



Helping churches provide affordable housing.



Annual Report 2014

ABOUT US: Vision and Mission

We see the church ministering to their communities through the development of affordable community housing.

We do this by:

Providing consultation, information, inspiration and education in the area of affordable housing to churches of all denominations

Brokering partnerships between churches, government and businesses to facilitate the development of affordable housing

Networking Community Housing Providers with one another, the sector and the church

Advocating for affordable housing as a representative of the ecumenical church to government at all levels.

Churches Housing Inc.

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Helping churches provide affordable housing.

Report - Chairman

Churches Housing is the peak body established to facilitate partnerships, accessing and bringing together the resources of churches and funding agencies to provide a range of housing and associated services. In carrying out this role over the past year, the Board have continued a program of change and renewal commenced in 2012/13. During 2013/14 the focus of our renewal has been on:

- Changes to the constitution
- Planning an active membership from the church social service organisations engaged in housing
- Establishing fee for service initiatives to fund the organisation
- Advocacy

A new constitution has been drafted that will:

- Align our constitution with the template for incorporated associations provided by the NSW Department of Fair Trading.
- Ensure we have an active and engaged membership into the future, by focusing our membership on the church based social service organisations engaged in housing.
- Enable the payment of subscription fees for the first time.

Our current constitution simply lists the membership of the NSW Ecumenical Council as the membership of Churches Housing, which has effectively meant that many members have not been actively engaged with us. Furthermore, members of an incorporated association are required to be natural persons, not simply denominations.

Under the new Constitution our key target for membership will be the faith-based social service organisations engaged in housing

management, development or research and advocacy. Churches Housing Inc. will continue to serve the broader ecumenical church by providing whatever means at our disposal, but especially by consultation, information, inspiration, education and the brokering of partnerships to facilitate the development of affordable housing.

The need for Constitutional change is also being driven by the need to transition Churches Housing Inc. to be an industry body capable of operation without total reliance on Government funding; implementing membership based income for the organisation will assist in achieving this goal.

Churches Housing advocates at all levels of government for effective policy change, the development of incentives for investment and the development of partnerships between church and government as well as other sectors such as business and finance. Churches Housing is concerned that despite a number of effective programs over the last number of years, overall housing affordability is declining and the problem is getting worse. Innovative and long-term solutions are called for, rather than one-off programs.

In May our Executive Officer Magnus Linder, along with Anglicare's Sue King and Rob Burnelek from Salvos Housing, appeared before the NSW Legislative Council Select Committee Inquiry into Social, Public and Affordable Housing to give evidence in support of their submissions.

Prior to presenting the submission, Magnus and the team listened to some heart-breaking stories from representatives of the Independent Park Residents Action Group, where there were many incidents of elderly residents being evicted or treated unfairly as they had no security of tenure in the parks they lived in. Our submission and the

recommendations were developed after wide consultation with tenants, housing providers and the Church sector. The Church sector is committed to being part of the solution to NSW's growing housing crisis.

On the 25th of March a re-worked edition of the State submission was also sent to the Senate Economic References Committee addressing the criteria of its "Inquiry into Affordable Housing 2014"

The work done by Churches Housing Inc. would not be possible without funding from the NSW Government. Churches Housing acknowledges the generous funding received from CAPMH (Community and Private Market Housing Directorate), a division of Housing NSW.

In April we bid a sad farewell, along with heartfelt thanks, to retiring Board Member Kevin Hincks - Kevin has ably served Churches Housing through his position as Ecumenical Council delegate since 2010.

The Board welcomed two new members:

Rob Burnelek is the General Manager of the recently formed Salvos Housing. He heads the community and affordable housing operations of The Salvation Army (East Australian Territory) covering Queensland, New South Wales and the Australian Capital Territory.

Mark Koo is a Partner at Salvos Legal, which is an award winning law firm owned and run by The Salvation Army.

I want to express my thanks and appreciation to our Executive Officer Magnus Linder, the staff and the Board members for the significant contribution they have all made to the work of achieving the aims and objectives of Churches Housing Inc. over the past year.

For the past seventeen years we have received much support and encouragement from the Ecumenical Council. This is something we very much value and we look forward to a continuing relationship with the

Council.

The size of the social and affordable housing problem in NSW is one that cannot be resolved solely by Government or any organisation working in isolation. Churches Housing Inc. is committed to working cooperatively with government, community housing providers and the private market to find solutions.

There are currently 57,000 applicants on the Housing NSW waiting list; on a daily basis staff and volunteers in our member organisations see and respond to the impact on the lives of people who do not have access to secure, affordable housing. The serious under supply of affordable housing and the long waiting periods for low income households has the potential to seriously impact individual, family and community well-being.

Scarcity of affordable housing is the problem that Churches Housing Inc. seeks to overcome through collaboration with other agencies. Achieving an increase in the supply of secure affordable housing will only be possible with your ongoing and valued support.

Brian Murnane

Committee of Management Chairman



Report - Executive Officer

Thank you to all the members and supporters of Churches Housing for your cooperation and support! As an incorporated association, Churches Housing is much less about myself and the other staff, and much more about you and the network of churches and faith-based organisations who are engaged in housing. There is tremendous goodwill in the church to respond appropriately to the housing affordability crisis many in our communities are facing. Here are some highlights from the last year:

- ◆ This last year we have consulted with churches on potential developments including over 230 units of housing, all on church land. Many of these consultations are proceeding to different stages.
- ◆ With the cooperation of a number of member organisations including Baptist Care and Anglican Retirement Villages, and with particular thanks to Anglicare Sydney, who invested much of their research and report writing skills, Churches Housing has put forward strong and comprehensive submissions to both State and Federal parliamentary housing enquiries. Sue King (Anglicare Sydney), Rob Burnelek (Salvos Housing and Churches Housing board member) and I were all called to speak into both the Churches Housing and the Salvation Army submissions at the State enquiry. We were pleased to be able to make some strategic recommendations for all levels of government policy and practice and to assure the government that the church has a great desire to be part of the solution to this enormous problem of housing affordability.
- ◆ We have had a number of networking breakfasts throughout the year, bringing together colleagues within our sector. Please

let me know if you would like an invite to attend.

- ◆ Churches Housing has continued to represent the church sector on many government committees, meetings, brainstorms and discussions, providing valuable feedback to the government. We have also been able to serve as an effective conduit of information flowing from the government.



Much work and discussion has gone into the proposed new constitution for Churches Housing Inc., which will be voted on at this AGM. Historically the members of the NSW Ecumenical Council have also been the members of Churches Housing. However, as the sector has developed and many churches have developed their engagement in housing through their social service organisations, this has led to a situation where our most active participants, the social service organisations established by the church, are technically not members.

We have therefore decided to view churches as our clients, the people and organisations that we assist and serve with members being those faith-based organisations who have housing as part of their everyday activity. Some churches or even dioceses may still wish to become members and this is still very welcomed, but will not now be automatic. This change will also allow Churches Housing, for the first time, to begin charging membership subscriptions, which will enable us

to do a little more for us all corporately. Our relationship with the Ecumenical Council is still highly valued and, we hope, will not fade. Churches Housing has a very ecumenical heart and is delighted to work across the whole spectrum of the church for God's glory, assisting all denominations to serve their congregations and their communities through the provision of affordable housing. I also wish to acknowledge and thank the NSW Government and the Department of Family and Community Services for their ongoing support through a grant that has enabled us to continue to engage the church in this important area.

What lies ahead for Churches Housing? In summary:

- ◆ NDIS - Churches Housing is engaging with the disability sector to build bridges and to offer support for combined policy initiatives in order to see funding released to housing providers specifically to house people with a disability. This will be an important growth area for our sector and, of course, is a desperate need for many.
- ◆ Fee for Service - as Churches Housing proceeds with brokering partnerships between churches or their agencies and developers or community housing providers, there is an identified need for us to recoup some of the cost of our time. Our initial consultancy with any church is always free, thanks to our grant from the NSW Department of Family and Community Services, but if we are journeying for a long time with a church, then we will need to be asking a small commission to be paid upon a successful development. This will be added into the cost of development rather than have to be paid up front by the church.
- ◆ Products and Services - Churches Housing is looking forward to offering a range of products and services to our members at a

discounted rate. We are close to announcing some of these but are also very interested to engage you, as an existing or potential member, in order to hear what your needs and expectations are for the future.

- ◆ Partnerships - we look forward to continuing to serve the church and its agencies by linking together reputable organisations and individuals with the appropriate skills and knowledge to assist the church in its development decisions.

We are looking forward to working under our new constitution with an active and engaged membership. As such we invite you all to seriously consider joining us, collaborating to see if we may indeed be able to do so much more together than what we would on our own.

Thanks and regards,

Magnus Linder

Executive Officer



Board Member Profiles



Brian Murnane

Brian is the CEO of the newly formed Amelie Housing with 30 years' experience in the community housing sector. From founding Macarthur Community Tenancy in 1983 through its evolution into Argyle Community Housing, Brian has been at the forefront of the development in this sector. While at Argyle, he was responsible for the successful tender and transfer of over 1,000 properties. Brian has also had a distinguished voluntary career with the St Vincent de Paul Society culminating as President and Australian delegate to the St Vincent de Paul Society International Council (Paris) in 1991. Brian is a member of the St Vincent de Paul Society NSW Social Justice Committee and the NSW Government's Community Housing Advisory Committee.



Michael Kerans

Michael has over 25 years industry experience including 4 years consulting to and researching the development and financing of affordable housing, and prior to this 21 years' experience in the unlisted and listed property trust sectors principally for the ING Group. Within these roles he completed the portfolio management of three unlisted residential property trusts, direct property valuations and acquisitions and was employed in the launch of the integrated \$239m Heine Industrial and \$1.6b Armstrong Jones industrial, office and retail property funds with the Mercantile Mutual portfolios. Michael received a national award in 2009 from the Australian Property Institute for his research into affordable rental housing financing. Michael holds a Bachelor of Commerce (Land Economics), a Graduate Diploma in Property Investment and Finance, a Masters in Applied Science (Building Studies) and is an Associate of the Australian Property Institute. Michael is a registered valuer and licensed Real Estate Agent.



Mike Furner

General Manager Housing & Retirement Living
Baptist Community Services NSW & ACT

Mike joined BCS in 2001 to head up the newly created Aged and Community Care Operations Division and has undertaken GM level roles within the Aged Care operational structures, managing residential and community care and retirement villages. For four years he took on the broader role as GM Strategic Development for the whole Organisation. This role was to improve the Organisation's capability to achieve its strategic objectives through effective long term property planning, research analysis, service design and service delivery models. This led to the establishment of social housing within BCS. Mike is now the GM Housing and Retirement Living Division.

Prior to joining BCS Mike had 20 years senior management experience in the community development, health, rehabilitation and aged care fields in NSW, the Northern Territory and Tasmania. A significant part of his work has been in rural and remote areas of Australia including Aboriginal communities. Social justice issues are an important part of Mike's life. This combined with his qualifications in human services management has led to many opportunities to pursue these social development interests and use of his business management skills.



Myree Harris rsj

BA (Macq), MPS (Loyola), GradDip (Religious Studies) (ACU)

Myree is a sister of the congregation of the Sisters of St Joseph of the Sacred Heart (the Josephites) and has been a member of the CHI board since 1998. She is community leader and public officer of Gethsemane Community Inc. Co-founder and convenor of CASA: Coalition for Appropriate Supported Accommodation for people with disabilities in NSW and Member of the Boarding House Expert Advisory Group (BHEAG). Myree received the OAM in 2011 for service to people with mental illness and to the homeless.



Rob Burnelek

Rob is the General Manager of the newly formed Salvos Housing. He heads the community and affordable housing operations of The Salvation Army (East Australian Territory) covering Queensland, New South Wales and the Australian Capital Territory. The Salvation Army has had a long history in helping the needy particularly in homelessness and through his work in Salvos Housing, Rob is seeking to extend this compassion through a range of transitional and affordable housing options.

Prior to joining Salvos Housing, Rob has had a number of roles in the non-profit sector, particularly in the community and affordable housing sector. He previously was a consultant with Churches Housing, and assisted a number of churches in developing strategies for the development of affordable housing. Rob also has extensive experience in a number of government sponsored initiatives to increase the supply of affordable housing in the community, particularly the National Rental Affordability Scheme (NRAS). Rob has directly prepared NRAS submissions for nine NRAS proposals, involving over 500 accommodation units. Before entering the non-profit sector, Rob had 20 year experience in the Financial Services and Information Technology industries.

Rob has a passion for working with churches to assist them realising their mission through the provision of affordable housing.



Mark Khoo

Mark is a Partner at Salvos Legal, which is an award winning law firm owned and run by The Salvation Army. Salvos Legal practises in commercial/property law and uniquely, all of its profits are used to fund Salvos Legal Humanitarian, which provides free 'legal aid' services to the disadvantaged and marginalised, primarily in the areas of criminal law, family and children's law, debt, migration/refugee law, social security and of course, housing. Mark has over eleven years' experience as a property lawyer, nine of which were gained in leading/top tier firms. Prior to Salvos Legal, Mark was most recently at Minter Ellison, whilst also being one of the original members of Salvos Legal's Advisory Committee. Mark has all round experience in housing, having acted for community housing providers, developers, financiers and residential 'mums and dads'. Mark also has the privilege of having been an Associate to Justice Murray Wilcox at the Federal Court of Australia. He graduated from law school with first class honours in 2001.



Financial Reports

CHURCHES HOUSING INCORPORATED

FINANCIAL REPORT

For the year ended

30th June, 2014



CHURCHES HOUSING INCORPORATED
STATEMENT BY THE COMMITTEE OF MANAGEMENT

The Committee of Management of the Association has determined that these financial statements are special purpose financial statements prepared in accordance with the accounting policies outlined in Note 1 to the accounts.

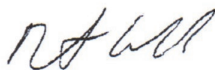
In the opinion of the Committee of Management of Churches Housing Incorporated (the Association):

- (a) the accompanying Statement of Profit or Loss and Other Comprehensive Income gives a true and fair view of the surplus/(deficit) of the Association for the year ended 30 June 2014;
- (b) the accompanying Statement of Financial Position gives a true and fair view of the state of affairs of the Association as at that date; and
- (c) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

For and on behalf of the Committee,



BRIAN MURNANE



ROBERT BURNELEK

SYDNEY,

07-October-2014

The Accompanying notes form part of these Financial Statements

CHURCHES HOUSING INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2014

2013			2014
\$		Notes	\$
	CURRENT ASSETS		
103,586.66	Cash and cash equivalents	2	36,802.55
<u>4,869.16</u>	Receivables	3	<u>4,529.84</u>
108,455.82	TOTAL CURRENT ASSETS		41,332.39
	NON-CURRENT ASSETS		
<u>28,572.19</u>	Plant & Equipment	4	<u>5,175.14</u>
<u>28,572.19</u>	TOTAL NON-CURRENT ASSETS		<u>5,175.14</u>
<u>137,028.01</u>	TOTAL ASSETS		<u>46,507.53</u>
	CURRENT LIABILITIES		
<u>92,020.33</u>	Payables	5	<u>17,355.86</u>
92,020.33	TOTAL CURRENT LIABILITIES		17,355.86
<u>-</u>	NON-CURRENT LIABILITIES		<u>-</u>
<u>-</u>			<u>-</u>
<u>92,020.33</u>	TOTAL LIABILITIES		<u>17,355.86</u>
<u>45,007.68</u>	NET ASSETS		<u>29,151.67</u>
	MEMBERS FUNDS		
45,007.68	Retained Profits/(Losses)	6	29,151.67
<u>-</u>	Reserves	7	<u>-</u>
<u>45,007.68</u>	TOTAL MEMBERS' FUNDS		<u>29,151.67</u>

CHURCHES HOUSING INCORPORATED			
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
FOR THE YEAR ENDED 30TH JUNE 2014			
2013			2014
\$			\$
	INCOME		
263,502.98	Government Grants Received		262,061.64
3,592.16	Interest Income		1,702.69
-	Miscellaneous Income		1,074.82
7,999.94	Employee Fringe Benefits Contributions		769.23
275,095.08	Total Income		265,608.38
	EXPENDITURE		
540.00	Audit Fees		-
1,095.00	Computer Software		1,424.80
3,769.00	Computer Support		3,713.00
5,861.84	Conferences & Meetings		4,387.64
7,449.00	Depreciation		3,012.02
1,073.86	Electricity Expenses		780.25
6,052.97	Insurance		3,290.91
-	Internet Expenses		300.00
466.60	Loss on Sale of Asset		7,657.76
74.02	Miscellaneous Expenses		93.88
6,395.54	Motor Vehicle Expenses		1,889.62
1,541.45	Office Supplies		2,227.29
196,333.57	Salaries & Wages		234,350.09
921.98	Promotional Expenses		969.35
(936.85)	Provision for Annual & Long Service Leave		(40,063.70)
673.31	Staff Amenities		1,190.00
50.00	Staff Development Costs		763.18
700.04	Staff Functions/Gifts		1,772.14
17,472.08	Superannuation		17,766.68
1,578.13	Workers Compensation Insurance		1,437.03
5,610.00	Fringe Benefits Tax		6,995.33
323.64	Postage & Delivery		174.54
2,900.00	Professional Fees		-
21,245.68	Rent		20,166.28
1,006.35	Subscriptions		844.55
4,045.81	Telephone Expenses		1,997.03
7,698.45	Travel Expenses		4,324.72
293,941.47	Total Expenditure		281,464.39
(18,846.39)	Profit/(Loss) from ordinary activities		(15,856.01)
-	Other Comprehensive Income for the year		-
(18,846.39)	Total Comprehensive Income for the year		(15,856.01)
(18,846.39)	Profit attributable to the members of the entity		(15,856.01)
(18,846.39)	Total Comprehensive Income attributable to members of the entity		(15,856.01)

CHURCHES HOUSING INCORPORATED
STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30TH JUNE 2014

	Retained Profits/ Losses	Reserves	Total
Balance as at 30 June 2012	63,854.07	35,201.00	99,055.07
Profit attributable to the entity for the year	(18,846.39)	-	(18,846.39)
Total Other Comprehensive Income for the period	-	-	-
Transfer to Sundry Payables	-	(35,201.00)	(35,201.00)
Balance as at 30 June 2013	45,007.68	-	45,007.68
Profit attributable to the entity for the year	(15,856.01)	-	(15,856.01)
Total Other Comprehensive Income for the year	-	-	-
Balance as at 30 June 2014	29,151.67	-	29,151.67

CHURCHES HOUSING INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

Financial Reporting Framework

These financial statements are special purpose financial statements which have been prepared to meet the requirements of the Associations Incorporation Act 2009 NSW and for use by the Committee of Management and the member churches of Churches Housing Incorporated. The Committee has determined that the Association is not a reporting entity and hence these statements have been prepared in accordance with the following applicable Accounting Standards and other mandatory professional reporting requirements.

AASB 1031: Materiality

AASB 110: Events after the Reporting Period

No other applicable Accounting Standards or other mandatory professional reporting requirements have been applied.

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

Significant Accounting Policies

Accounting Policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Recognition of Income

The timing of the recognition of grants, donations, fundraising, entrance fees and annual subscriptions from members depends when control of these monies is obtained, usually receipt of monies.

Investment Income

Investment interest is recognised in the statement of comprehensive income when received.

Income Tax

The Association is recognised as a non-profit organisation for Australian Income Tax purposes and is exempt from Income Tax.

Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on purchases of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense items as applicable.

- receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable, to the taxation authority is included as part of receivables or payables in the statement of financial position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, Plant & Equipment

Each class of property plant and equipment is carried at cost or deemed cost, where applicable, any accumulated depreciation and any impairment in value.

Plant & Equipment is depreciated over the expected economic life of each asset.

The depreciation rates used for each class of depreciable asset are:-

Plant & Equipment 7.5% - 40%

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

Employee Benefits

Provision is made for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, and long service leave which will be settled after one year, have been measured at the amount expected to be paid.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

Payables

Sundry Creditors and Accruals are shown in the Statement of Financial Position at the aggregate value of monies owed for goods and services provided and other amounts unpaid as at 30th June, 2014. These amounts are unsecured and usually paid within 30 days of recognition.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and cash held with financial institutions which are subject to insignificant risk of changes in value.

2013
\$

2014
\$

NOTE 2 - CURRENT ASSETS - CASH AND CASH EQUIVALENTS

103,386.66	Cash at Bank	36,602.55
<u>200.00</u>	Cash at Hand	<u>200.00</u>
<u>103,586.66</u>		<u>36,802.55</u>

NOTE 3 - CURRENT ASSETS - OTHER

4,250.00	Security Deposit - Bond	4,250.00
<u>619.16</u>	Prepayments	<u>279.84</u>
<u>4,869.16</u>		<u>4,529.84</u>

NOTE - 4 - NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT

17,408.58	Plant & Equipment - at cost	17,408.58	
<u>(9,510.35)</u>	Less: Accumulated Depreciation	<u>(12,233.44)</u>	5,175.14
<u>7,898.23</u>			
32,650.00	Motor Vehicle - at cost	-	
<u>(11,976.04)</u>	Less: Accumulated Depreciation	<u>-</u>	-
<u>20,673.96</u>			
<u>28,572.19</u>			<u>5,175.14</u>

NOTE 5 - CURRENT LIABILITIES - PAYABLES

43,071.60	Sundry Creditors	7,967.60
8,605.86	Annual Leave	3,558.40
35,016.24	Long Service Leave	-
<u>5,326.63</u>	GST Payable	<u>5,829.86</u>
<u>92,020.33</u>		<u>17,355.86</u>

NOTE 6 - RETAINED PROFITS

63,854.07	Retained Profits at the Beginning of the Financial Year	45,007.68
<u>(18,846.39)</u>	Net Profit/(Loss) for the year	<u>(15,856.01)</u>
<u>45,007.68</u>	Retained Profits/(Loss) at the End of the Financial Year	<u>29,151.67</u>

NOTE 7 - RESERVES

REDUNDANCY RESERVE

35,201.00	Balance at the Beginning of the Financial Year	-
-	Less: Transfer to Ecclesia Housing Limited	-
<u>(35,201.00)</u>	Less: Transfer to Sundry Payables	<u>-</u>
<u>-</u>	Balance at the End of Financial Year	<u>-</u>



Notes







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