Argyle was with Bernadette Welfare. Bernadette clearly and precisely outlined the process that I would have to go through in order to qualify for the waiting list for a home. This included; being on time for appointments, keeping Argyle up-to-date on my accommodation and contact details and keeping a diary of private rentals I applied for in the area within my affordability. Sometimes my meetings with Bernadette would involve a third party via conference call. I was quite amazed at the efficiency, knowledge and multi-tasking abilities of Bernadette, and I felt like I was in safe hands. I knew it could be a long wait for accommodation, but if I did my part maybe I would get a break.

I lived in a hostel in Bundanoon for five months, however at weekends I would have to go to a Sydney hostel, as the local at Bundanoon is taken up by larger groups. I would tirelessly browse realestate.com and go inspect and apply for private rentals. Most of the time I was knocked back, as there is a shortage of rentals in the Southern Highlands. I kept AA my main priority and attended a meeting daily to keep sober. During the winter school holidays, the YHA at Bundanoon

became fully booked for two weeks and I was desperate for accommodation, so I sent Bernadette a letter.

The next day Bernadette called me and asked me if I would like to view a unit in Moss Vale. I wept from relief – I had become resigned to the fact that Sydney and all outer areas had become totally unaffordable and I would end up somewhere horrible.

I now have a two-bedroom place of my own. It is large, spacious, modern, has heating and is on the ground floor with a gorgeous little garden. It's just divine. I have been able to have a shower and not pack my toiletries away. To make a cup of coffee and sit outside and feed the birds, cook a dinner, close my front door and have peace, which has given me a stability, joy and serenity I have not experienced in years.

The help and support I have received from the NSW government for my mental illness is superb. However, the icing on the cake and the real sense of safety, warmth and permanence is to have my first home in many years in an area I love, and at a price I can afford. I can never thank Argyle Housing enough for looking after me in such a caring, honest and open way – except to be sober, give freely and cherish the home they have lent me.”





## OPENING DOORS IN REGIONAL HUBS FOR BETTER ACCESS

With five outreach services located over 100kms from Australia's major cities, Argyle continues to provide great service to over 450 regional tenants and their families.

Co-locating with Wollondilly Links in Tahmoor and with Grand Pacific Health in Goulburn, we have extended our service to offer the option of 'on the spot' referrals and support, to assist in sustaining our tenancies.

In Yass we are signing a lease for a new office to further extend these outreach services.

Of our 2016 leases signed, **9% WERE DONE AT OUTREACH LOCATIONS.**



Our sites have been **OPEN FOR 4,554 HOURS**.

We've provided customer service to existing tenants on **1,540 OCCASIONS**.

We've assisted over **371 CLIENTS SEARCHING FOR SUPPORT** with their housing needs.

We've saved our tenants **OVER 45,000 KMS PER YEAR**.

At some of our outreach locations we have been able to partner with fellow community providers to deliver access to additional resources, such as counselling and natural therapies.

We hope to expand these add-on services throughout 2017 and, specifically in Claymore, to include employment initiatives and mentoring for youth.

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*With foresight, efficiency and regular improvements, we have an office here in Goulburn. Now that my Tenancy Officer is here, the good service has become great. Thanks Argyle – you are once more thinking of your tenants' needs." - Peter, tenant*



## OUR SERVICES AT OUTREACH LOCATIONS INCLUDE

General advice on tenancy matters

Statement collection

Rent and income reviews

Access to Tenancy Action Worker service

Starting and ending leases



# LEARNING ON THE JOB AT AINSLIE VILLAGE

A unique opportunity for residents to gain skills, be part of a team and feel empowered.

In 2016 seven Ainslie Village residents took part in Argyle's applied learning program onsite in Campbell, ACT.

A total of **2,520 HOURS WERE VOLUNTEERED**, completing tasks such

as fire warden patrol, pest and waste management, mail delivery, laundry room management and basic maintenance tasks.

Each resident in the program is required



to complete a minimum of 10 hours per week and report to our onsite Maintenance Officer. In return they receive rental rebates to put aside for gifts at Christmas time or trips away to visit family.

Through the applied learning program we have seen dozens of residents gain **TRUST, RESPECT, COMMITMENT, COMMUNITY INVOLVMENT AND CONFIDENCE.**

Over the past year two participants have set out and achieved significant personal goals through the support of the program.

One tenant has been able to move on from Ainslie Village, secure permanent private accommodation and gain full custody of his daughter - due to greater employment prospects and a refreshed outlook. Another resident has used his newfound confidence and skills to secure a full-time job locally.

Through the program Argyle receives assistance to maintain the site. More importantly, Argyle obtains valuable insights into the community onsite.

The volunteers have become a voice for their fellow residents - informally becoming ambassadors for those living at the village. They openly and regularly provide honest feedback about how Argyle can improve Ainslie Village and the quality of life for all of those who call it home.

We look forward to expanding this program in the future, with the hope of formalising the training for residents.

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*"I enjoy working with my hands. It's great to feel useful again and help around the site. I feel much more confident and have learnt a lot through this opportunity." - Graham, tenant*



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***A better future for  
our communities.***

**ARGYLEHOUSING.  
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**PEOPLE, PERFORMANCE  
AND CULTURE**

 **argyle**





## PEOPLE, PERFORMANCE AND CULTURE

To have an engaged, competent and committed workforce that is motivated and positive towards our tenants and their communities.

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# WELCOME NEW DIRECTORS

Susan Bailey and Donna Anthes join the Argyle Board.

After a skills and experience review of the Board in late 2015, Argyle identified the need for stronger governance and corporate knowledge. A broad search across the nation took place, followed by a comprehensive recruitment process.

As a result, Argyle welcomed two new and passionate Directors to the Board in January 2016 – Susan Bailey and Donna Anthes.

Based in Sydney, Susan has over 30 years' experience as a commercial lawyer, with expertise in strategy, planning, governance, project management and change management. She is now improving her research skills and is immersed in the detail of the National Disability Insurance Scheme.

For Susan, Argyle's connection with its local communities is a defining factor. "As a community housing provider – Argyle stands out. Its history, existing Board of Directors and geographical footprint is evidence of strong community ties," she said.

Susan has supported people who are homeless or at risk of homelessness since 2013 and is on numerous other boards, working for those living with a disability and within the building space.

Donna loves a strong community. She is passionate about technology and how it can enable greater access, especially for those living in remote locations. This was particularly felt after spending two years living and working in Alice Springs. Donna now lives in



Donna Anthes

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*"It is important that we have a strong and financially sustainable organisation through leadership, growth and becoming an employer of choice. Engaged staff enjoy their work, and connect tenants with services for strong and sustainable communities."*



Susan Bailey

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*"The vision is that Argyle provides good quality housing that people want to call home & builds communities where people are safe and socially connected. To ensure Argyle is a trusted partner of government and other organisations which share a commitment to building communities. All whilst offering a great place to work where people are happy and learn new skills."*

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Canberra and continues to add to her wide range of experiences - from start-up businesses to large-scale organisations. Her strong leadership skills are accompanied by a track record of growing revenue and business development.

Donna has executive experience across the public, private and

not-for-profit sectors, including Qantas, Macquarie Bank and the University of Newcastle, where she has been responsible for achieving operational efficiencies, implementing significant change programs and establishing corporate service functions and governance frameworks.



WORK FORCE

14.5%

76  
EMPLOYEES

## THE ARGYLE TEAM

By giving our people the opportunity to shape our systems, challenge our current way of doing things and to create a better way for the future, Argyle evolves and improves into a better and smarter business.

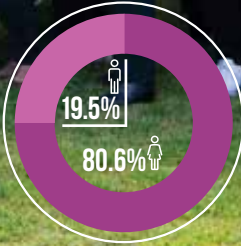




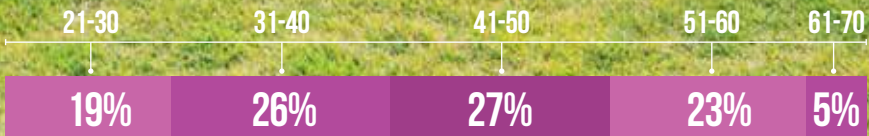
PART-TIME 19.7%



FULL-TIME 80.3%



### AGE PROFILE





Debbie & Chrissie



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*"I would personally like to thank the staff for a wonderful result for the financial year. You always rise to the challenge and go that extra mile when needed. The Board of Argyle need thanking for a tremendous and hard working year which had great results." - Wendy Middleton, CEO Argyle*

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## WORK HEALTH & SAFETY



TOTAL HOURS WORKED BY STAFF = **5037**



**10 INCIDENTS**



**5 MEDICALLY TREATED INCIDENTS**



**1 LOST TIME INJURY**



People like Chantelle, David and Greg live and breathe the Argyle values – at work and in their personal lives. Here, we share their stories...

## A PASSION FOR HELPING OTHERS

CHANTELLE

My role at Argyle is to link tenants with services to enhance their wellbeing, whether that is education, homecare, financial support, or mental health support – the list is endless.

Before Argyle, I was a youth worker at a crisis youth refuge, as well as a youth worker in out-of-home care and recreational activities officer in the diversional therapy team in an aged care facility. I like to talk to people and hear their stories.

Working part-time for Argyle, the rest of my week is spent completing my psychology degree at Charles Sturt University. Being able to study and work in Wagga is very important to me. I love this community and enjoy being close to my support network of family and friends.

It makes me so happy to see the positive difference made in others' lives through the work we do at Argyle. Some examples include assisting people to acquire scholarships so they can study what they are passionate about, saving tenancies, building a good rapport with the people I work with (both staff and tenants) and creating positive working relationships with other service providers in the community.

My current focus is building strong connections with support services in Wagga to ensure a collaborative approach. I am passionate about supporting people who are suffering from mental health concerns and providing them with the support they need.



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*Chantelle was the 2015 recipient of the Australian Psychological Society (APS) Riverina student prize for Community Support and Development*

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## DON'T LET HIS TOUGH EXTERIOR FOOL YOU

DAVE

I have worked in construction for 37 years now and have filled roles from tradesman to project manager. One theme has always come through strongly in this industry and that is profit first, customer second.

My wife and I have always wanted to be more involved in our community and to this end we opened our home to foster children. This has been immensely rewarding for both of us and has seen over 30 kids pass through our home on their way to a better life.

After hearing some of the stories of where those kids have come from and what they had been through, I wanted a role away from a profit-driven career – one that was closer to being able to really make a difference in disadvantaged people's lives.

I was lucky enough to secure a position with Argyle as Maintenance Officer at the Campbelltown office in 2016. This puts me in a perfect position to actually make a difference and provide support to our tenants.

I am part of a team that looks at the tenants' overall situation and aims to provide assistance and support through what is for many a low spot in their lives. I am able to work with Tenancy Officers to identify tenants' needs, and work out the best way to assist them. I can make a big difference to tenants' lives, often by doing simple repairs and, in some cases, major renovations.

Paying attention to each tenant's complaints and treating them with respect is sometimes more helpful than the actual repair. As community housing tenants, they have the idea that they are not as important as other private tenants in the community. By respecting their concerns it is possible to overcome some of these feelings and improve their perception of self-worth.

This in turn translates into better property care and reduced maintenance issues, because tenants realise they are not alone

in their situation and help is only a phone call away.

Some tenants need extra support and I am able to discuss their special needs and refer them to our Tenancy Action Worker (TAW). This is an invaluable resource to have on hand and at times a tenancy can be saved or enhanced by the intervention of our TAW.

I am proud to be part of this team and I feel a deep sense of satisfaction at the end of each day. I have excellent support and guidance from both management and my peers and I am looking forward to my future with Argyle.

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*"I am proud to be part of this team, and I feel a deep sense of satisfaction at the end of each day. I have excellent support and guidance from both management and my peers and I am looking forward to my future with Argyle." - Dave*





## TACKLING KOKODA

GREG

I have a condition called Cerebral Palsy and this affects my arms and legs - making some tasks like walking a bit harder than normal.

For the past 10 years I have competed for Australia in Athletics. After competing in the Paralympics, World Championships and the Commonwealth Games, I was asked to walk the Kokoda Track.

With the support of Argyle, I trained twice a day for up to four hours. This included gym work, swimming and mountain hiking. Sometimes I started at 4am, then went to work and completed another session at the gym after work. I did this every day for 52 weeks.

In April 2016 I arrived in Papua New Guinea. My group and I flew into Popondetta, which is the closest town to Kokoda.





This flight was followed by a four- hour drive, sitting on wooden bench seats on the back of a truck, to get to the Kokoda Airfield.

Then we started to walk. Day One was only a half-day walk and it seemed okay until we got close to camp. It was a 1200 metre climb – straight up. We made it into camp before dark to set up and shower.

The trek continued for 10 days, up and down mountains, along tracks as narrow as a sheet of paper. I had to watch for holes and avoid stepping on leftover

ammunition. It was one of the hardest things I have done in my life.

There were so many challenges every day. Some in my head and some physical. I had to learn to go to the toilet in the bush and complete stream and river crossings. I learned more about myself in those 10 days than I have learnt in quite a while.

It was one of the most eye-opening and beautiful places I have ever been. The people are so kind. I would go back in a heart beat.

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***"The experience made me a stronger person and taught me how important the mind is when overcoming challenges.***

***I inject this into my role at Ainslie Village every day - reminding our residents that anything is possible." - Greg***



Nikkea-rose



# OPPORTUNITY THROUGH TRAINEESHIPS



Argyle is committed to creating an engaged, competent and dedicated workforce that is motivated and positive towards our tenants and communities.

***"Education is the most powerful weapon which you can use to change the world" - Nelson Mandela***

In April 2016, Argyle embarked on the exciting journey of employing two administrative trainees for its Campbelltown and Bowral offices.

This initiative was approved by the Board in March 2016 as a pilot program. The aim was to provide an opportunity for those who had not before worked, were looking to retrain or had not been in the workplace for some time.

After a intensive recruitment process – there were over 70 applications – Argyle appointed two amazing women who were not only committed to learning new skills, but who also wanted to help people

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***“This traineeship means the world to me. Before getting this position, I was not in a good head-space and I had no desire or motivation to get out of bed in the morning. I say with absolute genuineness that this traineeship was a life-saver for me. It has helped me on such a personal level and I constantly remind myself how lucky I am to have a job that I love. I do not know where I would have been today without this position, but I am forever thankful for the opportunity.” - Nikkea-rose***

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and learn about the not-for-profit housing sector.

Leanne and Nikkea-rose commenced employment with Argyle in June 2016. They are completing a Certificate III or IV in Business Administration, studying online through the Australian College of Commerce and Management.

For Nikkea-rose in particular, the traineeship has been life-changing: “This traineeship means the world to me. Before getting this position, I was not in a good head-space and I had no desire or motivation to get out of bed in the morning. I say with absolute genuineness that this traineeship was a life-saver for me. It has helped me on such a

personal level and I constantly remind myself how lucky I am to have a job that I love. I do not know where I would have been today without this position, but I am forever thankful for the opportunity.”

Argyle is committed to ensuring that the 12 months of traineeship give the recruits a snapshot of the work done by community housing providers and the diverse needs of our clients. In addition to this, the trainees will gain the knowledge, skills and qualifications required to underpin their future employment prospects.

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***“It has been a very fun, exciting time so far and I am looking forward to the rest of this journey.” - Leanne***





Leanne

# CEO SLEEPS ROUGH IN WAGGA WAGGA

On the 22nd of June 2016, Argyle CEO Wendy Middleton slept outside the Family & Community Services building in Wagga, alongside colleagues and community partners.

"It was a long sleepless night," Wendy said, "where I was missing the comforts of a cosy fire, warm bed, iPad, and feeling safe in my home. While my one night out in the dark was cold and uncomfortable, it doesn't even begin to compare to the hardships of a person experiencing homelessness on our streets in winter."

More than 100,000 Australians spend each night on the unforgiving streets of our towns and cities. Countless others are staying with relatives or friends, in shelters and temporary accommodation, dreading the day when there is no one else to help them.

"I had time to reflect during the night," Wendy said, "and I have often heard that some people choose homelessness, but I'm not sure that they have many choices if this experience is one of them. It is also only one form of homelessness, but probably the most extreme. I didn't enjoy the sleep-out at all and it made

me realise how lucky I am. I am grateful for all the contributions we received and I hope it means others can be given options other than homelessness."

Wendy participated in the event to set an example and help make sure the doors stay open for all that need them. She hopes that others strive to lead a life full of compassion. Thank you to all who donated, and joined her in reaching out to support those who are hurting. The \$2,890 raised has been given directly to Vinnies for those neediest in our community.



Wendy Middleton CEO Argyle and Paul Harding  
Director of Housing, Family and Community  
Services NSW



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*“While my one night out in the dark was cold and uncomfortable, it doesn’t even begin to compare to the hardships of a person experiencing homelessness on our streets in winter.” - Wendy*



# BRIDGES OUT OF POVERTY

For two full days in November 2015 and March 2016, Argyle staff had the privilege of attending Bridges Out of Poverty training, facilitated by Nairn Walker from Social Solutions, an internationally acclaimed motivational training company.

Bridges Out of Poverty training offers communities and professionals strategies to better serve people in poverty. Bridges is the collaborative result of Dr Ruby Payne, author of *A Framework for Understanding Poverty*, Terie Dreussi Smith and Phil DeVol, organisational consultants on poverty.

"The material provides profound insights and answers to community professionals, agency workers and allied health practitioners serving client bases challenged by financial and social disadvantage. It explores the notion of hidden rules that dictate how each of us operates within different social classes and contexts, and the impact that our language-base, resource-set and family structure have on how we – usually unconsciously – view and interact with the world."

The ideas and examples presented were at times very confronting, but always thought-provoking. Nairn managed to keep staff captivated with her energetic and powerful facilitation, and the overall feedback from staff after the training was excellent:

"The training was such an eye opener. It gave me insight into the way some of our tenants are living and the thought processes behind the decisions they are making. It inspired us all to work towards improving our relationships with tenants and strive for positive changes within Argyle. I have been able to use the skills I learned from the training in all areas of my life."

"How thought-provoking. I think no matter how well you think you do your job there is always room to think about what can be done differently and perhaps more effectively. I




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***“The training was such an eye opener. It gave me insight into the way some of our tenants are living, and the thought processes behind the decisions they are making. It inspired us all to work towards improving our relationships with tenants and strive for positive changes within Argyle. I have been able to use the skills I learned from the training in all areas of my life.”***

---

totally agree with the focus on the relationship between worker and client/tenant, and viewing the world from their perspective with their set of rules being different to mine.”

“It provided me with a validation of

many of the practices that I use on a daily basis such as mutual exchange. I did enjoy learning more about Hidden Rules and the Consequence of Unspoken Social Cues, as this can have a real impact in working with people from all classes.”



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PARTNERSHIPS

 argyle



## PARTNERSHIPS

To build on the diverse partnerships across the jurisdiction that Argyle operates in so that we are able to respond to our tenants and communities.

# CONTENTS

- 4** Thank you partners
- 6** Tenancy Action Workers bridging the gap
- 10** Case study: Setting Bill back on track
- 13** Six Worthy Weeks
- 16** Fresh Mess
- 18** Housing provider partnership in focus: SEARMS
- 20** Common Ground 1 year on
- 22** It's time to invest in H.O.M.E.



# THANK YOU

We'd like to thank all of our partners for working with us over the year. The tenants, and the communities in which they live, benefit so much from us having such strong relations with local partners (government, business and community). Successful partnerships always deliver better outcomes for our tenants.

Argyle works across 20 Local Government Areas, and within these, maintains over 150 unique partnerships with community services, business, local council and government. Key highlights from the year include new successful consortium partnership with Grand Pacific Health and Aftercare for Headspace and Likemind ventures.



1. Wendy Middleton, Argyle CEO - Affordable Housing Conference Singapore 2016
2. Minister Brad Hazzard with Wendy Middleton, Argyle CEO in Wagga Wagga



3. Megan Ward, Argyle GM Operations - Common Ground Communities of Practice, Adelaide 2016
4. Wendy Middleton, Argyle CEO - International Housing Partnership Exchange, Chicago 2016



## FEDERAL, STATE & TERRITORY



## LOCAL COUNCIL



## INDUSTRY PEAK BODIES

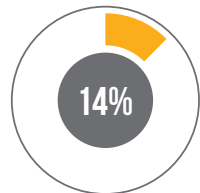


## HOUSING PARTNERS



## COMMUNITY SERVICES

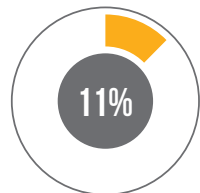
### FAMILY SUPPORT



### MENTAL HEALTH



### YOUTH



### DISABILITY SERVICES





Barbera, Nick, Magan,  
Sammi and Chantelle

## TENANCY ACTION WORKERS BRIDGING THE GAP

The Tenancy Action Worker (TAW) program is an exciting initiative, introduced progressively across all of Argyle's NSW operations areas from March 2015. The role is outcomes-based and focused on achieving positive change and opportunities for tenants and communities. Working closely with support and community partners, employment and education providers, government agencies, corporates and the wider Argyle team, the TAW role continues to strengthen and grow and is a perfect example of the value that Argyle places on partnerships.

To date, Argyle has invested more than \$320,000 in the TAW program and, while it is impossible to quantify ROI in dollar terms, the evidence is starting to grow that the role is having a positive impact for tenants and within communities.

Essentially, the TAW role is to identify where Argyle can enable a genuine positive change in the life and wellbeing of a tenant. Sometimes, this is as simple as linking the tenant to an existing resource within their community. However, if this resource does not exist, then it is the role of the TAW to find a solution to the problem that will not only benefit Argyle tenants but also the community at large.

Internally, the TAWs have been responsible for:

- The success of The Six Worthy Weeks project for youth sponsored by the nib foundation
- The Argyle Tertiary Scholarship program, which has provided \$19,500 to Argyle tenants to gain a qualification and pathway to employment
- Sustaining tenancies where they are at risk due to rent arrears, noise and nuisance or poor property care

- Making 500 service referrals for tenants over the last year and continuing to support the wellbeing of Argyle's tenants on a day-to-day basis

Although still evolving, the wider TAW role is starting to take shape:

- In Wagga and Griffith, the TAWs have forged partnerships with Community Hubs which has enabled joint ventures including security workshops, outreach tenancy services and continued opportunity for collaboration and planning for the future
- In the Wollondilly, the TAW is working with Community Links to plan how Argyle can add value to and participate in its social enterprise, work for the dole project
- TAWs in all areas have become integral components of local community networks and work in partnership with all stakeholders to initiate and deliver responses to identified needs and service gaps within the community
- The TAWs are working with Disability Providers and tenants living with a disability to ensure that tenants are able to take full advantage of NDIS funding opportunities.







**967 TENANTS ENGAGED = 542 NEW REFERRALS + 425 ONGOING CONNECTIONS**



**52%**  
WOMEN



**46%**  
MEN



**2%**  
COUPLES

0-24

25-54

55+

**24%**

**46%**

**30%**

**FUTURE DIRECTIONS**

The TAW role has been an undoubted success and continues to grow and evolve. Inspired by the NSW Government 'Future Directions' paper, the TAWs will be developing a 2017 Employment and Volunteering strategy with actions and deliverables for each Argyle location. The strategy will

involve partnerships with the wider community, corporates, government and employment agencies and explore opportunities to involve tenants in social enterprises. This program will provide opportunities, support and incentives for tenants to move into employment and, potentially, out of social housing.



---

***“Without the Tenancy Action Worker, I wouldn’t have been able to get my life back on track”***  
***- Bill, tenant***

---

## CASE STUDY: SETTING BILL BACK ON TRACK

In May 2016, Bill came into his local Argyle outreach office in Claymore asking for help. He was quickly connected with his Tenancy Action Worker and they met to discuss his situation.

Bill explained how at 45 years of age he had found himself with little money – accompanied with ongoing mental health issues, drug use and family stress. He was so far behind with his rent payments that he was on track to lose his home – one that he shared with his adult son.

Aside from all these worries, Bill was keen to work. He had previously studied some welfare courses and enjoyed helping youth.

Bill’s TAW listened carefully, and together they built a relationship

based on mutual respect. Since May, Bill has been able to link with numerous community services to improve his quality of life and move towards his goals of financial independence and better health.

The Argyle TAW helped Bill access:

- Transport, food and clothing donations
- Connections with community services such as Max Employment, Harmony House and NEAMI
- Significant improvements to his mental health
- Stronger relationships.

“Without the Tenancy Action Worker, I wouldn’t have been able to get my life back on track,” said Bill.



Kyle

# SIX WORTHY WEEKS

## A SOCIAL AWARENESS CHALLENGE WITH ARGYLE YOUTH IN ACTION

Since launching in April 2016, the 6 Worthy Weeks project has been a great success, with many young people taking part in volunteering opportunities in their community. The program, open to young Argyle tenants aged between 14-19, aims to encourage young people to engage with their local community. Participants who complete 10 hours of volunteer service receive a \$200 reward voucher with many continuing on in their volunteer roles.




---

***'I enjoyed being part of a community. Seeing how the work I was doing made other people happy brought great joy to me. Doing what I love (art) for my school and my culture meant so much to me.'***

***- Jordan, tenant***

---

"nib foundation is proud to have partnered with Argyle to support the development and rollout of the Six Worthy Weeks challenge, and recognises its value as an innovative way to engage young people and foster positive action at a grassroots level," said nib foundation Executive Officer, Amy Tribe.

The diverse range of activities shows how keen young people are to engage, with duties ranging from setting up the local sports grounds to learning about radio broadcasting and helping out elderly tenants. Ben Brownlee-Roberts, a 15-year-old Bowral resident, gave up a series of Saturdays to volunteer at Harbison Care Nursing Home.

"I've always been interested in aged care, so I did this to gain experience," Ben said. "I now have a sense of looking after people one-on-one and in groups." Ben helped instruct people during exercises, took part

in discussion sessions and gave the residents morning tea.

In Young, Cynthia and Rhiannon collected aluminium cans around the town and donated the money raised from recycling cans to the local community Soup and Sanga Kitchen.

Doing their bit for the environment, the girls took the two garbage bags of cans they collected to the local council to demonstrate that the town needs more bins.

Even though it rained during their project week, both girls reported how much they enjoyed walking in the rain and doing their bit for their community.

"We wanted to help because Soup and Sanga Kitchen pay for all the food themselves – simply because they want to help others. It felt good to help someone else. We realised that the town needs more bins."





---

***“I’ve always been interested in aged care, so I did this to gain experience,” Ben said. “I now have a sense of looking after people one-on-one and in groups.” Ben helped instruct exercises, took part in discussion sessions and gave the residents morning tea.”***

---

Angus Kilpatrick, a 16-year-old Queanbeyan resident, decided to donate his time and money to buy items for the homeless. Along with his siblings, Angus used all of his pocket money and even went without his Christmas presents to purchase blankets, warm clothes and a fridge for homeless people.

Another example of the positive impact of Six Worthy Weeks challenge is 18-year-old Jordan from Appin, NSW. Jordan

volunteered at Tharawal Local Aboriginal Corporation, helping with environmental care as well as producing artwork for the local community heritage event.

“I enjoyed being part of a community,” Jordan said. “Seeing how the work I was doing made other people happy brought great joy to me. Doing what I love – art – for my school and my culture meant so much to me.”



In total, 17 young people from the Macarthur, Wingecarribee, Young and Queanbeyan areas successfully completed Round 1 of the Six Worthy Weeks challenge. With funding from nib, the project is well advanced into Round 2 and will once again be available to young Argyle tenants in Young, Wagga, Griffith, Queanbeyan, Bowral and Campbelltown.

"This initiative not only possesses the potential to unearth some unique ways to offer help to those most vulnerable in our community, but it simultaneously supports the young participants in gaining highly valuable skills in creativity and leadership," said nib foundation Executive Officer, Amy Tribe.



# FRESH MESS

## WHERE HEALTHY MINDS AND BODIES MEET OVER GOOD FOOD

Fresh Mess was developed by staff at Richmond Fellowship, ACT. It addressed both the poor health outcomes and reduced life expectancy of those in the Canberra community living with enduring mental health issues with complex needs.

Argyle participated in the program by providing the venue at Ainslie Village. We also volunteered our services every Sunday and ensured the tenants of Ainslie Village had access.

Fresh Mess sought to redress the issues of social isolation and poor training opportunities of the target group through the use of a co-operative membership model.

Members paid an annual \$10 subscription fee and were encouraged to regularly volunteer at the Mess in exchange for a weekly bag of fruit, vegetables, eggs and dairy. Membership also entitled people to sign up for a free certificated food preparation and handling course.

This course was run by a qualified Dietician through OzHarvest Canberra. Access to garden mentoring and on site garden training was also provided through partnerships with Canberra City Farm and the Canberra Organic Growers Society (COGS).

The Fresh Mess project operated at Argyle's Ainslie Village site on Sundays from April 2015 through to March 2016, until funding was depleted. During this time there were more than 170 Co-Op members, with an average of 40 members



turning up each Sunday to participate in the Fresh Mess community.

### OVER 2,000 PEOPLE ACCESSED THE SERVICE

While Fresh Mess was unable to secure ongoing funding, which would have provided for essential additional project staff, it was a great testament to the spirit and capacity of the model that it continued with a small base of volunteers from the mainstream community. Ultimately and overwhelmingly, it thrived as the direct result of the passionate commitment of its membership.



## HOUSING PROVIDER PARTNERSHIP IN FOCUS: SEARMS

South Eastern Aboriginal Regional Management Service (SEARMS) is a co-operative of six Local Aboriginal Land Councils in NSW. During the year, Argyle and SEARMS came together to discuss a number of strategic and operational partnership opportunities.

In early 2016, Argyle and SEARMS joined forces to develop an innovative proposal under the NSW Governments Social and Affordable Housing Fund, which sought to target the development of Aboriginal housing as part of a broader regional social and affordable housing development proposal.

Although the initial proposal was not accepted, Argyle and SEARMS

continue to work together to seek opportunities to develop more Aboriginal housing opportunities.

Argyle has also provided ongoing advice and support to SEARMS in relation to operations, continuous improvement and compliance.

The partnership is one of mutual learning and respect. We hope that this relationship will get stronger and stronger and stronger in the future.

---

***“Our relationship with Argyle has been of great value to SEARMS. We are like-minded organisations with a strong alignment of values and purpose. Argyle is supporting us in our goal of eventually pursuing full Community Housing Provider accreditation, and we are exploring opportunities to partner well into the future for the benefit of those in need of affordable housing in our regions.” - Tom Slockee, Chairman SEARMS Aboriginal Corporation***

---





Tom Slockee, Chairman SEARMS Aboriginal Corporation and Dr. Terry Spencer, Chairman Argyle Board



## COMMON GROUND 1 YEAR ON

The national capital's first low-cost supportive housing initiative focused on providing quality tenant outcomes for people who have experienced chronic homelessness.

---

*“Northside Community Service is proud to work with Argyle on the implementation of the innovative Common Ground housing project in Gungahlin, Canberra. The close collaboration between Argyle as property manager and Northside as support provider has meant that after just 12 months we have already achieved some impressive results, with most formerly homeless tenants moving into education or employment. This partnership is clearly ‘more than the sum of the parts.’” - Simon Rosenberg, CEO Northside Community Services*

---

## OF THE 20 RESIDENTS WHO WERE FORMERLY EXPERIENCING HOMELESSNESS;

**9** ARE NOW EMPLOYED

**4** ARE NOW STUDYING

**17** ARE ACTIVELY ENGAGED IN CASE MANAGEMENT

Common Ground Canberra targets the most vulnerable, chronically homeless people in the community. These are people who have been homeless continuously for six months or more, or who have experienced multiple episodes of primary homelessness over a 12-month period.

They often have substantial barriers to housing stability, such as a disability, mental illness or substance misuse disorder. Common Ground Canberra also targets low-income earners who are unable to access other affordable housing options.

---

*“It’s a great pleasure to see Common Ground thriving in Gungahlin. It has been wonderful to work with Argyle and Northside to help people most in need, supporting them with secure accommodation and support services so that they can rebuild their lives. We look forward to working towards the development of stage two to continue Common Ground’s good work.” - Di Kargass, Common Ground Canberra*

---



HOUSING OPPORTUNITIES IN THE MURRUMBIDGEE LINKING TO EDUCATION & EMPLOYMENT

## IT'S TIME TO INVEST IN H.O.M.E.

FOR A REGION IN NEED OF INNOVATIVE SOLUTIONS TO COMPLEX SOCIAL ENVIRONMENTS

Argyle is working with local business and community to make this hope a reality.

At the heart of the vibrant and growing Murrumbidgee area, Wagga Wagga is Australia's biggest inland city. But rental affordability and youth unemployed are major issues in this area, with 22.5% of households renting and suffering rental stress. The lowest 40% of earners pay more than 30% of their gross weekly income on rent.

**1300+** FAMILIES AND INDIVIDUALS CURRENTLY WAITING FOR SOCIAL HOUSING

There is an increasing need for a range of housing solutions that target this area – incorporating support for education, health, employment and other needs.



WAGGA WAGGA RESIDENTS ARE EXPERIENCING HOUSING STRESS. WITH A YOUNG POPULATION AND HIGH UNEMPLOYMENT (19.5%), YOUNG PEOPLE ARE TURNING TO CRIME AND DRUGS.

HOME is an innovative, hybrid housing solution for the Murrumbidgee, taking key elements from successful models such as Common Ground and Youth Foyer. There are pathways for residents to move through adjoining accommodation, transitioning within a familiar setting and, ultimately from subsidised housing to independent living.

HOME addresses key social issues, including high levels of homelessness, poor educational attainment and unemployment.

---

***“HOME is an innovative opportunity for people in regional areas to be given a fair go – just like those in the city. It’s about all of us working together to create a solution for the people we care about. HOME supports our people and keeps them in the bush” - Wendy Middleton, Argyle CEO.***





**\$40M**

INVESTED IN THE  
MURRUMBIDGEE

**\$25M**

OF VALUE TO THE  
REGIONAL ECONOMY

**\$16M**

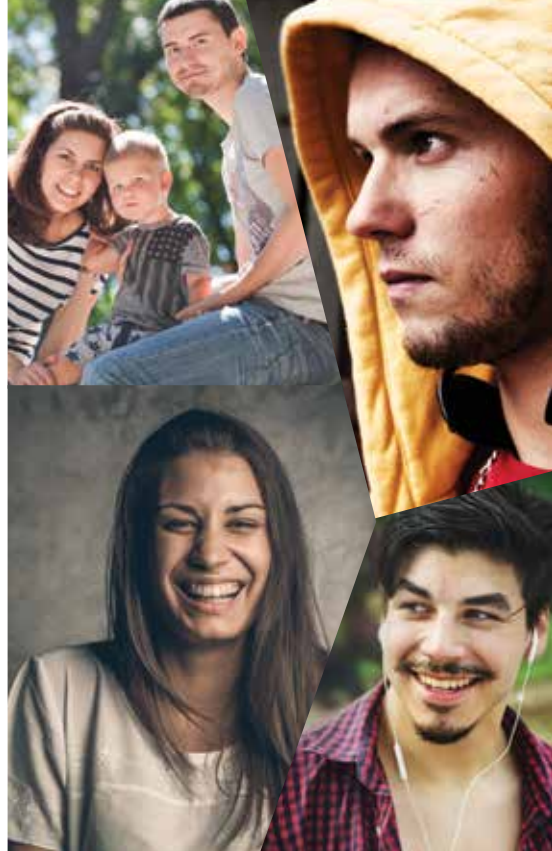
ADDED TO HOUSEHOLD  
INCOME DURING  
CONSTRUCTION

**260**

JOBS CREATED DURING  
CONSTRUCTION

**HOME WILL:**

- House more than 230 people
- Free up the private rental market
- Get 40 kids engaged and skilled up
- Provide financial security and independence
- Encourage community engagement
- Break the cycle of intergenerational social housing
- Invest \$40M in the Murrumbidgee
- Create 260 jobs during construction.







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**STRATEGIC  
GROWTH**

 **argyle**



## STRATEGIC GROWTH

To develop and maintain sustainable business that is underpinned by the purpose of the organisation.

# CONTENTS

- 4** Approach to strategic growth
- 8** Affordable acquisitions
- 14** Snapshot of our year
- 18** Yanco's Eventide Homes now under Argyle's wing



# APPROACH TO STRATEGIC GROWTH

It was a busy 12-month period for Argyle in terms of pursuing strategic opportunities that presented throughout the year.

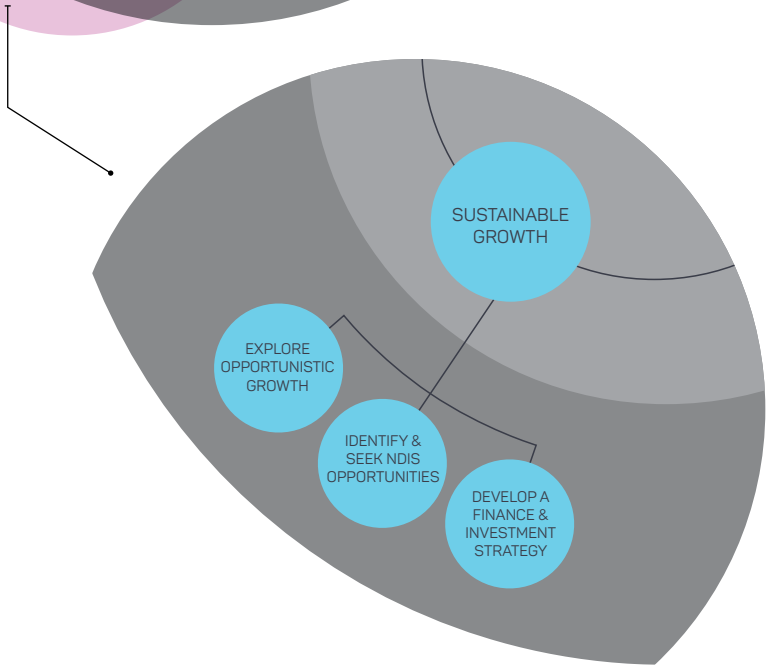
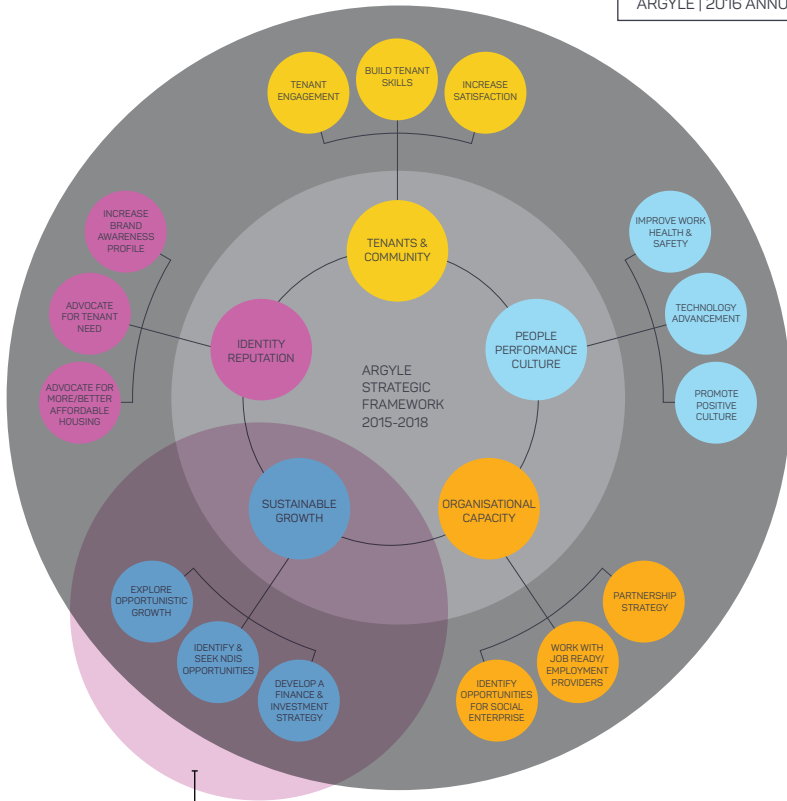
*Future Directions* for Social Housing was released in early 2016 by the Baird Government, setting out the NSW Government's plan to transform the current social housing system over the next 10 years. It represents the first dedicated policy addressing social housing in NSW and sets the vision to create and sustain more and better social housing, reduce homelessness and provide more opportunities, support and incentive to help people to successfully transition out of, or

avoid, the social housing system.

There were a number of major proposals submitted under formal government procurement processes such as Communities Plus and the Social and Affordable Housing Fund, as well as unsolicited bids to government with commercial partners for projects outside the scope of the formal procurement initiatives.

The reforms provide great incentive and opportunity for Argyle to take part in the transformation of the social housing system and to help build positive environments for our communities.







## SOCIAL AND AFFORDABLE HOUSING FUND

As part of the NSW Government's new social housing policy, *Future Directions*, it launched the Social and Affordable Housing Fund (SAHF). SAHF is a long term initiative to grow social and affordable housing across NSW through partnerships with CHPs and private sector developers. Argyle partnered with SEARMS Aboriginal Corporation and Homes Out West to submit a proposal under the first phase of SAHF. Our consortium bid, "INSpiRE" – Innovative Social and Affordable Housing for Regional NSW, included proposed developments in Wagga Wagga, Griffith, Leeton, Bateman's Bay, Broulee, Mogo and Bermagui. The centrepiece of the proposal was a unique Common Ground / Youth Foyer model for 140 units in Wagga Wagga.

Although our consortium was not shortlisted for Phase 1, there was positive feedback from the evaluation committee about our strategic approach and regional focus. We will apply our many learnings from the initial bid to the next phase of SAHF.

**INSPIRE**  
INNOVATE  
INSPIRE  
INNOVATE



### COMMUNITIES PLUS

Argyle was also actively involved in bidding under the NSW Government's Communities Plus initiative, joining a consortium bidding for the redevelopment of Telopea in Sydney's west. This was the first of several phases of the Communities Plus initiative.

In terms of renewal and development, within Communities Plus the NSW Land and Housing Corporation is seeking to partner with CHPs and the private sector to fast-track redevelopment of its social housing portfolio.

Communities Plus includes the redevelopment of both small-area sites and larger sites, and is seeking to encourage innovation through partnerships between the government, private and not-for-profit sectors.

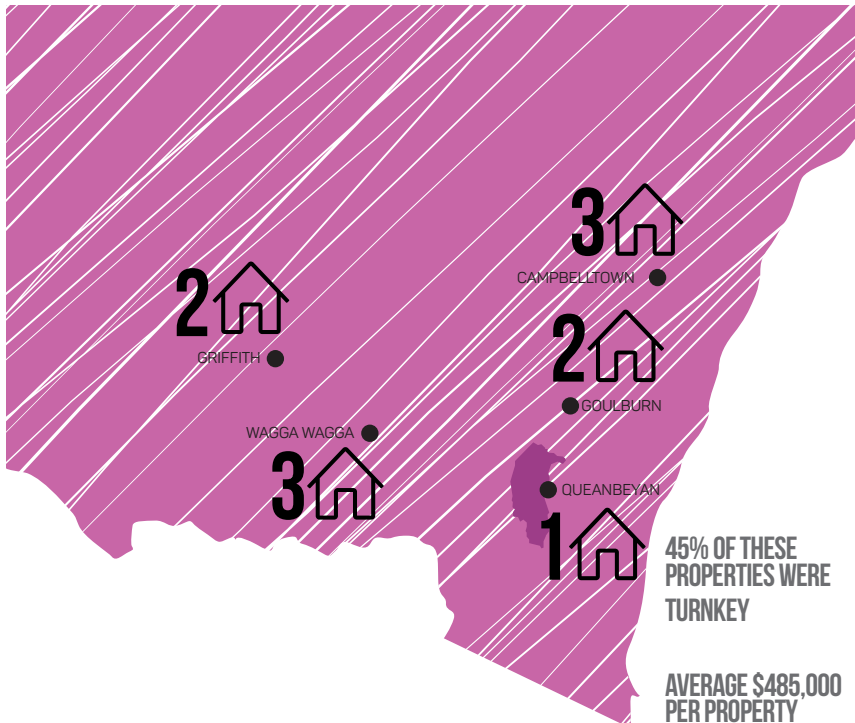
Argyle will continue to seek partnership opportunities in future rounds.



# AFFORDABLE ACQUISITIONS

Argyle purchased 11 properties in 2016 from cash reserves. Nine of the 11 properties have been classified as affordable housing – bringing our portfolio up to 89.

Over the year, for a total cost of \$4.1m, Argyle purchased 3- and 4-bedroom homes in; Campbelltown, Goulburn, Wagga Wagga, Queanbeyan and Goulburn.

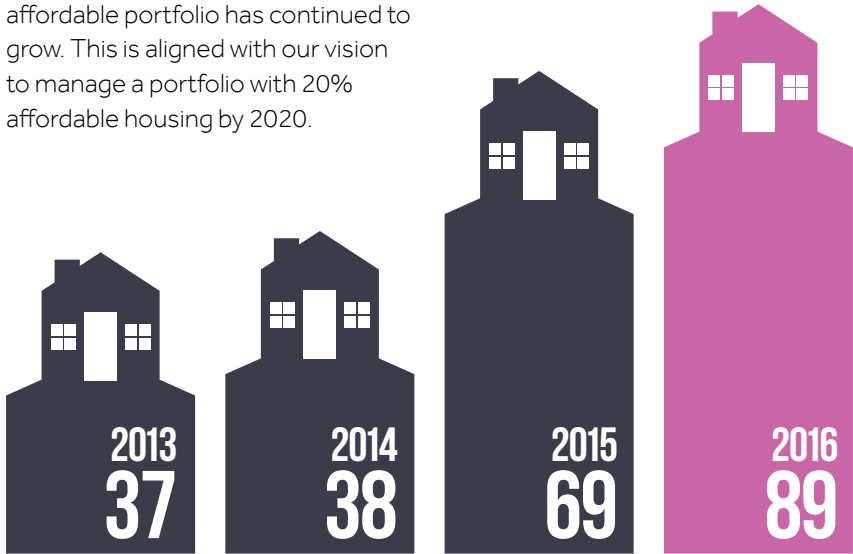






At an average cost of \$485k, Argyle is on track to achieve its vesting targets four years early.

Over the past four years our affordable portfolio has continued to grow. This is aligned with our vision to manage a portfolio with 20% affordable housing by 2020.



Argyle has jumped well ahead of its vesting targets during 2015-16. According to the Community Housing Assistance Agreement signed with FACS, our cumulative vesting target as at the end of the 2015-16 financial year was 27 properties.

After the purchase of nine properties towards vesting throughout the year (two of the 11 total acquisitions were purchased using CHLP surplus and therefore cannot be counted towards vesting) and the settlement of 11

properties at McCleery Avenue, Moss Vale, Argyle now sits at a net addition of 37 properties under vesting – 10 ahead of schedule. With an ambitious purchasing program forecast for 2016-17, Argyle ends the financial year ahead having completed its vesting targets four years early.

Our affordable housing listings on realestate.com.au have received over 900 emails and 70,000 listing views over the past 12 months. Average time on the market for our affordable housing properties is 27 days.



## WHO DID WE HOUSE IN AFFORDABLE HOUSING THIS YEAR?

PEOPLE INCLUDING 16 CHILDEN



AVERAGE HOUSEHOLD INCOME OF

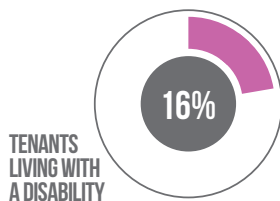
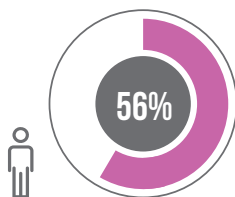
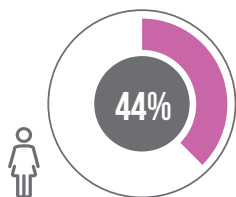
**\$820/WEEK**



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*“We are so over the moon that we get to call this amazing house our home, the kids love playing in the beautiful back yard. This house has given us the opportunity to live a stress-free life knowing we have enough room for our baby due in November and be proud of where we live. A huge thank you to Argyle.” - Sharna, Jake and the kids.*

---



WITHIN HOUSING

**5,510** 

**5,146**  
INSPECTIONS COMPLETED

 **3**

NEW OUTREACH OFFICE  
LOCATIONS OPENED

# SNAPSHOT TENANTS & SERVICES

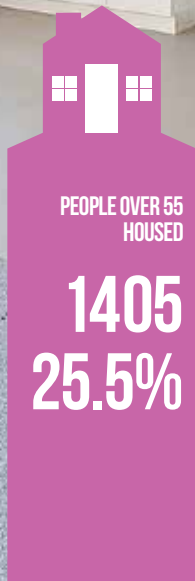


**OVER 70**

DIFFERENT ETHNICITIES

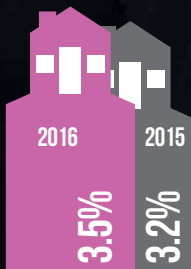
**368**   
NEW LEASES SIGNED

 **9,905**  
REPAIRS AND  
MAINTENANCE JOBS

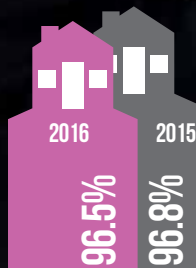




**AFFORDABLE HOUSING PROPERTIES**



**SOCIAL HOUSING PROPERTIES**



PROPERTIES



NUMBER OF HOMES UNDER MANAGEMENT **2,437**



**UP 11**



NUMBER OF SOCIAL HOUSING HOMES **2,348**



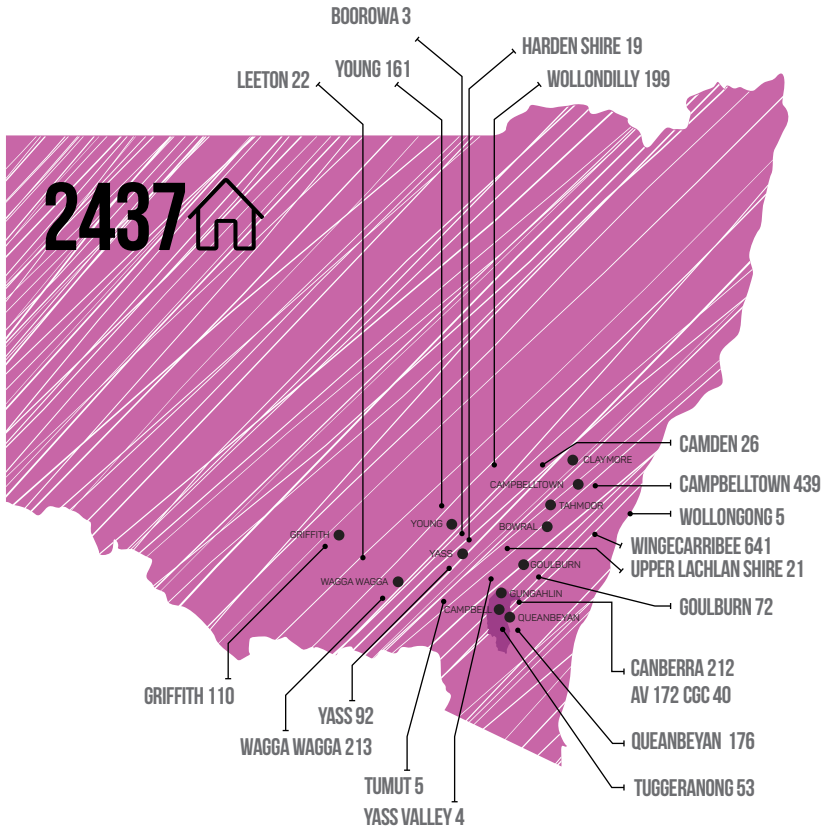
NUMBER OF AFFORDABLE HOUSING HOMES **89**



INVESTMENT IN PROPERTY MAINTENANCE **\$4.79M**



**3** NEW OUTREACH LOCATIONS  
YASS, GOULBURN & TAHMOOR



# YANCO'S EVENTIDE HOMES NOW UNDER ARGYLE'S WING

Leeton Shire Council formally announced in late 2015 the management changeover of Eventide Homes to Argyle following the retirement of the long-standing manager.



Located at Binya Street in Yanco, the 14 brick-veneer units were established for low-cost independent housing for aged persons in 1973, with the last unit building being constructed in 1996. Yanco is located 5kms outside of Leeton, approximately 45 minutes from Griffith, NSW.

The tenants at Eventide Homes have a strong bond, the sense of community is strong and most have called it home for over eight years.

The central location is of importance to the tenants, to be close to family and friends. Many tenants live alone, are frail with reduced sight and hearing. The average age is 75.

After taking over management, Argyle quickly rolled out improvement works. Many of the properties were very run down and the living conditions poor. Work included replacement of coin-operated electricity meters, internal and external painting, handrails,




---

***“Since this management arrangement was put in place, Council as well as the tenants, have been more than impressed with the management of Argyle Housing and we consider this outcome to be a win-win for both Council and the tenants and we are very optimistic for the future of Eventide Homes.” - Garry Stoll, Director Environmental & Community Services - Leeton Shire Council***

---

hard-wired smoke detectors and floor coverings.

“Since this management arrangement was put in place Council, as well as the tenants, have been more than impressed with the management of Argyle Housing and we consider this outcome to be a win-win for both Council and the tenants and we are very optimistic for the future of Eventide Homes.”  
Garry Stoll, Director Environmental & Community Services - Leeton Shire Council

A Tenancy Officer now regularly visits the complex to meet with tenants. All the residents seem happy to have Argyle as not only an affordable accommodation

provider, but also there with a high level of support for tenants and with maintenance of their properties.

Rhonda was born and bred in Yanco. She came off a farm and moved into ‘Eventide Homes’ for her twilight years as she calls them, with her late husband 10 years ago. She is very proud of her home, being a grandmother and the garden she has established in the common area for all to enjoy.

“Happy as a pig in mud” with the changeover of management, Rhonda appreciates the speed of service Argyle delivers – her example being having her heating system fixed within 24 hours when it broke down in the middle of winter.



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our communities.***



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# **FINANCIALS**



ARGYLE COMMUNITY HOUSING LTD  
ABN 88 002 761 855

ARGYLE COMMUNITY HOUSING LTD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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# DIRECTORS' REPORT

The Directors present their results together with the financial report of Argyle Community Housing Ltd (the Company) for the financial year ended 30 June 2016 and the auditor's report thereon.

The names of the Directors in office at any time during, or since the end of the year are:

**DR. TERRY SPENCER**  
CHAIRMAN

**SUSAN BAILEY**  
APPOINTED ON 1 JANUARY 2016

**TERRY DOWNING**  
DEPUTY CHAIRMAN

**TREVOR FAIR**

**DONNA ANTHES**  
APPOINTED ON 1 JANUARY 2016

**NICOLETTE MCADOO**

**IAN CROPPER**

**JOHN PETERS**

**PAMELA EDWARDS**

\*CHRIS BENTON (PATRON).

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



L-R BACK ROW: Trevor Fair, Donna Anthes, Ian Cropper, John Peters, Pamela Edwards and Terry Downing (Deputy Chairman). L-R FRONT ROW: Susan Bailey, Nikki McAdoo, Chris Benton (Patron) and Dr. Terry Spencer (Chairman)

## VALUES

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### DIVERSITY

We respect all people and their diversity



### PARTNERSHIPS

We work in partnership with businesses, community and tenants



### COLLABORATION

We collaborate with our community to achieve positive and innovative outcomes



### ACCOUNTABILITY

We are accountable for what we deliver and how we do it



### OPPORTUNITY

We create opportunities for a better 'tomorrow' for people in our communities



### ADAPTABILITY

We strive for excellence and are adaptable to meet changing needs

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### PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was the provision of low cost rental housing for low to moderate income earners.

### STRATEGY AND OBJECTIVES

The Company focused on five key strategic imperatives, namely:

**Tenant and Community** - To improve the social outcomes for those Australians in housing stress.

**People, Performance and Culture** - To be a preferred employer with a constructive and outcomes focused culture.

**Partnerships and Capability** - To achieve and maintain sector leading systems and processes that facilitate efficient and effective expansion across multiple regional areas and jurisdictions.

**Sustainable Growth** - To develop and maintain a sustainable business model with reducing reliance on government funding to provide dwellings that enhance our tenants' financial sustainability.

**Advocacy and Identity** - To establish Argyle's identity and reputation for delivery of quality products and services and better individual and community outcomes.

## OPERATING AND FINANCIAL REVIEW

The total surplus for the Company for the financial year ended 30 June 2016 amounted to \$7,999,936 (2015: Surplus \$2,159,029). A gain on revaluation of investment properties of \$5,917,802 (2015: a loss of \$761,120) was recognised for the financial year ended 30 June 2016.

Operating profit for the year ended 30 June 2016 totalled \$2,082,134 (2015: \$2,920,149). This is prior to any adjustment for revaluation of investment property.

Operating income for the 2016 year increased by \$1,200,450 from 2015 as additional revenue was received from Government Funding in 2016 (refer to note 2 (a)).

Expenditure for the 2016 year increased by \$2,034,120 on prior year results. This was driven by a increase of \$1,067,909 on tenant and property related expenses, an increase in employee expenditure of \$799,440 and an increase of \$166,771 on office and administration related expenditure.

For the financial year ended 30 June 2016 the cash assets decreased by \$9,165. This is despite a cash investment in the acquisition of 11 additional dwellings of \$4,758,174.

The Directors believe the Company is in a strong financial position.

## PERFORMANCE MANAGEMENT

The Board of Directors reviews financial performance via monthly management accounts and at



its regular Board Meetings and in more detail via the Audit and Risk Committee.

Information is provided to the Community and Private Market Housing Directorate and the ACT Directorate on a quarterly basis as required under the current government reporting regime and the requirements under the Tier 1 registration framework are monitored monthly by the Argyle Community Housing Limited Management Team.

#### EVENTS SUBSEQUENT TO REPORTING DATE

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the

financial year, that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future years.

#### INSURANCE PREMIUMS

During the financial year the Company has paid premiums in respect of Directors' and Officers' liability and legal expenses insurance contracts for the year ended 30 June 2016 and since the financial year, the Company has paid premiums in respect of such insurance contracts for the year ending 30 June 2017. Such insurance contracts insure against certain liable persons who are or have been Directors or executive officers of the Company.

## MEETINGS HELD

The Company held a total of 21 meetings of Directors and Committees. This includes the Assets, Aquisitions and New Business Committee, Audit and Risk Committee, Nominations, Remuneration and HR Committee and the Corporate Governance Committee.

| DIRECTOR          | BOARD MEETINGS |     | ASSETS, AQUISITIONS AND NEW BUSINESS COMMITTEE MEETINGS |     | AUDIT AND RISK COMMITTEE MEETINGS |     | NOMINATIONS, REMUNERATION AND HR COMMITTEE MEETINGS |     | CORPORATE GOVERNANCE COMMITTEE MEETINGS |     |
|-------------------|----------------|-----|---|-----|-----------------------------------|-----|---|-----|---|-----|
|                   | (A)            | (B) | (A)   | (B) | (A)                               | (B) | (A)   | (B) | (A)                                     | (B) |
| Donna Anthes*     | 5              | 5   | 1   | 1   | -                                 | -   | -   | -   | -                                       | -   |
| Susan Bailey*     | 5              | 5   | -   | -   | 1                                 | 1   | -   | -   | -                                       | -   |
| Ian Cropper       | 10             | 9   | 3   | 3   | 4                                 | 4   | -   | -   | -                                       | -   |
| John Peters       | 10             | 10  | 3   | 3   | -                                 | -   | -   | -   | -                                       | -   |
| Nicolette McAdoo  | 10             | 10  | -   | -   | -                                 | -   | 2   | 2   | 2                                       | 2   |
| Dr. Terry Spencer | 10             | 10  | 3   | 3   | 4                                 | 4   | 2   | 2   | 2                                       | 2   |
| Trevor Fair       | 10             | 10  | -   | -   | 4                                 | 4   | 2   | 2   | -                                       | -   |
| Terence Downing   | 10             | 10  | -   | -   | 4                                 | 4   | 2   | 2   | -                                       | -   |
| Pamela Edwards    | 10             | 9   | -   | -   | -                                 | -   | -   | -   | 2                                       | 2   |

\* appointed 1 January 2016

(a) Number of meetings eligible to attend during the period

(b) Number of meetings attended

## DETAILS OF MEMBERSHIP

The entity is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum amount of \$10 each towards meeting the obligations of the entity. At 30 June 2016, the total amount that members of the Company are liable to contribute if the Company is wound up is \$90 (2015: \$70).

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under the Australian Charities and Not-for-profits Commission Act 2012 has been included at page 41.

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

The image shows two handwritten signatures in blue ink on a light grey background. The signature on the left is 'Terry Spencer' and the signature on the right is 'Ian Cropper'.

Dr. Terry Spencer  
Chairman

Ian Cropper  
Chairman of Audit and Risk  
Committee

Dated this 27th day of September 2016  
Bowral



### ***Dr. Terry Spencer***

CHAIRMAN

Appointed 2006

COMMITTEE MEMBER

- Audit and Risk
- Assets, Acquisitoins and New Business
- Corporate Governance
- Nominations & Remuneration

**BSc (hons 1), PhD,  
MAICD**

Terry has had a long and varied career in science management, project/program management, business analysis and business process re-engineering, predominantly in the public sector. He has also served as an expert consultant to national and international bodies in areas as diverse as technical advice, regulation and process auditing.



### ***Terry Downing***

DEPUTY CHAIRMAN

Appointed 2012

COMMITTEE MEMBER

- Audit and Risk
- Nominations, Remuneration and HR

**B Comm, M Mgmt,  
CPA, FAICD, ANZIIF  
Fellow**

Terry's experience includes senior executive positions in the financial services sector and consulting to service industries including insurance, banking, funds management, superannuation and aged care. Terry brings extensive financial, risk management, corporate governance and commercial experience.



### ***Donna Anthes***

DIRECTOR

Appointed 2016

COMMITTEE MEMBER

- Assets, Acquisitions and New Business

**BA (Communication),,  
Grad Cert Bus Admin.,  
AFAIM.,GAICD**

Donna is an experienced Company Secretary and Non-Executive Director with proven governance & risk management expertise. Donna's strong leadership skills are accompanied by a track record of growing revenue and business development.



### ***Ian Cropper***

DIRECTOR

Appointed 2007

COMMITTEE CHAIR

- Audit and Risk

COMMITTEE MEMBER

- Assets, Acquisitions and New Business

BA. Dip Ed. JP, MAICD

Following a number of years in industry, Ian taught Business Studies in TAFE before moving into educational administration. He held a number of Deputy and Principal positions and had regional area responsibilities as well as being a Member of the Board of the Illawarra Institute of Technology.



### ***Susan Bailey***

DIRECTOR

Appointed 2016

COMMITTEE MEMBER

- Audit and Risk

BA/LL.M., MPAdmin., MAICD

Susan has over 30 years' experience as a commercial lawyer with expertise in strategy, planning, governance, project management and change management. Susan has worked in the public and private sector including insurance, utilities, building and social services.



### ***Pamela Edwards***

DIRECTOR

Appointed 2012

COMMITTEE CHAIR

- Corporate Governance

BA/LLB (UNSW), MAICD

Pamela has extensive experience in the investment management business in Australia, the UK and Europe. Prior to that Pamela was a partner in a prominent Australian law firm. Pamela is a former Vice President of the Corporate Counsel Association, Europe and is a member of the Australian Institute of Company Directors.



### **Trevor Fair**

#### DIRECTOR

Appointed 2008

#### COMMITTEE CHAIR

- Nominations, Remuneration and HR

#### COMMITTEE MEMBER

- Audit and Risk

**CPA, B Bus  
(Accounting/HRM),  
FAICD**

Trevor has experience in avionics and Management Accounting. After completing his CPA Trevor worked in public practice in Bowral before becoming a partner of Oxley Partners Chartered Accountants in 2005. He is the registered SMSF Auditor for the practice.



### **Nicolette McAdoo**

#### DIRECTOR

Appointed 2005

#### COMMITTEE MEMBER

- Nominations, Remuneration and HR

**MAICD**

After moving to the Southern Highlands, Nikki decided on a change of direction, studying welfare management and thereafter taking on the role of Manager of Highlands Community Centres (HCC). Nikki brings valuable insights and believes strongly in social justice, thus making her a strong advocate for Argyle tenants.



### **John Peters**

#### DIRECTOR

Appointed 2013

#### COMMITTEE CHAIR

- Assets, Acquisitions and New Business

**B. Arch., Adv. Dip.  
BCM., ARAIA., GAICD**

John is a qualified architect and has worked in various facets of property in the UK, New Zealand and throughout Australia, for over 35 years. Much of this experience was with Lend Lease. John has also consulted to investors and financial stakeholders during this time, including Merrill Lynch, GPT, Thiess, St George Bank and Multiplex.





### ***Chris Benton***

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PATRON

**JP, MAICD**

Chris was appointed the first Patron of Argyle in 2015 in recognition of his significant commitment and contribution over the past 14 years. As a past Director and Chairman of the Argyle Board, Chris continues to provide stewardship and guidance. He has contributed significantly to the growth of Argyle and to its current status as a Tier 1 Community Housing Provider.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

|   | NOTE | 2016<br>\$          | 2015<br>\$          |
|---|------|---------------------|---------------------|
| <b>INCOME</b>   |      |                     |                     |
| Tenant and property related income                            | 2    | 26,248,829          | 25,200,267          |
| Other income  | 2    | 368,840             | 216,952             |
| <b>Total income</b>   |      | <b>26,617,669</b>   | <b>25,417,219</b>   |
| <b>EXPENSES</b>   |      |                     |                     |
| Tenant and property related expenses                          | 3    | (16,230,668)        | (15,162,759)        |
| Employee related expenses                                     | 3    | (5,494,985)         | (4,695,545)         |
| Office and administration expenses                            | 3    | (3,018,354)         | (2,851,583)         |
| <b>Total operating expenses</b>                               |      | <b>(24,744,007)</b> | <b>(22,709,887)</b> |
| Financial income  | 2    | 208,472             | 224,195             |
| Financial expenses  |      | -                   | (11,378)            |
| Net financial income  |      | 208,472             | 212,817             |
| <b>Profit before fair value adjustments and contributions</b> |      | <b>2,082,134</b>    | <b>2,920,149</b>    |
| Contribution of investment properties at fair value           |      | -                   | -                   |
| Gain/(loss) on revaluation of investment properties           |      | 5,917,802           | (761,120)           |
| <b>Profit before income tax</b>                               |      | <b>7,999,936</b>    | <b>2,159,029</b>    |
| Income tax expense  | 1(a) | -                   | -                   |
| <b>Profit for the year</b>                                    |      | <b>7,999,936</b>    | <b>2,159,029</b>    |
| Other comprehensive income for the year                       |      | -                   | -                   |
| Items that will not be reclassified to profit or loss         |      | -                   | -                   |
| Items that may be reclassified subsequently to profit or loss |      | -                   | -                   |
| <b>Total comprehensive income for the year</b>                |      | <b>7,999,936</b>    | <b>2,159,029</b>    |

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements on pages 18 to 40.

## STATEMENT OF FINANCIAL POSITION

|                                      | NOTE | 2016<br>\$        | 2015<br>\$        |
|--------------------------------------|------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>                |      |                   |                   |
| Cash and cash equivalents            | 4    | 6,655,680         | 6,664,845         |
| Trade and other receivables          | 5    | 845,127           | 793,655           |
| Other current assets                 | 6    | 2,648,371         | 4,788,020         |
| <b>Total current assets</b>          |      | <b>10,149,178</b> | <b>12,246,520</b> |
| <b>NON-CURRENT ASSETS</b>            |      |                   |                   |
| Trade and other receivables          | 5    | 1,344,174         | 1,344,124         |
| Other financial assets               | 7    | 10                | 10                |
| Property, plant and equipment        | 8    | 402,614           | 505,404           |
| Investment properties                | 9    | 70,909,473        | 59,917,997        |
| <b>Total non-current assets</b>      |      | <b>72,656,271</b> | <b>61,767,535</b> |
| <b>Total Assets</b>                  |      | <b>82,805,449</b> | <b>74,014,055</b> |
| <b>CURRENT LIABILITIES</b>           |      |                   |                   |
| Trade and other payables             | 10   | 2,374,079         | 1,635,211         |
| Provisions                           | 11   | 333,981           | 319,383           |
| Other current liabilities            | 12   | 1,557,370         | 1,534,433         |
| <b>Total current liabilities</b>     |      | <b>4,265,430</b>  | <b>3,489,027</b>  |
| Non-Current Liabilities              |      |                   |                   |
| Provisions                           | 11   | 114,902           | 99,847            |
| Other non current liabilities        | 12   | -                 | -                 |
| <b>Total non current liabilities</b> |      | <b>114,902</b>    | <b>99,847</b>     |
| <b>Total Liabilities</b>             |      | <b>4,380,332</b>  | <b>3,588,874</b>  |
| <b>Net Assets</b>                    |      | <b>78,425,117</b> | <b>70,425,181</b> |
| <b>EQUITY</b>                        |      |                   |                   |
| Retained profits                     |      | 78,425,117        | 70,425,181        |
| <b>Total Equity</b>                  |      | <b>78,425,117</b> | <b>70,425,181</b> |

*The Statement of Financial Position is to be read in conjunction with the notes to the financial statements on pages 18 to 40.*

## STATEMENT OF CHANGES IN EQUITY

|  | NOTE | RETAINED<br>PROFITS | TOTAL<br>\$       |
|--|------|---------------------|-------------------|
| <b>Balance at 1 July 2014</b>              |      | 68,266,152          | 68,266,152        |
| Profit attributable to the Company         |      | 2,159,029           | 2,159,029         |
| Other comprehensive income<br>for the year |      | -                   | -                 |
| <b>Balance at 30 June 2015</b>             |      | <b>70,425,181</b>   | <b>70,425,181</b> |
| <b>Balance at 1 July 2015</b>              |      | 70,425,181          | 70,425,181        |
| Profit attributable to the Company         |      | 7,999,936           | 7,999,936         |
| Other comprehensive income<br>for the year |      | -                   | -                 |
| <b>Balance at 30 June 2016</b>             |      | <b>78,425,117</b>   | <b>78,425,117</b> |

*The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements on pages 18 to 40.*

## STATEMENT OF CASH FLOWS

|  | NOTE      | 2016<br>\$         | 2015<br>\$         |
|--|-----------|--------------------|--------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |           |                    |                    |
| Receipts from customers                      |           | 22,443,732         | 22,891,790         |
| Receipts from government bodies              |           | 4,373,111          | 3,021,115          |
| Payments to suppliers and employees          |           | (23,884,721)       | (23,905,134)       |
| Interest received                            |           | 208,472            | 224,195            |
| Interest paid                                |           | -                  | (11,378)           |
| <b>Net cash from operating activities</b>    | <b>13</b> | <b>3,140,594</b>   | <b>2,220,588</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   |           |                    |                    |
| Proceeds/(purchase) of term deposits         |           | 1,994,981          | (2,172,342)        |
| Purchase of property plant and equipment     |           | (75,104)           | (339,686)          |
| Investment properties                        |           | (5,073,674)        | (4,162,805)        |
| Proceeds from sale of equipment              |           | 4,038              | -                  |
| <b>Net cash used in investing activities</b> |           | <b>(3,149,759)</b> | <b>(6,674,833)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>   |           |                    |                    |
| Repayment of borrowings                      |           | -                  | -                  |
| <b>Net cash used in financing activities</b> |           | <b>-</b>           | <b>-</b>           |
| <b>Net (decrease) in cash held</b>           |           | <b>(9,165)</b>     | <b>(4,454,245)</b> |
| Cash at the beginning of the year            |           | 6,664,845          | 11,119,090         |
| Cash at the end of the year                  | 4         | 6,655,680          | 6,664,845          |

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements on pages 18 to 40.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The financial statements cover the Company as an individual entity. The Company, a not-for-profit entity, is a company limited by guarantee, incorporated and domiciled in Australia.

In the opinion of the Directors, the Company is not publicly accountable. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-Profit Commission Act 2012. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were authorised for issue by the Board of Directors on 27 September 2016.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of the selected non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars which is the Company's functional currency.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

#### ACCOUNTING POLICIES

##### (a) Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.



## (b) Property, Plant and Equipment

### i) Recognition and measurement

Items of plant and equipment are measured at cost less depreciation and impairment losses. Please refer to Note 1(f) for impairment of assets. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

### ii) Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the assets is held ready for use. Leasehold improvements are depreciated over the shorter of the lease term and the estimated useful lives of the improvements.

The depreciation rates for the current and comparative years for each class of depreciable asset are:

| CLASS OF ASSET                | DEPRECIATION RATE % |
|-------------------------------|---------------------|
| Leasehold improvements        | 7 to 64             |
| Property, plant and equipment | 7.5 to 50           |
| Motor vehicles                | 12.5                |
| Software                      | 20                  |

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

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

### **(c) Investment Property**

Investment property, which is property held to earn rental income and/or for capital appreciation, is initially measured at cost at the date of acquisition, being the fair value of consideration plus incidental costs directly attributable to the acquisition. Investment property is subsequently carried at fair value, determined annually by valuation. Changes to fair value of investment property are recorded in profit or loss in the period in which they arise.

### **(d) Leases**

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

### **(e) Financial Instruments**

#### **i) Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss in which case transaction costs are expenses to profit or loss immediately.

#### **ii) Classification and Subsequent Measurement**

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. The amount at which the financial asset or financial liability is measured at initial recognition;
- ii. Less principle repayments;

- iii. Plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- iv. Less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliability predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to the expected future cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

### iii) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non cash assets or liabilities assumed, is recognised in profit or loss.

## (f) Impairment of Assets

### Non Financial Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of assets, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

### **Financial Assets**

The Company considers evidence of impairment for financial assets (receivables) measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

### **(g) Employee Benefits**

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior pay periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Obligations for contributions to defined contribution plans are expenses as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

### **(h) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(i) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(j) Revenue**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed.

Revenue from the rendering of a service or the provision of accommodation is recognised in the period in which the service or accommodation is provided.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Donations and bequests are recognised as revenue when received.

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

**(k) Government Grants and Funding**

Government grants are recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant and it is probable the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Company receives non-reciprocal contributions of assets from the government and other parties for zero or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of

profit or loss and other comprehensive income.

The Company received 2 main types of government grants and funding during the year ended 30 June 2016;

- **Community Housing Leasing Program** – annual funding received from Community Housing Division of Housing NSW.
- **National Rental Affordability Scheme Funding** – annual funding received from the Department of Social Services and the State Government for provision of new dwellings for affordable housing.

### **(l) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### **(m) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, and the GST of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as a part of operating cash flows. Accordingly, investing and financing cash flows are presented in the statement of cash flows net of the GST that is recoverable from, or payable to, the ATO.

### **(n) Comparative Figures**

Where required by accounting standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.



## (o) Critical Accounting Estimates and Judgements

The Directors evaluate 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 Company. Actual results may differ from these estimates.

### KEY ESTIMATES – IMPAIRMENT

#### Non Financial Assets

The Directors assess impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The recoverable amount is determined as the higher of fair value less costs to sell and value in use. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

#### Financial Assets

Impairment of trade receivables has been recognised at 30 June 2016. Further details are provided at Note 5. No other impairment has been recognised at 30 June 2016.

#### Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** quoted process (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted process included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be

categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 9 – Investment Property.

### **(p) Economic dependency**

The financial statements have been prepared on a going concern basis. In the event that current government contracts and funding were to cease, the Company would have to significantly restructure its operations to meet its commitments. At the date of this report the Directors have no reason to believe the contracts and funding will cease to continue.

### **(q) New Standards and interpretations not yet adopted**

A number of new accounting standards, amendments to standards and interpretations are effective, but not mandatory for annual periods beginning after 1 July 2015, and have not been applied in preparing these financial statements. Those standards with the most significant impact on the Company's financial statements are outlined below:

AASB 9 (2009 and 2010) Financial Instruments, which becomes mandatory for the Company's 2019 financial statements introduces new requirements for the classification and measurement of financial instruments. The Company does not plan to adopt this standard early and the extent of the impact has not yet been determined.

AASB 15 (2015) Revenue from contracts with customers, which becomes mandatory for the Company's 2019 financial statements introduces new requirements for determining whether, how much and when revenue is recognised. The Company does not plan to adopt this standard early and the extent of the impact is expected to be minimal.

**NOTE 2: REVENUE**

|  | 2016<br>\$        | 2015<br>\$        |
|--|-------------------|-------------------|
| <b>TENANT AND PROPERTY RELATED INCOME</b>    |                   |                   |
| Rental income                                | 21,111,445        | 20,694,656        |
| Government grants income                     | 3,323,950         | 2,705,291         |
| Government capital grants income (a)         | 512,708           | -                 |
| Funding stock transfer (b)                   | -                 | 524,724           |
| Management fee for service                   | 376,896           | 332,208           |
| Management fee – project management          | 13,338            | 33,546            |
| Water usage reimbursement                    | 534,777           | 499,876           |
| Tenant repairs and maintenance reimbursement | 277,987           | 312,078           |
| Utilities reimbursement                      | 97,728            | 97,888            |
|  | <b>26,248,829</b> | <b>25,200,267</b> |

(a) Surplus funding from the Community Housing Leasing Program (CHLP) 2014-15. These funds were used to purchase two properties in Wagga Wagga for additional social housing.

(b) On the 25 June 2014, Argyle received additional funding of \$3,017,774 for the Stock transfer upgrade program. Argyle recognised \$2,863,050 of this funding during 2014 based on the proportion of properties that were upgraded at 30 June 2014, and the remainder, being \$154,724 for the Financial Year ended 30 June 2015 as well as the remaining funding specific to that upgrade program.

**OTHER INCOME**

|                      |                |                |
|----------------------|----------------|----------------|
| Insurance recoveries | 342,784        | 106,474        |
| Other income         | 26,056         | 110,478        |
|                      | <b>368,840</b> | <b>216,952</b> |

**FINANCIAL INCOME**

|                              |                |                |
|------------------------------|----------------|----------------|
| Interest – bank deposits (a) | 208,472        | 224,195        |
|                              | <b>208,472</b> | <b>224,195</b> |

(a) Includes interest income on bank deposits that contained funding received from New South Wales Family and Community Services (FaCS) of \$7,085.

**NOTE 3: EXPENSES**

|   | 2016              | 2015              |
|---|-------------------|-------------------|
|   | \$                | \$                |
| <b>TENANT AND PROPERTY RELATED EXPENSES</b> |                   |                   |
| Rent paid                                   | 6,551,504         | 6,454,405         |
| Provision for impairment of receivables     | 285,808           | (354,993)         |
| Bad debts                                   | 179,651           | 491,026           |
| Insurance                                   | 531,376           | 634,340           |
| Rates – water                               | 1,341,963         | 1,246,484         |
| Rates – council                             | 1,921,091         | 1,797,981         |
| Other utilities expense                     | 251,600           | 264,891           |
| Repairs and maintenance lifecycle           | 2,079,731         | 1,103,884         |
| Repairs and maintenance responsive          | 2,265,914         | 2,073,132         |
| Repairs and maintenance tenant damage       | 536,179           | 558,690           |
| Other tenancy property management expenses  | 285,851           | 334,918           |
| Stock transfer upgrade expenses             | -                 | 558,001           |
|   | <b>16,230,668</b> | <b>15,162,759</b> |
| <b>EMPLOYEE RELATED EXPENSES</b>            |                   |                   |
| Salaries and wages                          | 5,002,350         | 4,219,132         |
| Superannuation                              | 440,828           | 365,957           |
| Increase/(decrease) in employee provisions  | 29,653            | 79,161            |
| Other employee related expenses             | 22,154            | 31,295            |
|   | <b>5,494,985</b>  | <b>4,695,545</b>  |
| <b>OFFICE AND ADMINISTRATION EXPENSES</b>   |                   |                   |
| Office rent                                 | 430,232           | 411,260           |
| Depreciation                                | 177,894           | 156,930           |
| (Gain)/loss on disposal of assets           | (4,038)           | -                 |
| IT related expenses                         | 145,581           | 67,858            |
| Telephone                                   | 142,379           | 128,930           |
| Audit                                       | 89,255            | 105,369           |
| Consultants                                 | 321,792           | 241,067           |
| Motor Vehicles expenses                     | 313,517           | 326,550           |
| Recruitment costs                           | 77,220            | 103,423           |
| Other office and administration expenses    | 1,324,522         | 1,310,196         |
|   | <b>3,018,354</b>  | <b>2,851,583</b>  |

**NOTE 4: CASH AND CASH EQUIVALENTS**

|               | 2016<br>\$       | 2015<br>\$       |
|---------------|------------------|------------------|
| Cash at bank  | 3,270,766        | 4,262,914        |
| Term deposits | 3,378,763        | 2,396,131        |
| Cash on hand  | 6,151            | 5,800            |
|               | <b>6,655,680</b> | <b>6,664,845</b> |

Included in the cash balance is an amount of \$4,500,000 (2015 \$3,600,000) which is restricted for the future maintenance sinking fund. The future maintenance sinking fund is an account Argyle contributes to each year to cover future expected lifecycle maintenance expense on all Capital and Freehold dwellings under management.

**Reconciliation of Cash:**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

|      |                  |                  |
|------|------------------|------------------|
| Cash | 6,655,680        | 6,664,845        |
|      | <b>6,655,680</b> | <b>6,664,845</b> |

**Cash at bank and on hand**

Cash on hand is non-interest bearing. Cash at bank is interest bearing with the weighted average interest rate at 30 June 2016 of 1.25% (2015: 1.12%)

**Term Deposits**

Term deposits are interest bearing with the weighted average interest rate at 30 June 2016 of 3.03% (2015: 2.68%)

**NOTE 5: TRADE AND OTHER RECEIVABLES**

|   | 2016             | 2015             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>CURRENT</b>                                |                  |                  |
| Trade receivables (i)                         | 1,549,775        | 1,212,495        |
| Provision for doubtful debts (ii)             | (704,648)        | (418,840)        |
|   | <b>845,127</b>   | <b>793,655</b>   |
| <b>NON CURRENT</b>                            |                  |                  |
| Amount receivable from:                       |                  |                  |
| BlueCHP Limited (iii)                         | 1,020,050        | 1,020,000        |
| BlueCHP Limited – St Mary's Contribution (iv) | 324,124          | 324,124          |
|   | <b>1,344,174</b> | <b>1,344,124</b> |

- (i) No interest is charged on trade receivables. The entity has provided fully for all receivables due from ex-tenants, as experience shows that these amounts are generally not recoverable. The remainder of the balance is provided for based on estimated irrecoverable amounts, determined by analysis of amounts and reference to past default experience.
- (ii) The concentration of credit risk with regards to trade receivables is limited due to the customer base being large and unrelated. Accordingly the Directors believe there is no further credit provision required in excess of the provision for doubtful debts.
- (iii) Unsecured non-interest bearing loan of \$1,020,050 to BlueCHP Limited with no fixed term. This loan has been provided to BlueCHP in accordance with the terms of the Member's Agreement referred to in Note 15. Upon termination or resignation of a Member's membership that member will be entitled to receive repayment of any loan made by it to BlueCHP. The Directors have assessed this loan and have determined that it requires no impairment at 30 June 2016.
- (iv) Interest bearing loan of \$324,124 to BlueCHP Limited with a fixed term and interest paid at the current Australian Bank Bill Swap Rate. The Directors have assessed this loan and have determined that it requires no impairment of at 30 June 2016.

**NOTE 6: OTHER ASSETS**

|                                 | 2016             | 2015             |
|---------------------------------|------------------|------------------|
|                                 | \$               | \$               |
| Bank guarantees                 | 33,095           | 32,817           |
| Term deposits                   | 1,295,632        | 3,290,941        |
| Prepayments                     | 581,581          | 524,957          |
| Interest receivable             | 279,720          | 205,812          |
| Bonds held by Rental Bond Board | 398,384          | 383,064          |
| GST receivable                  | -                | 121,423          |
| Other current assets            | 59,959           | 229,006          |
|                                 | <b>2,648,371</b> | <b>4,788,020</b> |

**Bank guarantees**

Short term deposits are interest bearing with the weighted average interest rate at 30 June 2016, of 2.77% (2015: 3.35%). The term to maturity of all short term deposits is between 6 and 12 months.

Please refer to Note 16.

**Term deposits**

Term deposits that have an original maturity of three months or more and are interest bearing with the weighted average interest rate at 30 June 2016, of 2.54% (2015: 2.82%).

**NOTE 7: OTHER FINANCIAL ASSETS**

|                          |           |           |
|--------------------------|-----------|-----------|
| Non Current              |           |           |
| Membership shares – BDCU | 10        | 10        |
|                          | <b>10</b> | <b>10</b> |



**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

|                                | 2016           | 2015           |
|--------------------------------|----------------|----------------|
|                                | \$             | \$             |
| <b>LEASEHOLD IMPROVEMENTS</b>  |                |                |
| At cost                        | 435,669        | 574,835        |
| Less: Accumulated depreciation | (418,500)      | (522,503)      |
|                                | <b>17,169</b>  | <b>52,332</b>  |
| <b>PLANT AND EQUIPMENT</b>     |                |                |
| At cost                        | 546,725        | 619,101        |
| Less: Accumulated depreciation | (427,672)      | (470,479)      |
|                                | <b>119,053</b> | <b>148,622</b> |
| <b>MOTOR VEHICLE</b>           |                |                |
| At cost                        | -              | 101,955        |
| Less: Accumulated depreciation | -              | (75,911)       |
|                                | <b>-</b>       | <b>26,044</b>  |
| <b>SOFTWARE DEVELOPMENT</b>    |                |                |
| At cost                        | 333,298        | 278,406        |
| Less: Accumulated depreciation | (66,906)       | -              |
|                                | <b>266,392</b> | <b>278,406</b> |
|                                | <b>402,614</b> | <b>505,404</b> |

**NOTE 8A: RECONCILIATION OF MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT**

|   |               |               |
|---|---------------|---------------|
| <b>LEASEHOLD IMPROVEMENTS</b>                           |               |               |
| Carrying amount at the beginning of the financial year  | 52,332        | 115,682       |
| Additions   | 1,851         | 12,204        |
| Disposals   | -             | -             |
| Depreciation  | (37,014)      | (75,554)      |
| <b>Carrying amount at the end of the financial year</b> | <b>17,169</b> | <b>52,332</b> |

|   | 2016<br>\$     | 2015<br>\$     |
|---|----------------|----------------|
| <b>PLANT AND EQUIPMENT</b>                              |                |                |
| Carrying amount at the beginning of the financial year  | 148,622        | 168,178        |
| Additions   | 42,081         | 49,076         |
| Disposals   | -              | -              |
| Depreciation  | (71,650)       | (68,632)       |
| <b>Carrying amount at the end of the financial year</b> | <b>119,053</b> | <b>148,622</b> |
| <b>MOTOR VEHICLES</b>                                   |                |                |
| Carrying amount at the beginning of the financial year  | 26,044         | 38,788         |
| Additions   | -              | -              |
| Disposals   | (23,720)       | -              |
| Depreciation  | (2,324)        | (12,744)       |
| <b>Carrying amount at the end of the financial year</b> | <b>-</b>       | <b>26,044</b>  |
| <b>SOFTWARE DEVELOPMENT</b>                             |                |                |
| Carrying amount at the beginning of the financial year  | 278,406        | -              |
| Additions   | 54,892         | 278,406        |
| Disposals   | -              | -              |
| Depreciation  | (66,906)       | -              |
| <b>Carrying amount at the end of the financial year</b> | <b>266,392</b> | <b>278,406</b> |
|   | <b>402,614</b> | <b>505,404</b> |

**NOTE 9: INVESTMENT PROPERTIES**

|  |                   |                   |
|--|-------------------|-------------------|
| Carrying amount at the beginning of the financial year | 59,917,997        | 56,516,312        |
| Additions  | 4,758,174         | 4,162,805         |
| Deposits with Vendors                                  | 315,500           | -                 |
| Contributions of investment properties (i)             | -                 | -                 |
| Net gain/(loss) from fair value adjustments            | 5,917,802         | (761,120)         |
|  | <b>70,909,473</b> | <b>59,917,997</b> |

- (i) A total of 65 property sites containing 159 dwellings were vested to the Company on 16 June 2011. On 16 August 2013 a total of 6 property sites containing 89 unit dwellings were vested to the Company. NSW Land and Housing Corporation (the Corporation) has an interest in each Vested property recorded against the title to each Vested property. The Corporation will have an interest in all land purchased in whole or in part using the proceeds of Vested property or proceeds of land to which an interest attaches.

The fair value model is applied to all investment properties. The fair value of investment properties at 30 June 2016 has been arrived at on the basis of a valuation carried out at 1 April 2016 by Geoff Payne, an independent, registered valuer. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

On 25 September 2015 property that was in the name of Argyle Community Housing Inc. was transferred to Argyle Community Housing Ltd. At 30 June 2015 the value of this property was \$3,155,000.

### Measurement of Fair Value

An external, independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Company's investment property portfolio every 12 months. The fair value measurement for investment property of \$70,909,473 has been categorised as a Level 2 fair value based on the inputs to the valuation technique used (see Note 1(o)).

|  | 2016<br>\$     | 2015<br>\$     |
|--|----------------|----------------|
| Amount recognised in profit or loss during the year:       |                |                |
| Rental income from investment property                     | 1,518,350      | 1,424,117      |
| Other income from investment property                      | 347,900        | 36,095         |
| Direct operating expenses arising from investment property | (1,032,829)    | (642,528)      |
|  | <b>833,421</b> | <b>817,684</b> |

**NOTE 10: TRADE AND OTHER PAYABLES**

|                                     | 2016             | 2015             |
|-------------------------------------|------------------|------------------|
|                                     | \$               | \$               |
| Unsecured                           |                  |                  |
| Trade creditors (i)                 | 701,580          | 549,376          |
| GST liabilities                     | 59,288           | -                |
| Other current payables and accruals | 1,613,211        | 1,085,835        |
|                                     | <b>2,374,079</b> | <b>1,635,211</b> |

- (i) Credit periods vary between creditors and most do not specify interest rates for overdue amounts. The entity has financial risk management policies in place to ensure that all payables are paid with the current timeframes.

**NOTE 11: PROVISIONS****EMPLOYEE BENEFITS**

|                          |                |                |
|--------------------------|----------------|----------------|
| Opening Balance          | 419,230        | 340,069        |
| Movement during the year | 29,653         | 79,161         |
| <b>Closing balance</b>   | <b>448,883</b> | <b>419,230</b> |

**CURRENT**

|                                    |                |                |
|------------------------------------|----------------|----------------|
| Provision for Annual Leave *       | 261,714        | 251,972        |
| Provision for Long Service Leave * | 72,267         | 67,411         |
|                                    | <b>333,981</b> | <b>319,383</b> |

**NON CURRENT**

|                                    |                |               |
|------------------------------------|----------------|---------------|
| Provision for Long Service Leave * | 114,902        | 99,847        |
|                                    | <b>114,902</b> | <b>99,847</b> |

|  |                |                |
|--|----------------|----------------|
| <b>* Aggregate employee entitlements liability</b> | <b>448,883</b> | <b>419,230</b> |
|--|----------------|----------------|

**NOTE 12: OTHER LIABILITIES**

|  | 2016             | 2015             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>CURRENT</b>                           |                  |                  |
| Rent received in advance                 | 840,420          | 647,820          |
| Funding received in advance (a)          | 602,118          | 754,904          |
| Office rental incentive                  | -                | 3,205            |
| Amounts withheld from salaries and wages | 114,832          | 128,504          |
|  | <b>1,557,370</b> | <b>1,534,433</b> |
| <b>NON CURRENT</b>                       |                  |                  |
| Office rental incentive                  | -                | -                |
|  | -                | -                |

(a) Funding in Advance includes \$532,018 (2015: \$512,708) of surplus Community Housing Leasing Program (CHLP) funding. Approval has been given by Community Homes and Places to purchase property (for use as social housing) with these funds.

**NOTE 13: RECONCILIATION OF NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES TO NET PROFIT**

|  |                  |                  |
|--|------------------|------------------|
| Operating profit after tax   | 7,999,936        | 2,159,029        |
| Contribution of investment properties for no consideration               | -                | -                |
| Provision for impairment of receivables                                  | 285,808          | (354,993)        |
| Revalue investment property to fair value                                | (5,917,802)      | 761,120          |
| Depreciation   | 177,894          | 156,930          |
| Gain on disposal of non-current assets                                   | (4,038)          | -                |
| <b>Operating profit before changes in working capital and provisions</b> | <b>2,541,798</b> | <b>2,722,086</b> |
| Change in trade and term debtors   | (337,280)        | 179,862          |
| Change in other debtors and prepayments                                  | 144,618          | (350,429)        |
| Change in trade and other payables                                       | 738,868          | (441,737)        |
| Change in other creditors and accruals                                   | 22,937           | 31,645           |
| Change in employee entitlements  | 29,653           | 79,161           |
| <b>Net cash provided by operating activities</b>                         | <b>3,140,594</b> | <b>2,220,588</b> |

**NOTE 14: REMUNERATION AND RETIREMENT BENEFITS**

|                        | 2016           | 2015           |
|------------------------|----------------|----------------|
|                        | \$             | \$             |
| Directors Remuneration | 199,610        | 195,296        |
|                        | <b>199,610</b> | <b>195,296</b> |

**NOTE 15: RELATED PARTIES**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) is considered Key Management Personnel.

The key management personnel compensation was \$937,535 for the year ended 30 June 2016 (2015: \$635,252).

Remuneration known as 'Short term employee benefits' is defined as cash salaries, paid annual leave, movements in annual leave provision, bonuses and the value of fringe benefits received. This also includes Directors Remuneration.

**Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions are no more favourable than those available to other parties unless otherwise stated.

**BlueCHP Limited**

In August 2008, Argyle Community Housing Limited joined four other large Community Housing Providers – Hume Community Housing, Southern Cross Community Housing, Wentworth Community Housing and Womens Housing Company (collectively 'members') – and entered into a Members' Agreement to establish BlueCHP Limited, for the purpose of assisting in the growth of community housing by providing affordable and subsidised housing solutions to low and moderate income households. BlueCHP achieves this aim by the securitisation of finance and government grants to purchase and/or construct dwellings that are then leased to Members to manage as social or affordable housing.

|  | 2016<br>\$ | 2015<br>\$ |
|--|------------|------------|
| <b>REVENUE RECEIVED FROM BLUECHP</b>   |            |            |
| Management fee for service –<br>Stimulus properties  | 243,257    | 220,818    |
| Management fee for service –<br>Affordable properties  | 40,500     | 36,805     |
| Rent received – office   | -          | -          |
| Rent Income - Allowance Vacancy/Bad Debt   | 9,217      | 5,190      |
| Reimbursements – Shared Costs  | -          | 1,662      |
| <b>EXPENSES PAID TO BLUECHP</b>  |            |            |
| Rent paid to Blue CHP Limited for<br>properties leased to Argyle Community<br>Housing Ltd for sub-lease to tenants | 307,963    | 299,409    |
| Blue CHP profit share re Growth and Stimulus<br>properties managed by Argyle                                       | 20,193     | 21,502     |
| Other property related and<br>administration expenses  | -          | -          |
| <b>OUTSTANDING BALANCES WITH BLUECHP</b>   |            |            |
| Trade and other receivables  | 43,417     | 73,069     |
| Trade and other payables   | 112,176    | -          |
| Loan receivable  | 1,344,174  | 1,344,124  |
| Deposit paid on property purchases   | 315,500    | -          |
| Remaining amount due on settlement for<br>property purchases   | 2,839,500  |            |

**NOTE 16: CONTINGENT LIABILITIES****BUSINESS UNDERTAKINGS**

|   |        |        |
|---|--------|--------|
| Bank Guarantees have been provided to cover<br>the rental bonds for various offices | 33,095 | 32,817 |
|---|--------|--------|

No other material contingent liabilities have been identified.



**NOTE 17: CAPITAL AND LEASING COMMITMENTS**

Operating lease expenditure contracted for at balance date that is not cancellable and is not provided for in the accounts:

|   | 2016<br>\$       | 2015<br>\$       |
|---|------------------|------------------|
| Payable for office and vehicle leases:            |                  |                  |
| Not later than one year                           | 623,373          | 613,313          |
| Later than one year but not later than five years | 1,317,410        | 451,414          |
| Later than five years                             | -                | -                |
|   | <b>1,940,783</b> | <b>1,064,727</b> |

**Leases as lessee:**

Leases between the Company and Housing NSW are operating leases and are typically for a period of five years. Housing NSW charge rent of \$1 per property per year for these properties.

Leases between the Company and independent landlords are operating leases and are typically for a period of six months. Forecast leasehold rent expenditure for the year ended 30 June 2017 is \$6,855,653.

**Leases as lessor:**

Leases between the Company and tenants are operating leases and are typically for an initial period of two weeks, then continuation.

It is not possible to determine the lease income contracted for at balance date as the income varies with the income of the tenants.

**NOTE 18: REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS**

The address of the Company's registered office and principal place of business is Level 1, 32-36 Wingecarribee Street, Bowral, NSW 2576.

**NOTE 19: MEMBERS' GUARANTEE**

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the entity. At 30 June 2016, there were 9 members (7 members at 30 June 2015).

**NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE**

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future years.

**DIRECTORS STATEMENT**

In the opinion of the Directors of Argyle Community Housing Limited (the Company):

- (a) The Company is not publicly accountable;
- (b) The financial statements and notes that are set out on pages 18 to 41 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) Giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance, for the financial year ended on that date; and
  - (ii) Complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dr. Terry Spencer  
Chairman

Ian Cropper  
Chair of Audit and Risk Committee

Dated this 27th day of September 2016  
Bowral



**Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012**

To: the directors of Argyle Community Housing Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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

KPMG

A handwritten signature in black ink that reads 'David Willcocks'.

David Willcocks  
*Partner*

Wollongong

27 September 2016



### **Independent auditor's report to the members of Argyle Community Housing Limited**

We have audited the accompanying financial report of Argyle Community Housing Limited (the Company), which comprises the statement of financial position as at 30 June 2016, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 20 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Company.

This audit report has also been prepared for the members of the Company in pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC).

#### *Directors' responsibility for the financial report*

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC. The Directors' responsibility also includes such internal control as the Directors determine 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.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the ACNC which is consistent with our understanding of the Company's financial position and of its performance.



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

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

*Auditor's opinion*

In our opinion, the financial report of Argyle Community Housing Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including;

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

A handwritten signature in black ink, appearing to read 'D Willcocks', written over the printed name 'KPMG'.

KPMG

A handwritten signature in black ink, appearing to read 'D Willcocks', written over the printed name 'David Willcocks'.

David Willcocks  
*Partner*

Wollongong

27 September 2016



[www.argylehousing.com.au](http://www.argylehousing.com.au)

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***A better future for  
our communities.***

ARGYLE COMMUNITY HOUSING LTD

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