

annual report 2014

Building for Sustainable Communities





ACCESS, EQUITY & EXCELLENCE IN
DELIVERING HOUSING SERVICES

Annual Report 2014



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Strategic Direction 2012 – 2015



Vision

All people to have safe, secure, affordable and appropriate housing.

Purpose

Rural Housing Network Limited is committed to ending homelessness.

We will work in partnership with Government, business, communities and individuals to develop and provide the full range of quality housing and homelessness services.

Our Values

Valuing people and communities

We see all people as important members of our broader community, understanding and valuing their individuality, needs and choices.

Access and equity

We believe services should be planned and delivered fairly and consistently, in accordance with the rights and diverse needs of people.

Excellence

Achieving the highest standards to deliver the best outcomes for people.

Team approach

We believe a shared commitment and responsibility for the achievement of outcomes is critical and that success and goal achievement is optimized by group collaboration.

Strategic Goals

1. To actively work towards the reduction of homelessness in the Hume Region
2. To support and encourage people to sustain their housing
3. To expand and grow the organisation's housing capabilities in a financially sustainable way
4. To strengthen and sustain RHNL as a highly professional and respected organisation.



Report from the Chairperson

Welcome to the Rural Housing Network Limited (RHNL) Annual Report for 2013/2014.

The last year has seen the Board active in a number of areas. It has been particularly pleasing that we have been able to once again commence the construction of new housing. Construction of the first seven of the 20 houses to be built at the Archers Field development in Mooroopna has commenced and we expect the first tenant to be accommodated by the end of this year. This project has only been possible through the financial support of the Federal and State Governments and we thank them for their contributions.

The Board continues to look for new development opportunities but the current cost of construction and land values make it difficult to achieve financially viable projects at the affordable rents we feel are appropriate for our clients, without some level of government or benefactor support.

In 2012 the Board developed a strategic plan to guide the organisation through until 2015. As we prepare to review and update that strategic plan it is interesting to look back on our achievements against the goals we set in 2012.

Goal 1 – To actively work towards the reduction of homelessness in the Hume Region

We have had limited success in the development of new housing however the Archers Field and Mooroopna Apartments will see an additional 65 dwellings available by the end of the current plan.

We have also been successful in our participation in community and media events which have raised the awareness of homelessness as an issue in the Hume Region.

Goal 2 – To support and encourage people to sustain their housing

Activities that have gone some way to achieving this goal include the Sustaining Tenancies at Risk (STAR Housing) and the Private Rental Advocacy (PRA) programs. Through these programs our staff are working actively with our community to identify and prevent homelessness. These programs include activities that not only provide financial support but also improve the financial literacy of both Rural Housing tenants and those struggling in the private rental market.

Our work with the Victorian Bushfire Appeal Fund has been particularly satisfying. We have exceeded the original targets and have continued to provide an effective service across a wide geographic area.

Goal 3 – To expand and grow the organisations housing capability in a financially sustainable way

This goal has been difficult to achieve in the current financial climate. However, in addition to the Archers Field project, RHNL has completed the development at Brayton Youth and Family Services and worked closely with existing partners to provide effective housing management services. The Board continues to investigate other options including innovative projects with other agencies, but is mindful of the need to ensure the organisation's long term financial sustainability.

Goal 4 – To strengthen and sustain RHNL as a highly professional organisation

RHNL has maintained accreditation with the Housing Registrar which is essential to our continuing role as a Housing Association. Ongoing accreditation under the DHS Standards will ensure that we continue to deliver a range of high quality client services.

We have achieved improved efficiencies within the organisation by building our HR capabilities and through better marketing and improved communications.

By the final year of our strategic plan we expect to have achieved the majority of our goals. During the coming year the Board will plan for the strategic objectives of the next 3 years.

The Board continues to provide an effective role in the governance and strategic direction of the organisation. I would like to thank the Board members for their contributions in this regard. I would particularly like to thank the new board member who joined us this year, Tony Byrt, who brings to RHNL his extensive experience in the area of construction and project management.

The Board enjoys a strong working relationship with our CEO Celia Adams and her Management Team; Laura Simpson, Leisa Makszin, Louise Frichot and Brian Hargreaves. The team has recently welcomed Anita McCurdy and will continue to guide the organisation in these difficult times.

Brian has been acting in the role of CEO since August 2014 while Celia has been on maternity leave and has impressed the Board with his knowledge of the organisation and the skill and enthusiasm with which he has taken on the task while continuing to oversee the organisation's finances. The continued strong financial position of Rural Housing and the standing of the organisation in the wider social housing community are both due to the hard work and commitment of this leadership team and of the staff as a whole.

The continuing crisis in the availability of the affordable housing will not go away without a concerted effort by all levels of government in supporting organisations such as the Rural Housing Network in our endeavours to deal with this major social issue.

PETER QUIGLEY
Chairperson

Report from the CEO



It gives me great pleasure to provide my report for 2013-2014.

Rural Housing Network Limited once again finished the year in a healthy financial position; a result not easily achieved in the current and often fragile economic environment in which we operate.

Whilst financial accomplishment is often seen as the benchmark for success within the Not for Profit sector, for me the real measure of success is how the people we work with view our staff and services. I'm delighted to present to you the results of this year's consumer feedback later in the Annual Report. Most pleasing was that 92% of the people who completed feedback forms gave RHNL staff 5/5. This result together with a small number of complaints – approximately 0.6% of people we saw this year made a complaint - demonstrates the dedication and commitment of our staff.

We celebrated RHNL's 15th Birthday in November 2013 and within those celebrations recognized the commitment of two of our staff, Grete Elson and Kylie Sullivan, both of whom completed 17 years of service at RHNL (formerly Ovens Murray Regional Housing Council). Grete retired in May and has provided some thoughts about her time at the organisation. I am very pleased with the continued improvements that we have made in Human Resources management during the year. These are outlined in the HR report and I thank Louise Frichot and the other Managers for the work they have done in this area.

This year has been a busy time for the Housing Services team and I would like to acknowledge their hard work in implementing the new Kypera Housing software system. This has been a major piece of work for everyone involved and I would like to thank Leisa Makszin and her team for their persistence.

We have made great progress on the Building Better Regional Cities project in Archers Field, Mooroopna. We have purchased 20 blocks of land and signed the first seven building contracts, with construction expected to continue throughout 2014-2015.

I am again pleased with the results from our reporting to the Housing Registrar on Key Performance Measures. We have maintained 'better than sector average' results in several areas, including only 1.1% of rent arrears, 93.1% tenant satisfaction with RHNL housing and 91.5% of non urgent repairs completed within 14 days.

The Client Services Team has continued to seek opportunities to improve the services we offer. Highlights during the year included the continuation of STAR Housing into Stage 2 of the Victorian Government's Innovation Action Projects; rolling out Outcomes Star™ across all Housing Support Programs; and the introduction of Money Minded training for our consumers. I also believe that we are well prepared to meet accreditation under the DHS Standards later in 2014.

We paid particular attention to media and communications during 2013-2014 as part of the implementation of our Communication Plan. Again, these are outlined in more detail later in the Annual Report, but I would like to acknowledge the hard work of those Managers and staff who have been involved in this area. Improving our communication with stakeholders and the broader community will continue to be a major focus for us in the coming year as Laura Simpsons transitions to Service Development Manager.

As we look to the future we enter the final year of our current Strategic Planning cycle in 2014-2015 so together with the Board, we begin the process of preparing for a new plan. The balance we must strike is between the need to understand our business – housing and homelessness, with the vision to take our business forward into the future. I'm excited to consider the next phase of RHNL.

We also enter an uncertain time with the community and housing sectors. The Victorian Government's 'New Directions in Social Housing' outlines their plan for social housing into the future and provides opportunities for us as the Government prepares to transfer 12,000 public housing properties to the community sector.

The homelessness sector is under review and as yet we have no firm information on what the sector will look like post June 30 2015. The community services sector as a whole is also under review and the implementation of Services Connect in both Ovens Murray and Goulburn has already seen some changes that we must respond to. As we wait for all the answers, it's a 'watch this space' environment that we are operating in.

I would like to thank the Board, staff and stakeholders in contributing to the ongoing success of our organisation over the past year and also in particular, thanks to all of the people who have provided constructive feedback on the delivery of our services.

In particular, I would also like to thank Brian Hargreaves, our Chief Financial Officer, who will act in the CEO role whilst I am on maternity leave in 2014/2015. Brian's extensive knowledge of our organisation and the housing sector; and his commitment to social justice means that RHNL will be the safest possible hands.

CELIA ADAMS
Chief Executive Officer

Grete's Story

I started my job at Ovens & Murray Regional Housing Council in August 1997. I was the sole employee in the Seymour office and was responsible for Housing Information and Referral, Transitional and Long Term Housing management, reception and general administration.

In 1998 the Housing Council became Rural Housing Network and I co-located with Salvation Army Pathways in a shop front in Seymour. Pathways also had a sole worker, so at least there were two of us.

Initially, we managed six Transitional Housing properties but this number steadily increased as the demand for our services grew. At the same time, we built relationships with other community services, Real Estate Agents and accommodation providers.

By 2001 a Tenancy Worker was employed, and I focused on the Housing Information & Referral role. As the number of consumers increased and their capacity to travel from outlying areas diminished, we began outreach services to many of the smaller towns surrounding Seymour. We also actively participated in the Murrindindi Community Services Group and Wallan Network Group.

Both staff numbers and the demand for our services continued to increase, and over the years a receptionist and other program workers were employed. By the time I retired we had seven staff members in Seymour, and two visiting workers from RHNL's Shepparton office.

During the years that I was with Rural Housing I witnessed huge changes in the organisation and how services are provided for people who are homeless or at risk of homelessness. It has been fulfilling to see how our work has often been integral to a person's ability to move on with their lives. I am proud to have been a part of such a progressive organisation and I thank Rural Housing for the opportunities and the support I received over the years. I am not sure that I will miss working in the homelessness sector, but I will certainly miss the camaraderie of a great bunch of colleagues.

Grete Elson

Human Resources

One of the greatest challenges for many organisations in recent times has been the attraction, motivation and retention of quality staff.

So what have we been doing to achieve a skilled, engaged and committed workforce? Below is a snapshot of the past 12 months:

Following an independent staff satisfaction survey in 2012, the following initiatives were introduced in an attempt to improve staff satisfaction:

- Banking RDO's to promote greater flexibility for staff
- Professional Development and Study Leave Program
- A Higher Duties Process which formalised the steps to provide staff with professional development opportunities
- A Mentoring Program and Career Development Plans
- Fruit & vegetable boxes for staff to share each quarter
- Giveaways and prizes at All of Staff Days
- Office-based funding to run team building activities

These initiatives were welcomed by staff; reflected in an increase in staff satisfaction in the following year's survey and a reduction in staff turnover over the past 12 months. A new HR Working Group has recently been developed and will continue to work on new initiatives that make Rural Housing a better place to work.

At 30th June 2014, Rural Housing's workforce comprised 38 full-time, 10 part-time and 2 casual employees.

	At 30/06/13	At 30/06/14
Number of staff	51	50
FTEs	46.09	46.29
Staff turnover	28%	17.3%

It is interesting to note that RHNL has successfully retained nearly a quarter (24%) of its workforce for greater than 5 years and that males comprise 22% of its workforce.



RHNL has registered with the Healthy Together Achievement Program and is working towards being recognised as a workplace that promotes health and wellbeing. Our health priority area is creating a healthy physical work environment. To this end, RHNL has undertaken a range of health promotion activities, including participating in the 10,000 Steps Challenge which we did over a 5 week period. 70% of the workforce participated in this initiative with a total of 10,644,677 steps walked!

Other health initiatives undertaken:

- Ergonomic assessments completed for each staff member on their workstation
- Three offices have stand up desks that are fully functioning work stations that staff can use to reduce time spent sedentary
- Walking groups were established in each office during the 10,000 Steps Challenge
- Participation in the Bright Fun Run by seven staff
- A focus on health and wellbeing at our All of Staff Days which have involved walking and exercise
- Health nurse check-ups and pre-winter flu shots
- Implementation of Health and Wellbeing policy and provision of healthy catering options
- Continuation of the Health and Wellbeing Reimbursement Program with a total of \$9,231 reimbursed to staff over the 12 months.

RHNL always makes an effort to encourage and support staff to develop skills and knowledge by continuing to deliver a range of training. Training offered to staff in 2013-2014 staff included:

- Mental Health First Aid Training
- Strength-based practice
- Money Minded Facilitator Training
- Fire safety
- Bullying
- Privacy
- Team Leader Forum over two days.

RHNL developed and implemented a Student Placement Process with a view improving the quality of students we attract and delivering a better quality learning experience for the student. Throughout this period we have supported five students (combination of University and TAFE) who have completed their placement with RHNL across three offices.

A future HR focus for RHNL will involve using resources more efficiently and attracting the best applicants we can so that we continue to provide a quality service in a competitive marketplace.

Thanks to the staff, Team Leaders and Managers for your commitment and contribution to a successful year!

LOUISE FRICHOT
HR Manager

“Your staff are an absolute asset to your organisation. They are very professional, caring and such a pleasure to deal with.”





Client Services

The Client Services team has been as busy as ever, continuing to broaden our scope to be more flexible. We have had a focus on training, with staff attending a range of training sessions to build on their skill base including Strength Based Practice, Mental Health First Aid, Family Violence, Children at Risk, Human Rights and Case Management. Thank you to our great staff for their commitment and willingness to build on their skills to offer our consumers the best possible service.

Quality Improvement

Preparing for accreditation, we undertook a number of activities, making sure we are continuously improving. We completed a file audit, revised processes on case planning, implemented the Outcomes Star™ reporting process, updated our intake forms to make them more fulsome and created a process to ensure that we are giving consumers all relevant information when they come to us.

New initiatives

Financial difficulty is always in the top three reasons that people have for presenting to Rural Housing and we are working towards supporting our consumers to be financially self sufficient by providing budgeting training. We have Money Minded™ Facilitators running sessions and received a grant from the ANZ Foundation to assist us in this, including paying for transport and childcare so the most disadvantaged can attend.

Through our partnership with the Mental Health, Housing and Justice Alliance, we completed a shared induction day, with nine services from a broad range of sectors including Government, Corrections, Housing and Mental Health. This was a great success with over 90 people attending the day at Beechworth Correctional Centre.

Based on a growth in the ageing population, we commenced research into how older people access our services. This will be used to identify any gaps in service delivery and provide a focus for working more cohesively with organisations to provide support to older people who may be struggling with their housing.

Jack

By his own admission, Jack has struggled with alcoholism on a daily basis. He also has an intellectual disability which has limited his living skills and has had continual involvement with the police. These factors have not only put his housing at risk but made working with services very difficult and Jack has often ended up in the 'too-hard basket'.

When Jack commenced a new tenancy two years ago Rural Housing's Aboriginal and Torres Strait Islander (ATSI) support program offered him support. The worker focused on building a good relationship, building Jack's trust which assisted him to accept the support he needed to successfully establish his tenancy.

In the past two years Jack's health has deteriorated and he is now unable to manage living on his own. Jack's independence is still very important to him but because his wants and needs were respected by Rural Housing he has continued to touch base with us when he needs help.

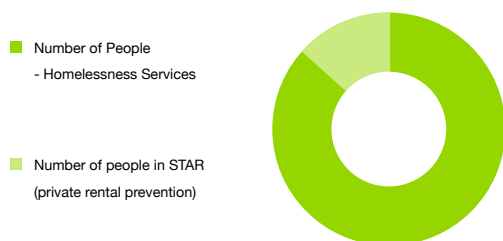
Unfortunately, Jack's dependence on alcohol placed his tenancy at risk again and he came to us for support and advocacy. Jack knew that to become healthy he needed to make a voluntary admission into a detox facility to help him give up drinking. The worker supported and encouraged him through this process, ensuring that he was able to make his own decisions at all times. In his own words, Jack is now off the drink and just wants to be healthy, happy and continue painting.

Jack recently decided that he needed to move from independent living into more supportive accommodation where the services he needs will be available. Again with the support of the ATSI worker, Jack successfully moved and looks forward to a new phase in his life. He thanks Rural Housing for the unwavering support and commitment to assisting him to achieve his goals.

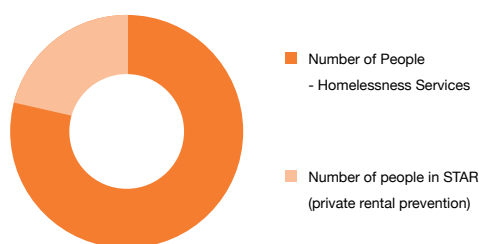
Homelessness Services

It is a measure of the success of STAR Housing's preventative role that in the past year we have seen an overall reduction in the number of households presenting at Rural Housing because they are homeless. By providing both early intervention strategies and an effective Initial Assessment & Planning response, Rural Housing continues to make a real difference in people's lives.

2012 - 13



2013 - 14



Service type	Total People	Total Contacts	Total HEF
Generalist entry point services	2349	12,629	\$413,982.44
Family Violence entry point services	25	89	\$29,887.41
Men's crisis and prison outreach services	377	1399	\$14,705.61
Total	2751	14,117	\$458,575.46

Our Homelessness Services staff work closely with our Transitional Housing staff and partner agencies to support households living in Transitional Housing. Through regular practice meetings with our network partners, we have developed a specific tool which identifies the key roles of agencies, assisting workers to provide timely and appropriate support to Transitional Housing tenants.

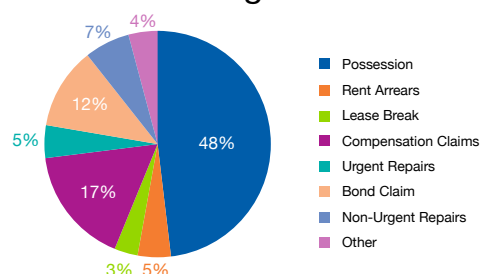
Housing Support Services

During the year, the various Housing Support Teams have focused on using the Outcomes Star™ Assessment tool to assist people to identify the most significant issues impacting on their lives and measure their successes in achieving their housing goals. Family Violence and financial difficulty are the two most common presenting reasons for people seeking assistance from Housing Support Services, with mental health and inadequate dwellings also common.

The Social Housing Advocacy and Support Program (SHASP) saw over 200 people engaging with us, with only 5.5% coming back for a second period of support. There were no evictions and 75 % of people met more than half of all the goals they had set for themselves. The Aboriginal and Torres Strait Islander Tenancy Support Program (ATSI) supported 111 consumers during 2013-14 and a shift in the referral sources saw an increase in referrals from the non-government sector (20%). A Place to Call Home (APTCH) had a 25% increase in people involved in the program, and spent over \$7,000 in supporting people to make a house into a home.

The Private Rental Advocacy (PRA) Service assisted over 428 households in private rental; an increase of almost 50% from the previous financial year. We commenced Duty Advocacy at VCAT hearings across the region and continued to work closely with STAR Housing. The main presenting reason for people seeking our assistance continued to be Orders of Possession, with Compensation and Bond claims showing a slight increase from last year.

Private Rental Advocacy - Presenting Reason



The Victorian Bushfire Appeal Fund has continued to receive additional referrals; now supporting over 220 households to achieve permanent accommodation after the 2009 bushfires. With over half of the people in their own homes, communities are going from strength to strength. We continue to support those that are still in the process of rebuilding both their homes and their lives.

LAURA SIMPSON
Client Services Manager

Client Services STAR HOUSING



Molly

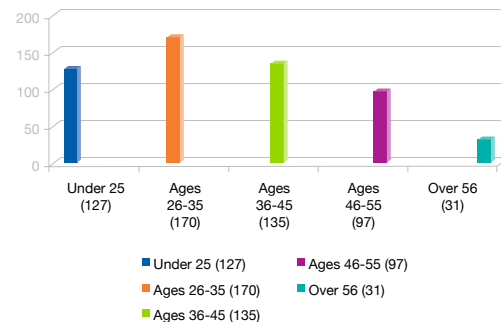
Molly is a single parent who was referred to STAR Housing by her Real Estate Agent when she fell into rent arrears. Like many single parents, Molly wanted to work to increase her income but didn't believe that she had the necessary skills.

Molly wanted to attend a barista course because she felt that working as a barista would allow her the flexibility to combine paid employment with caring for her young family. However, although Molly could afford the course fees, she struggled to meet some of the other costs. LEEP assisted with financial support for travel costs (petrol) and child care for two of her children. Without this help, Molly would not have been able to complete the course.

Molly now has a part-time job to help support her family and significantly reduced the risk that she will fall into rent arrears again.

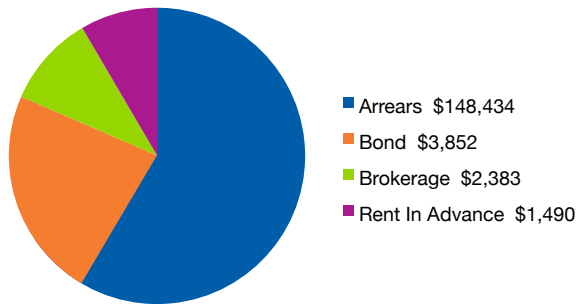
STAR Housing (Sustaining Tenancies at Risk) is an Innovation Action Project, funded by the Victorian Government through the Victorian Homelessness Action Plan, to reduce and prevent homelessness for people at risk of, or people experiencing homelessness. Through the provision of support and brokerage, we work with people to help them maintain their private rental.

STAR Housing has had a fantastic year with many changes. As demand for our services increased, we employed additional staff in Shepparton and Seymour and the Shepparton office commenced outreach into Kyabram and Echuca. We have broadened the scope of work for those staff working with young people at risk of homelessness. STAR Housing has also introduced access to data-base checks for people who are unable to obtain private rental and believe they may be recorded on the rental blacklist, TICA. These checks are not limited to STAR Housing consumers, but are available to anyone accessing a homelessness support agency.



Aaron

STAR Housing staff supported more than 560 households, the majority of which were families. The main presenting reason continued to be financial difficulties. With only six evictions during the year, we enjoyed a success rate of 99%.



STAR Housing provided financial assistance on 1017 occasions with the overwhelming majority being for rent arrears (991). Brokerage assistance was used for cleaning and skip bins (13) whilst bond and/or rent in advance assisted people to relocate to more affordable properties (13).

Links to Education & Employment Program (LEEP) was a new initiative of STAR Housing. LEEP has supported people to attend short to medium term education and training opportunities that may lead to employment. LEEP has provided brokerage funding to address barriers such as child care and transport costs.

ANDREW PROBY-AUGHEY
Co-ordinator

“I found the staff very aware and caring of our situation. They were very helpful through the whole process.”

Aaron has been unwell for most of his life and as his health has deteriorated, the cost of medication and treatment has increased and could not be covered by his Disability Pension. Aaron had lived at the same caravan park in Echuca for almost two years, but eventually he was unable to afford rent and every day living expenses. He fell into rent arrears and the park owner threatened eviction.

Despite his best intentions, Aaron could only just maintain his living expenses and was unable to pay the arrears. Aaron didn't know what to do. He felt hopeless and had no idea where to turn. With the threat of eviction still looming, Aaron approached STAR Housing for help.

The STAR Housing worker assisted Aaron with his immediate housing problem. She negotiated a repayment plan between Aaron, the park owner and STAR Housing and before long Aaron was two weeks in advance.

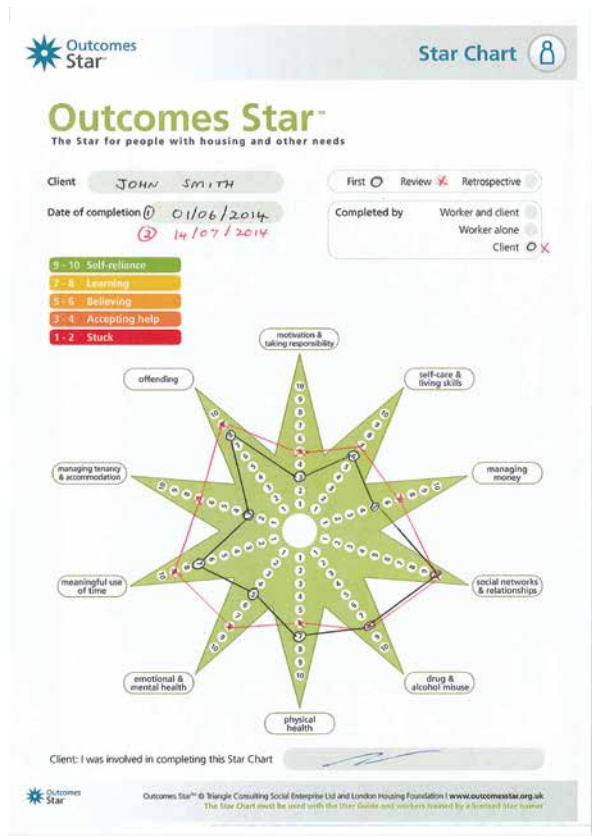
During this time, STAR Housing also assisted Aaron to identify his long-term housing goals and the other things he wanted to achieve in his life. With encouragement from his worker, Aaron applied for a job as an orderly and recently had an interview. Whether or not he gets the job, Aaron says that he feels safe as he still has a home to go to.

Aaron said, “My life was snowballing out of control until I went to STAR Housing. My worker has been absolutely fabulous and knows the right thing to say to make me feel comfortable. She has gone the extra mile for me, like phoning me when we caught up the rent, just to make sure I was doing okay. I know I can keep on top of my rent now so I want to get full-time work and live life again.”

Outcomes Star™

“I was shocked to see I had made improvements, it was surprising. It made me feel better and gave me confidence. I could see light at the end of the tunnel.”

STAR Housing (Echuca)



Sample Outcomes Star

Rural Housing Network has been using the Outcomes Star™ Assessment Tool for more than 2 years because it provides an effective framework for consumers to identify how they are doing in a range of life areas.

Initial assessments commonly show low readings in the areas of:

- Managing Tenancy and Accommodation
- Emotional and Mental Health
- Motivation and Responsibility

After the initial assessment, people and staff then work together to develop and implement strategies that give people more control over their lives. This is done by stepping through the ladder of change, acknowledging where they are at now and where they want to be. In action, we have seen people engaging in voluntary work or going to a gym, completing Money Minded training and getting a part-time job. The Outcome Star is then reviewed every few months and people are able to assess their achievements and set new goals. The visual representation of the STAR is a great tool in seeing their progress and many people note that they don't realize how far they have come. Together successes can be seen, captured and celebrated.

Rural Housing staff have been trained in using Outcome Star and have found it an effective tool to assist people. Staff are now highly skilled in giving people time and space to talk about what is important to their lives and how they think they can get there. These conversations often happen over a few appointments, so people can travel at their own pace and share what they are comfortable with.

RHNL uses Outcomes Star™ under licence from Triangle Social Enterprise Limited (UK).

“It is a valuable tool to reflect on where you have been to where you are now in you life.”
SHASP (Shepparton)

“It tells me where I’m at,
at a given time.”
APTCH (Wangaratta)

Housing Services

Community Housing

Housing Services staff have once again done a wonderful job during the year. In addition to their usual busy schedules they have adapted to a new computer program and have worked through the start up and teething problems that go hand in hand with any major changes in systems.

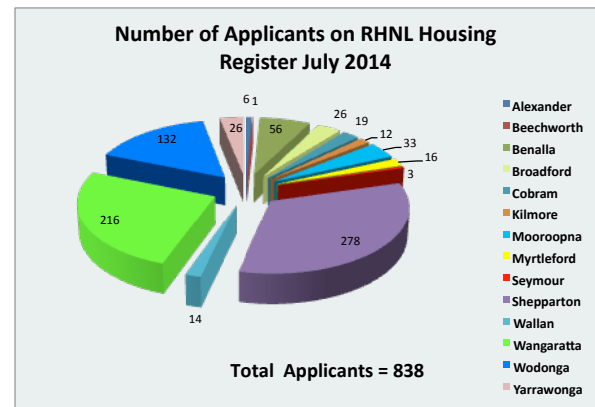
A quarterly tenant newsletter is produced by our Housing Services Team. The newsletter provides information to our community housing tenants about maintenance issues, upcoming cyclical and seasonal maintenance schedules, staff updates and local area news. Feedback we received from our biennial tenant survey told us that our tenants wanted to know more about sustainability in the home and education options in their local areas. Housing staff research these two topics and provide articles in the newsletter to meet the needs of our tenants.

RHNL added six properties to its Community Housing portfolio during this year, with three 2 bedroom units in Alexandra and three 1 bedroom units at the Brayton site in Kialla. The three Brayton units are youth specific properties supported by Brayton Youth Services.

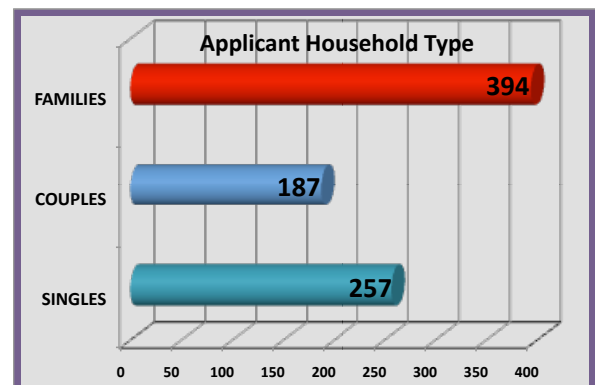
Mooroopna Apartments is now in its second year of operation. This year we carried out refurbishment works in the main office area on the ground floor. The area has been transformed to better fit our requirements and uses the space much more efficiently.

A tenants group has been initiated at Mooroopna in recent months. The group has been very well received by our tenants. There have been three meetings held so far with some great ideas for projects and activities put forward for consideration.

RHNL continues to receive Expressions of Interest for Community Housing across the region. The chart below shows the number of applicants we have on our Housing Register and town preferences. It clearly demonstrates that the demand for housing is much greater than the supply, as increasing numbers of households struggle financially in the private rental market.



The statistics show that family groups are the most predominant group on our Housing Register but singles are steadily growing in number.



“The upgrade to my kitchen has made an incredible difference to my home. It looks amazing and is way better than expected. I did not expect for RHNL to completely re-model the entire house”



Sessions

"A project like Archers Field is very important to the Shepparton region as it contributes to ongoing growth within the local building industry, including the associated local suppliers. It also boosts business confidence and creates employment within a community with high youth unemployment. Sessions Builders is really proud to be involved in this project."

Before working with Rural Housing, our dealings were mainly with mainstream clients. However, Rural Housing has changed our perspective of the region's housing needs and the extent to which people, who would otherwise be without a roof over their heads rely on Rural Housing. It has been a real re-education for us.

Our long term partnership with Rural Housing is not just the right thing to do for people who are vulnerable. It also allows us to reinvest back into the local community, with benefits for local companies that provide materials and employ tradespeople and apprentices."



Archer

Rural Housing is building affordable housing in Archers Field, Mooroopna, as part of the Building Better Regional Cities Program, with funding of \$5.4 million from the Commonwealth Government of Australia and support from the Greater Shepparton City Council.

Cavalier

"Cavalier has always had a good working relationship with Rural Housing, so when the opportunity for this project arose, we contacted them in the hope that we could work together again. The Archer's Field project is a great opportunity to support local growth and we are proud to partner with Rural Housing to support low to middle income families to have secure, affordable housing."

We are a family owned and run business with an intimate knowledge of our region. We pride ourselves on using local trades and services, so our philosophy of supporting local growth aligns well with Rural Housing's aim of helping the local community. By fostering housing affordability in the local area we are supporting the entire community by encouraging business growth and employment."

s Field

Metricon

"Metricon believes in building strong, long term partnerships and see our partnership with Rural Housing as crucial to having a positive influence on housing delivery and affordability in Shepparton.

With more than 37 years experience, Metricon has built more than 950 homes in the Shepparton region. Metricon directly employs more than 30 local people in the Shepparton team and many contractors, local suppliers and trades also rely on its business.

Projects like Archers Field are very important to our community. Metricon is proud to have the opportunity to help to give back to our local community and be involved with a not for profit organisation that is making a real difference to homeless families in Shepparton.

The Victorian State Government has generously contributed \$1 million to this project.

Rural Housing Network Limited will construct 20 new houses by June 2016.



Housing Services

Managed Properties

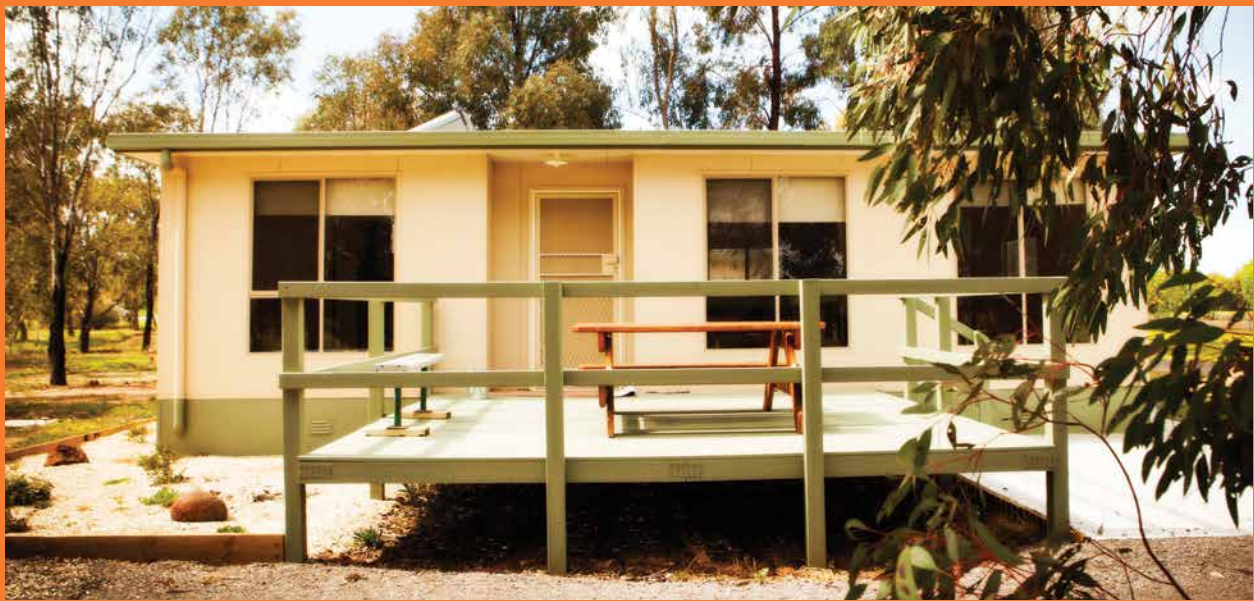
We continue to provide a high quality tenancy and maintenance services to the tenants of our housing partner agencies across the region. We have long standing partnerships with:

Managed Property Numbers		
Agency	Number	Town
Rumbalara Aboriginal Co-operative	53	Shepparton District
Salvation Army Pathways	9	Shepparton
Vision Australia	10	Shepparton
Haven Home Safe	50	Wodonga, Wangaratta, Shepparton
Mungabareena Aboriginal Corporation	14	Wodonga
Baptcare	11	Wangaratta

Transitional Housing

Transitional Housing Property Managers were kept busy during the year, with over 220 new tenancies created for various household types, including families, singles, couples and young people. Property Managers work closely with Homelessness Services staff to ensure that Transitional Housing tenancies are well managed. Properties, often furnished, are made available as quickly as possible and the team works hard at maintaining tenancies that can, at times, be challenging.

While the majority of Transitional Housing tenants move on to public housing, others have found private rental in the regional centres. A few tenants have moved into community housing and in the past year, 41 households moved from Transitional Housing into Rural Housing's long term community housing. Although not a large number, this equates to 41 fewer households on the public housing waiting list, thus creating more opportunities for those in housing need.



Brayton Youth Services Project



A Place to Call Home

A Place to Call Home is a housing partnership initiative between the Department of Human Services (DHS) and RHNL where a Transitional Housing Property occupied by a household receiving support is handed back to DHS, effectively assisting the household to become public housing tenants without moving house. A replacement property is then provided to the THM program. Eleven tenancies across the region are chosen each year to participate in this program. Housing and Client Services staff have displayed great teamwork once again this year in ensuring that the day to day management of these properties is well organized, providing a smooth transition back to DHS.

She stated that her daughter was extremely excited to have her friends over to show off her “new bedroom” She couldn’t thank us enough for doing the upgrades.

Brayton Youth & Family Services, in partnership with the Department of Human Services and Rural Housing now provides three 1 bedroom units at the Brayton site near Shepparton. The mobile units that were originally used as part of the 2009 Victorian bushfires response were transported to the site where they will remain as permanent dwellings. The units were completely refurbished and the area landscaped to include gardens, fencing and pathways.

These units are for young people who are in the process of transitioning from the youth refuge to independent living. They provide an opportunity for young people to develop skills in renting and maintaining a property, whilst at the same time being within a supportive environment.



Jeff grew up in a typical household in suburban Wodonga but after finishing Year 12 he gradually became addicted to cannabis. After turning 21, his mental health worsened and he became fully dependant. This, coupled with feelings of frustration with life, led him to spending time with bad company and before long, his relationship with his family had deteriorated.

Jeff wanted to change but was unable to get through the numbness he felt and he feared he had let everyone down. After burning many bridges, Jeff started sleeping rough when he couldn’t get a couch. Having left all his possessions behind and with nothing more than the shirt on his back and no family to lean on, he finally hit rock bottom.

Jeff approached a local service and was able to get into a detox facility. However, on exiting the detox program he had nowhere to live. Through the Housing First initiative, Jeff was offered a property in Wangaratta in our A Place to Call Home program. Jeff moved in and was supported to figure out where he wanted his life to go and what he wanted to do. Jeff set clear goals for himself and Rural Housing staff supported him, when needed, to achieve those objectives.

Within a year, Jeff was able to reconnect with his family, and eventually return to his home town where he is now has a career, is keeping fit and playing music again. He has even resumed song-writing. One song, “Descending to the Shadows” is about his time in the shadows and getting back on his feet with the housing and support he received.

Jeff said, “Rural Housing gave me the space and encouragement to come back to the light. I had to make the change myself but with secure housing in place and with the support of other people, I was able to think about the next steps in my life.”

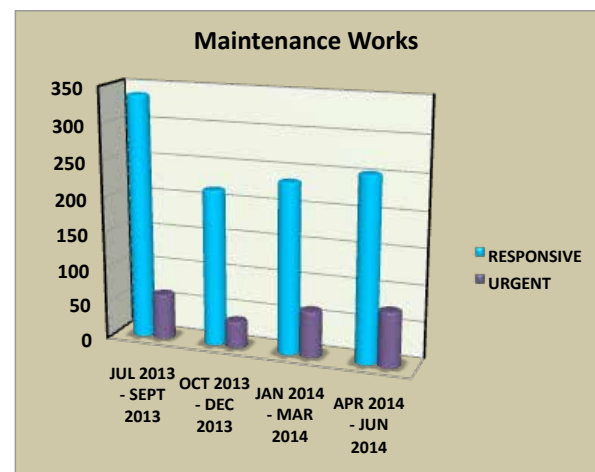




Maintenance and Asset Management

Each year we identify properties in our Community Housing portfolio that require either major or minor works, both internally and externally. Some of the completed works this year include full internal painting and floor coverings, a complete roof restoration, replacement of appliances, upgrading of electrical wiring to a block of units and a complete kitchen refurbishment. We were happy that one of our DHS General Lease properties had a full refurbishment during the year. One of our THM tenants was extremely pleased to be able to move into this, virtually, new home.

Cyclical and seasonal work continues throughout the year with heaters and air-conditioners serviced, gutters cleaned, fences repaired and replaced, gardens maintained, and timber screens oiled. This keeps our contractors busy and our thanks to them for their prompt and professional service.



WHS – Contractor Induction Sessions

We have conducted Contractor WHS Induction Sessions in our major centres for our maintenance contractors to ensure we meet our WHS obligations to all our stakeholders. We have a network of professional, reliable tradespeople across the region and we value the excellent service they provide us. The sessions also provide an opportunity for feedback and a chance for staff to meet in person.

DHS Property Services

COMAC was the maintenance arm of the Department of Human Services until 30th June this year. DHS has now changed its system and vacant and responsive maintenance works will be fed through the state wide Call Centre then passed on to regional Field Services Officers. We look forward to this new arrangement as we have excellent relationships across the region with our DHS colleagues.

Property Condition Inspections of our THM and General Lease properties continue to be carried out by Hi-Tech Inspect over the region. Transitional Housing Property Managers have done a great job in organising entry to properties and accompanying the field staff at inspections. We hope to be provided with the condition reports at the conclusion of the PCR project.

Communication and Marketing

During 2012-2013, Rural Housing developed a Communication Plan to enhance its communication with key stakeholders and the broader community. In the past year, we have begun to implement this plan with a focus on increasing our media profile and improving our social media presence.

In the past Rural Housing had responded to requests from mainstream media for comments on stories they were developing but the Communication Plan set a new direction, with Rural Housing identifying issues and stories that it believed should be in the public domain. In preparation for this changed approach, the Management Team and Team Leaders trained in media release writing, being interviewed and responding to negative media.

In November last year we celebrated our 15th birthday at the AGM. It was a fantastic opportunity for some localised media coverage as we looked back at the development and growth of the organisation, and acknowledged staff who have been here since the beginning.

In April this year Rural Housing launched a media campaign to raise awareness about ageing and homelessness. In line with the rest of Australia, data from the region shows that the proportion of people over 55 years is increasing. We wanted to raise awareness of the fact that some older people are at risk of homelessness, but that many of them may not identify as needing a service. The response in the media was overwhelming with radio, television and print media running stories and speaking to our consumers. As a result of this campaign we saw an increase in the number of older consumers approaching Rural Housing for assistance.

Rural Housing was also an active participant in the Hume Region Homelessness Network's 'Anywhere But a Bed' campaign during Homeless Person's Week in August 2013. Staff participated in organized events, either sleeping in the office or anywhere but their own beds. There was significant media coverage across the region, raising awareness of homelessness and couch surfing.

We have increased our social media activity throughout the year and became more active on Facebook and Twitter. We have used social media as a tool to raise our profile in the community, but also to join national campaigns on the issues around housing affordability, homelessness etc. Thank you to those staff members who are part of the Social Media Working Group which has increased our social media presence.

The Rural Housing website is tired and we have worked hard over the past 6 months to completely overhaul it. A consultant was engaged to guide us in this process and staff and stakeholders provided input into key messages. We look forward to launching the new look website at the AGM in November.



Our New Website

Marketing and Fundraising

It is difficult for any not for profit organisation to promote itself and raise funds in an increasingly competitive environment. However, we believe that Rural Housing is well placed to promote the work we do and seek financial support.

During 2013-14 Rural Housing raised almost \$7,000 to support its programs and housing resources. This was mainly achieved through philanthropic grants and localised fundraising activities, such as the annual Anti Poverty Week trivia night in Shepparton and the 'Anywhere But a Bed campaign' in Seymour.

We expect that fundraising activities will increase in the coming year as we promote Rural Housing to regional businesses and continue to seek philanthropic opportunities



Consumer Feedback 2013-2014

- 200 feedback forms received
- Average consumer feedback rating 4.86/5.00
- 184 out of 200 consumers gave RHNL staff 5.00/5.00 for service

Over the past year, we have seen a significant increase in consumer feedback received. It is important to Rural Housing as it assists us to improve our services while also providing positive reinforcement to staff in the way they work with our consumers.

As a result of consumer feedback, Rural Housing has improved the way that staff provide and explain information on Consumer Rights and Responsibilities and Privacy. We have also responded to comments from our consumers and improved the waiting areas in all offices, making them more welcoming and child-friendly.

Not all suggested improvements can be acted upon. The most common requests are for more houses and more programs. Unfortunately, some of these are beyond the control of Rural Housing, but it does challenge us to think creatively and find innovative ways to respond to consumer feedback and meet the demand within the region.

Feedback also extends to complaints and Rural Housing upholds the rights of all consumers to make a complaint about our service. Fewer than 20 people made a complaint during the year. All complaints were investigated and where possible a resolution was negotiated. Like all forms of feedback, Rural Housing uses complaints to review and improve its policies and processes.

These are some of the comments and suggestions that our consumers have made:

- I was made to feel extremely comfortable and at ease. Very positive experience.
- Found staff to be genuine, determined, caring, supportive, informative and inspiring
- Deliver a little information at a time instead of all at once
- Your staff need to be commended on their professionalism and the support they have provided
- Thank you very much for helping our family find a home
- There seemed to be no hope. But now there is and I really appreciate your help
- More houses
- At other appointments I have gotten confused and overwhelmed. But at this one, I left feeling like there was going to be an outcome
- After being homeless and really tired due to family violence, RHNL were so helpful. We were so rundown and they gave us relief.
- RHNL helped me avoid homelessness and escape domestic violence and put me in touch with the right support
- More programs
- The support was amazing! Without transitional housing, my family and I would have been homeless. I can't thank them enough.



Rob and Russell

When Rob and his son Russell first came to Rural Housing in 2013 they were living in a tent. Now they have a place to call home.

1. What challenges did you face before working with Rural Housing?

Rob: Living day to day, not knowing what was going to happen next. I had health problems and severe pain with no relief. My depression was also exacerbated by the uncertainty and pain, which led me to start drinking heavier. I was not in a good place.

Russell: Being in the tent was difficult, but staying at my grandmothers meant I was separated from Dad.

2. How did we assist you?

Rob: You were most helpful. Getting into Transitional Housing was the first and biggest step.

Russell: You helped pay for Grade 6 camp

3. Where has your journey with us taken you?

Rob: A lot further than I thought I would be.

Russell: I would have been dragging along behind Dad or at Grandma's.

4. Why is your home important to you?

Rob: It's about family life, being able to have a happy, family home.

Russell: I can bring friends home.

5. What are your goals for the future?

Rob: I now am able to focus on getting my driver's license. I want to be able to go fishing and camping with my son, and other traditional father-son activities.

Russell: I want to continue with my music lessons and one day, be a mechanic.



Directors and Staff 2014

Board:

Chairperson: Peter Quigley
Deputy Chairperson: Evelyn Robertson
Secretary: Owen Webb
Treasurer: Sue Paini
Directors: Tony Byrt
Cade Gow
Phil Oates
Darran Stonehouse

Corporate:

Chief Executive Officer: Celia Adams
Executive Assistant: Julie Quin

Finance & Accounting:

Chief Financial Officer: Brian Hargreaves
Manager Financial Services: Nolene Adams
Finance & Administration: Sarah Bell
Nicole Sargeant

Human Resources: Louise Frichot

Housing Services:

Manager: Leisa Makszin

Tenancy Administration: Amanda Beach
Jayne Calvert
Lauryn Downie
Annette Johnstone
Colleen Miners
Kylie Sullivan
Kelly Twycross
Jacqui White

Asset Management: Terry Hallinan
Hayley Holland

Mooroopna Apartments: John Fenn
Peter Pevitt

Client Services:

Manager: Laura Simpson

Team Leaders: Joel Board (Shepparton)
Marc Cowan (Wangaratta)
Kelly Crossing (Seymour)
Catherine Jefferies (Wodonga)

Initial Assessment & Planning: Richard Clancy
Racheal Edis
Jason Hutson
Jean-Pierre Malilo
Georgie McQuienn
Lisa Ramsay
Megan Waters
Sandy Wingate

Housing Support Services: Janette Bussell
Bruce Gray
Louise Peters
Kirstie Reaper

Sustaining Tenancies at Risk
STAR Housing:

Courtney Dupuy
Pip Else
Cerece Hanley-Stone
Andrew Proby-Aughey
(Co-ordinator)
Lyndal Shilland
Rebecca Silvester

Private Rental Advocacy: Kylie Doig

Victorian Bushfires
Appeal Fund (VBAF): Kim Wheatley

Reception: Kathleen Cruickshanks
Christeen Hartley
Ashley Polachek
Cherie Smallwood

Hume Regional Homelessness Network:

Jan Armstrong



Our Supporters & Partners 2013-2014

We work in partnership with a range of organisations and people to provide effective housing services. We would like to thank the following for their support:

Community Partners

Australian Community Services Organisation
Baptcare
Brayton Youth & Family Services
Centre Against Violence
Gateway Health
Goulburn Valley Health
GV Community Health Service
Haven Home Safe
HomeGround Services
Hume Employment Service
Junction Support Services
Marion Community
Mental Illness Fellowship
MIND Australia
Nexus Primary Health
North East Health
Mungabareena Aboriginal Corporation
North East Support & Action for Youth
Rumbalara Aboriginal Co-operative
Salvation Army Pathways
Upper Murray Centre Against Sexual Assault
Vision Australia
Women's Health Goulburn North East
Youth Justice

Building Partners

Cavalier Homes
Metricon
Sessions Builders

Finance & Legal

Commonwealth Bank
Hume Bank
BankMecu
ANZ Foundation
Harris Lieberman Solicitors

Local Government

City of Greater Shepparton
Rural City of Wangaratta
Towong Shire



Victorian Government

We acknowledge the ongoing support of the Victorian Government to deliver the following programs:

- Opening Door Framework
- Social Housing Advocacy & Support Program (SHASP)
- Aboriginal & Torres Strait Islander Support Program (ATSI)
- Transitional Housing Management
- Community Housing
- Private Rental Advocacy

RHNL acknowledges the Victorian Government's \$1m contribution to developing 20 affordable housing properties at Archers Field, Mooroopna, through the Victorian Property Fund.

RHNL acknowledges the funding received through the Further Housing Assistance Gift Stage 2 from the Victorian Bushfire Appeal Fund (VBAF). The Fund is jointly administered by the Victorian and Federal Governments and Australian Red Cross.

Sustaining Tenancies at Risk (STAR Housing) in an Innovation Action Project, funded by the Victorian and Federal Governments through the Victorian Homelessness Action Plan (VHAP) to reduce and prevent homelessness for people at risk of, or experiencing homelessness.



Rural Housing is a member of the following regional alliances and networks:

- Housing, Mental Health and Justice Alliance
- Hume Partners in Recovery Consortium)
- Hume Region Homelessness Network
- Ovens Murray Family Violence Network
- Goulburn Valley Family Violence Network
- North East Not-for-Profit HR Network

RHNL is a member and supports the work of:

- Australian Council of Social Services
- Australians for Affordable Housing
- Community Housing Federation of Victoria
- Community Housing Federation of Australia
- Council to Homeless Persons
- PowerHousing Australia Ltd
- Victorian Council of Social Services

Directors' Report

Your Directors present the financial statements of the Rural Housing Network Limited ('the Company') for the year ended 30 June 2014.

Directors

The following persons were Directors of Rural Housing Network Limited the Company during the whole of the financial year and up to the date of this report unless otherwise stated:

Peter Quigley	
Brett McClellan	- Resigned 20/11/2013
Phil Oates	
Owen Webb	
Darran Stonehouse	
Susanne Paini	
Tony Byrt	- Appointed 29/1/2014
Evelyn Robertson	
Cade Gow	

Company Secretary

Owen Webb was appointed as Company Secretary on 28 November 2012.

Principal Activities

The principle activity of the entity during the financial year was:

To provide housing support services to disadvantaged households; broadly grouped into the following areas: Transitional Housing Services, Long Term Housing Services and Rental Housing Support Services.

No significant changes in the nature of the entity's activity occurred during the financial year.

Objectives

Rural Housing Network Limited's objective is for all people to have safe, secure, affordable and appropriate housing. Rural Housing Network Limited is committed to ending homelessness. Our aim is to provide the full range of quality housing and homelessness services by working in partnership with Government, business, communities and individuals.

Strategies

Rural Housing Network Limited's strategies to achieve these objectives are -

1. To actively work towards the reduction of homelessness in the Hume Region;
2. To support and encourage people to sustain their housing;
3. To expand and grow the organisation's housing capabilities in a financially sustainable way, and
4. To strengthen and sustain RHNL as a highly professional and respected organisation.

KPI's

Rural Housing Network Limited monitors its financial performance by setting targets for some key financial benchmarks. Performance against these indicators for the financial year ending June 30, 2014 and prior year are set out in the Table below.

Performance Indicator	2014 Actual	Benchmark	2013 Actual	Benchmark
Earnings (excluding Capital Grants) before Interest Expense, Tax, Depreciation & Amortization (EBITDA) to Interest Expense, 'Interest Cover'	4.9 Times	1.35 Times	3.3 Times	1.35 Times
EBITDA as percentage of Operating Revenues	19.5%	> 15%	16.2%	> 15%
Net Assets as percentage of Total Assets	85%	> 75%	84%	> 75%
Current Assets to Current Liabilities	1.63 to 1.00	1.00 to 1.00	1.15 to 1.00	1.00 to 1.00
Total Borrowings to Total Equity	13.7%	<15%	14.3%	< 15%

Information On Directors

Peter Quigley

Director since 4/06/2008
Responsibilities – Chairperson
Occupation – Architect

Susanne Pains

Director since 5/11/2008
Responsibilities – Treasurer from 28/11/2012
Occupation – Chief Executive Officer

Phil Oates

Director since 22/06/2001
Occupation – Retired ATO employee

Evelyn Robertson

Director since 25/01/2012
Responsibilities – Deputy Chairperson
Occupation – Consultant Mediator

Brett McClellan

Director since 31/03/2010
Occupation – Project Manager
Resigned – 20/11/2013

Darran Stonehouse

Director since 31/10/2012
Occupation – Lecturer

Owen Webb

Director since 30/11/2011
Responsibilities – Secretary from 28/11/12
Occupation – Solicitor

Cade Gow

Director since 28/11/2012
Occupation – Accountant

Tony Byrt

Director since 29/1/2014
Occupation – Project Manager

Meetings of directors

The number of meetings of the Company's directors held during the year ended 30 June 2014, and the number of meetings attended by each director were:

	No. of Meetings Attended	No. of Meetings Held*
Susanne Pains	9	11
Brett McClellan	3	4
Phil Oates	11	11
Owen Webb	9	11
Peter Quigley	11	11
Tony Byrt	4	5
Evelyn Robertson	8	10
Darran Stonehouse	9	11
Cade Gow	10	11

** reflects the number of meetings held during the time the director held office during the year.*

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$270 (2013: \$350).

Auditors

Johnsons MME continue as auditor in accordance with section 327 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors.

Director
Peter Quigley



Director
Susanne Pains



Wodonga
29 October 2014

Concise Financial Report

For the year ended 30 June 2014

Statement of Profit and Loss and Other Comprehensive Income

	Note	2014 \$	2013 \$
Revenue	2	9,765,421	9,482,581
Employee benefits expense		(2,999,743)	(3,033,206)
Depreciation and amortisation expense	3	(695,105)	(668,844)
Finance costs	3	(390,931)	(441,566)
Property expenses		(910,462)	(780,823)
Client expenses		(599,508)	(639,081)
Maintenance and Asset Management Expenses		(394,291)	(432,388)
Administrative and Office expenses		(819,215)	(826,346)
Rents remitted expenses		(1,971,624)	(1,916,764)
Other expenses		(63,890)	(63,492)
Surplus before income tax		920,652	680,071
Income tax expense		-	-
Net surplus for the year		920,652	680,071
Other comprehensive income:			
Net gain on revaluation of non-current assets		-	-
Total comprehensive income for the year		920,652	680,071

Statement of Financial Position

	Note	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents		3,200,581	2,640,991
Trade and other receivables		57,933	77,749
Other assets		90,830	62,602
Total Current Assets		3,349,344	2,781,342
Non-Current Assets			
Property, plant and equipment		54,497,654	54,591,027
Total Non-Current Assets		54,497,654	54,591,027
Total Assets		57,846,998	57,372,369
LIABILITIES			
Current Liabilities			
Trade and other payables		1,595,139	1,961,837
Borrowings		97,470	106,704
Provisions		350,106	360,480
Total Current Liabilities		2,042,715	2,429,021
Non-current liabilities			
Borrowings		6,616,509	6,681,870
Provisions		59,721	54,077
Total Non-Current Liabilities		6,676,230	6,735,947
Total Liabilities		8,718,945	9,164,968
Net Assets		49,128,053	48,207,401
EQUITY			
Retained profits		49,128,053	48,207,401
Total Equity		49,128,053	48,207,401

Statement of Changes in Equity

	Retained Earnings \$
Balance at 1 July 2012	47,527,330
Net surplus for the year	680,071
Other comprehensive income for the year	-
Balance at 30 June 2013	48,207,401
Net surplus for the year	920,652
Other comprehensive income for the year	-
Balance at 30 June 2014	49,128,053

Statement of Cash Flows

	2014 \$	2013 \$
Cash Flows from Operating Activities		
Receipt of government grants	4,479,517	4,677,560
Receipts from Other	4,678,137	4,389,866
Payments to suppliers and employees	(7,867,748)	(7,550,545)
Interest received	87,010	103,548
Finance costs	(399,293)	(441,566)
Net cash inflow/(outflow) from operating activities	977,623	1,178,863
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	43,184	37,000
Payment for property, plant and equipment	(386,622)	(806,426)
Net cash inflow/(outflow) from investing activities	(343,438)	(769,426)
Cash flows from Financing Activities		
Repayment of borrowings	(74,595)	(64,983)
Proceeds from borrowings	-	-
Net cash inflow/(outflow) from financing activities	(74,595)	(64,983)
Net Increase/(Decrease) in Cash Held	559,590	344,454
Cash at the beginning of the financial year	2,640,991	2,296,537
Cash at the End of the Financial Year	3,200,581	2,640,991

Notes to the Financial Report

For the year ended 30 June 2014

Note 1. Summary of significant accounting policies

Basis of preparation of the Concise Financial Report

The concise financial report is an extract of the full financial report for the year ended 30 June 2014. The concise financial report has been prepared in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of the Rural Housing Network Limited. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Rural Housing Network Limited as the full financial report. A copy of the full financial report and auditor's report will be sent to any member, free of charge, on request.

Note 2. Revenue

	2014	2013
Revenue from Government Grants	\$	\$
Capital grants	138,632	327,980
Recurring grants	4,559,876	4,592,959
	4,698,508	4,920,939
Other Income		
Proceeds on disposal of property, plant and equipment	43,184	37,000
Interest earned	105,554	104,586
Non-monetary contributions	279,000	-
Donations received	6,949	4,274
Rental income	4,580,105	4,290,721
Other	46,181	115,219
Recoveries	5,940	9,842
Total Other Income	5,066,913	4,561,642
Total Revenue	9,765,421	9,482,581

Note 3. Profit

Net gains and expenses		
Profit before income tax expense includes the following expenses:	2014	2013
Expenses	\$	\$
Depreciation and Amortisation		
Land and Buildings	372,281	367,758
Motor Vehicles	13,624	22,325
Plant and Equipment	80,557	54,105
Furniture, Fixture and Fittings	205,936	204,758
Building Improvements	22,707	19,898
Total Depreciation and Amortisation	695,105	668,844
Finance Costs		
Interest expense	329,300	409,464
Loan facility fees	61,631	32,102
	390,931	441,566
Audit services	14,800	14,370
Property, Plant and Equipment		
Proceeds on disposal	43,184	37,000
Disposals at cost	(63,890)	(66,781)
Net gain/loss on disposals	(20,706)	(29,781)

Note 4. Events Occurring after Reporting Date

There were no significant events occurring after the reporting date likely to impact the affairs of the Company in future.

Note 5. Analysis of Financial Report

The discussions and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on the

Rural Housing Network Limited financial statements and the information contained in the concise financial report has been derived from the full financial report of the Rural Housing Network Limited for the year ended 30 June 2014.

Statement of Profit and Loss and Other Comprehensive Income

A reported surplus of \$920,652 has been achieved for the 2013/2014 year compared to \$680,071 for the prior year. The current year's result included amounts for capital grants income and non – monetary contributions. The underlying Operating Surplus for 2013/2014 was therefore \$503,020 compared to \$352,091 for the 2012/2013 year. Capital Grants income brought to account during this financial year was \$138,632 compared to \$327,980 in the prior year and the non –monetary contribution in the form of land and associated housing was \$279,000.

The reported surplus was achieved on Total Revenues \$9.765M. Operating Income for 2013/2014 of \$9.348M was up 2.11% on the prior year of \$9.155M.

Recurring government operating, specific program and 'one off' grants amounted to \$4.560M, a marginal 0.7% decrease overall on the previous year amount of \$4.593M. Increases in funding received for the "Sustaining Tenancies at Risk" (STAR) program were offset by the full year impact of reduced funding for the Social Housing Advocacy and Support program, reduced staffing levels for the Victorian Bushfires Appeal Fund case management program undertaken by Rural Housing Network Limited and some "one off" grants that were unique to the prior year.

Income from Community Housing Rents and other income for the reporting year was \$4.580M, up 6.7% on 2012/13 year. The increase in rental income reflected general rent increases across the board for all property types and full year of rental income for the forty four units at the Mooroopna Apartments.

For the 2013/2014 year, Operating expenses (excluding interest expense) totalled \$8.454M compared to \$8.361M in the previous year. While the major expense items of Salaries & On Costs were much in line with the previous period, along with Client Expenses & Brokerage, Depreciation and Maintenance expense, Property Costs again increased with local government rates and charges continuing to increase at levels above CPI. Increased Office costs were offset by reduced spending in Administration and related expense areas.

Depreciation expense increased to \$695,000 from \$669,000 reflecting primarily the completion and capitalisation of final costs for the Brayton Housing Project, associated infrastructure and computer systems software.

Interest Income was \$106,000 (2012/13 - \$105,000). Interest expenses for the current year was \$391,000 (2012/13 - \$442,000) with the reduction reflecting the lower interest rates experienced over the past year and some modest principal repayments.

Statement of Financial Position

As at 30 June 2014, Net Assets were \$49.128M, an increase of 1.91% from \$48.207M at June 30, 2013.

Property, Plant and Equipment decreased marginally from the prior year and amounted to \$54.498M at the end of the year compared to \$54.591M in 2012/2013.

Current Liabilities reduced further during 2013/2014 and at the end of the year totalled \$2.043M compared to \$2.429M at the corresponding date last year. Trade creditors were lower than 2012/2013 levels as were Operating and Capital Grants in Advance liabilities. Likewise the current portion of provisions for employee benefits – annual leave and long service leave decreased slightly from \$360,000 to \$350,000 and the current portion of long term borrowings decreased from \$107,000 to \$97,000.

Non-Current Liabilities reduced slightly to \$6.676M from \$6.736M in the prior period, due to loans beginning to be repaid and no further draw down of funds during the year from existing borrowing facilities. Long term borrowings are secured by first registered mortgage over specified properties and by registered mortgages over all assets and undertakings of the company.

Statement of Cash Flows

Positive cash flows of \$560,000 were again generated from operations for the 2013/2014 year. Cash on hand and cash equivalents increased to \$3.201M from the 2012/2013 closing balance of \$2.641M.

No additional long term borrowings were drawn down during 2013/2014. The capital expenditure program for the year just ended of \$387,000 was sourced entirely from operating cash flows. Principal repayments on one loan facility continued during 2013/14 with payments amounting to \$75,000 being made during the year. A further long term finance facility has been negotiated to finance the Archers Field, Mooroopna housing development which had yet to be drawn against as at 30 June 2014.

Directors' Declaration

Rural Housing Network Limited
Directors' Declaration
For the year ended 30 June 2014

The directors of Rural Housing Network Limited declare that the concise financial report of the Company for the year ended 30 June 2014:

- a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- b) is an extract from the full financial report for the year ended 30 June 2014 and has been derived from and is consistent with the full financial report of the Rural Housing Network Limited.

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

Director
Peter Quigley



Director
Susanne Paini



Wodonga
29 October 2014



Independent auditor's report to the members of Rural Housing Network Ltd

Report on the concise financial report

The accompanying concise financial report of Rural Housing Network Ltd comprises the statement of financial position as at 30 June 2014, the statement of profit and loss and other comprehensive income, statement of equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Rural Housing Network Ltd for the year ended 30 June 2014. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' responsibility for the concise financial report

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Rural Housing Network Ltd for the year ended 30 June 2014. Our audit report on the financial report for the year was not subject to any modification. The Australian 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.

Our procedure in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year; and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion of the financial report

In our opinion, the concise financial report Rural Housing Network Ltd for the year ended 30 June 2014 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

Johnsons MME
Chartered Accountants


Stephen Clarke
Partner

Albury
29 October 2014

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ACHIEVING GOALS TOGETHER

520 Swift Street PO Box 375 Albury NSW 2640 T: (02) 6023 9100 F: (02) 6021 2154
E: contactus@johnsonsmme.com.au W: www.johnsonsmme.com.au

Johnsons MME ABN 16 163 273 492

Liability limited by a scheme approved under Professional Standards Legislation.

Independent Audit Report

82 High St
Wodonga
PO Box 761, 3689
T 02 6055 9000
F 02 6056 4527

40-42 Rowan St
Wangaratta
PO Box 273, 3676
T 03 5722 8000
F 03 5722 4964

43B Wyndham St
Shepparton
43B Wyndham St, 3630
T 03 5833 1000
F 03 5831 8918

12A Tallarook St
Seymour
PO Box 839 3660
T 03 5735 2000
F 03 5799 2138

