



**SouthEast**

Housing Co-operative

*Housing Futures*

**Annual Report**

2015-2016

SEHC



South E  
Housing Co  
Housing

coop

STEVEN

GREG

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# Mission



Our mission is to provide affordable, secure, financially and environmentally sustainable housing for people on low incomes, primarily in the South and East of Melbourne, who are committed to cooperative democracy and engagement.





# Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.



# Principles

## **Transforming Values into Practice**

- 1 Voluntary and open membership
- 2 Democratic member control
- 3 Member economic participation
- 4 Autonomy and Independence
- 5 Education, Training and Information
- 6 Cooperation Among Cooperatives
- 7 Concern for Community

# History

**SouthEast Housing Cooperative Ltd. (SouthEast) was founded through the merger of the Ringwood/Croydon, Oakleigh and Frankston Cooperatives in 2000.**

They sought to consolidate community assets and ensure members would have control over an effective and efficient housing management structure.

The new structure worked so well that the Moorabbin Rental Housing Cooperative became part of the organisation in 2004. SouthEast is the largest Rental Housing Cooperative in Victoria.

## Today

SouthEast owns and manages ten properties, and manages a further 150 properties for the Director of Housing.

SouthEast achieves its mission in the following suburbs:

- Bayswater & Bayswater North
- Bentleigh East
- Boronia
- Carrum Downs
- Cheltenham,
- Clarinda,
- Clayton & Clayton South
- Cranbourne
- Croydon,
- Frankston
- Highett
- Huntingdale
- Kilsyth
- Lilydale
- Moorabbin,
- Mooroolbark
- Noble Park
- Notting Hill
- Oakleigh & Oakleigh South
- Ringwood & Ringwood East
- Seaford

A background image featuring a close-up of pink flowers on the left and a variegated plant with green and white leaves in a woven basket at the bottom. A semi-transparent teal rectangle is overlaid in the center, containing white text.

SouthEast is  
the largest  
Rental Housing  
Cooperative  
in Victoria

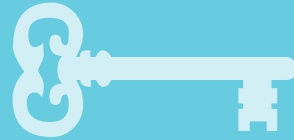
# 2015-2016

## Performance Snapshot



160

longterm housing properties



99.7%

occupancy rate



0

evictions



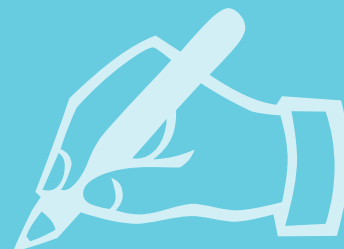
5

new tenancies



100%

new tenancies eligible for public housing



0

formal tenant complaints



**95.2%**

non-urgent repairs on time



**94.7%**

urgent repairs on time



**12.3 days**

average vacancy turnaround time (tenantable)



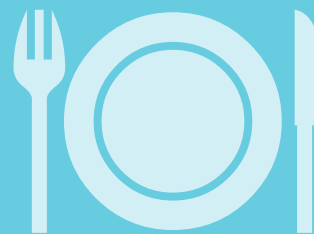
**37.5 days**

average vacancy turnaround time (untenantable)



**3**

bathroom upgrades



**2**

kitchen upgrades

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# Chairperson's Report

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## What a productive year the co-op has had.

Our new CEO Steven Morrissey and the Board have worked hard together to implement any changes suggested by the independent consultant who reviewed our procedures, rules, compliance, and operational practices. We came through the review well and have continued to work hard to discuss, amend and if necessary implement any changes to improve and strengthen the co-op for our members' future.

These new amendments will assist SouthEast to continue to grow with the times and bring new work practices into existence. We must continue to be flexible and sustain our growth to maintain our position in the Australian housing sector, and we must meet the challenges of the current and future environments.

The go-ahead was finally given for the removal of the derelict house in First Street and three brand new homes will be built; perfect for any member who wants to 'rightsize' into them and provide a home for the member and their family. Since I have been on the Board this property hasn't been home to a member or earned any income for the cooperative. The cost to bring the property up to a livable state was beyond our budget but now it will have three units built to house our members.

The co-op has also obtained the funds to purchase four new apartments in the Burbank project and are currently having members (new and old) take up residency. They are fully secured, two bedrooms, underground carpark and terraced properties, beautifully appointed and close to all facilities. They also have large green spaces with BBQs and sitting areas. There is a gym across the road, bus stop out the front, two restaurants and a convenience store on ground level. This development will provide many years of happy and safe living for those lucky members.

Progressing through our 16th year of SouthEast Housing Cooperative Ltd, we look back on the small group of co-ops from the South East of Melbourne who came together for survival with the belief in the cooperative principals of democracy and engagement. We also acknowledge the enormous number of hours from the volunteers who laid the foundations for our present housing cooperative. We now have the assistances of our very professional staff who have taken over from the volunteers. I remind all our members of the benefits we have achieved and how comfortable our homes are. SouthEast Housing Cooperative gives us a better life style and we stand apart from other housing organisations.

Yes, we do have individual histories but we have excelled as SouthEast Housing Cooperative for sixteen years and we will keep growing and providing safe and secure homes for our members and their families. Yes, we should 'pay it forward' to other families/people; the co-op has changed my family's life and I will happily help others to achieve this also. Please don't be stuck on what you have done but what we can do for SouthEast. I encourage all members who are interested or willing to learn about the Governance of SouthEast to participate.

I must thank the staff and our great CEO for their expertise when dealing with the daily challenges that keep our cooperative operating smoothly, financially and efficiently. I would like to thank the Board for their support, enthusiasm and hard work throughout the year. A big welcome to our new members and we hope they enjoy being part of our co-op and have many years of safe, secure and happy living.

In Co-operation,

**Andrea Lee**



“SouthEast Housing  
Cooperative gives  
us a better lifestyle  
and we stand apart  
from other housing  
organisations”

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# Secretary's Report

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**Hello again, members. You are probably thinking this year 2015-16, should be much easier, since we have now have had our new Chief Executive Officer (CEO) in place for nine months, and he has been very busy in implementing administrative changes, and streamlining of some operational practices for the co-op and its staff.**

The updating and version control(s) of the Member Manual, Directors registers, the Governance Manual, the cooperative rules and registers (transactions, complaints, etc.), are good and effective measures that have been introduced.

I can say that Steven (CEO), has forged a good relationship with the Board and has maintained a good working system with co-op staff, clarifying their roles, and introducing some good initiatives, re: staff understanding each other's roles, in case there is a need in the future to fill in temporarily for fellow staff members.

There has been a comprehensive review, updating and version control(s) of all co-op manuals, lists and registers, and technological systems and functions, including the SouthEast website, and payment systems for accounts, creditors, tradesman bills, etc.

I can also tell you that there are always challenges, and over the last couple of years, we have had to deal with several difficult issues. The Board is not always in complete agreement and unanimity about all things, but overall the Board members' collective experience, over several years, in working on issues, policies and strategic matters, has generally got us to the right decision(s) for the co-op and its members. That should always be our main priority as a Board, and the objective of all Board members to keep in mind, is the absolute need to 'act as one Board'.

The Board is continually trying to bring about positive improvements in the way the co-op operates. For the first part of 2016, we have approved a formal CEO succession plan, have now permanently appointed our CEO, and set key performance indicators (KPI's). We have also met our regulatory and statutory compliance obligations with the Housing Registrar, and the Cooperative National Law act (CNL). Also, in the first six months of this year, the Board has done a comprehensive review of all governance and operational aspects of the co-op, via a "Strategic Governance and Operations Audit and Report".

This was conducted over March and April 2016, by 'Conscious Governance Pty. Ltd.', and their Principal, Steven Bowman, a governance and organisational systems expert of many years' experience and qualifications.

Much of the positive improvements in the coop's operations, have come about because of the recommendations made in the Conscious Governance Report in April this year, and there have also been some recommendations which will require the members to vote on rule changes, at

# "The Board is continually trying to bring about positive improvements in the way the co-op operates."

the 2016 AGM. The Board has been systematically discussing, and implementing recommended changes (some with alterations or amendments), that do not require a change in the Coop Rules.

These few important rule changes requiring the members' approval have been put on the AGM agenda for explanation, discussion and then a vote. There has also been a thorough review and gradual implementation of some recommended changes to the Board committees, i.e. Governance and Policy Committee, and Business and Finance Committee, and the Audit committee, etc.

The Board is confident these changes will result in a heightened efficiency and professionalism in the way that the co-op functions overall, into the future. We can assure members that whenever there are challenges put in front of the Board that we will do our best to act with integrity, and make decisions per proper process. All the best to members for this year and beyond.

Cooperatively,

**Greg Nolan**

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# Chief Executive Officer's Report

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It is fair to say that the 2015-16 financial year posed many challenges for our cooperative. Having lost its much-respected General Manager Ian McLaren in July, the Board was faced with the task of appointing his replacement. I started as the new CEO in January; taking the reins from the two Acting Managers.

I would like to thank both the staff and Directors for the support and cooperation afforded me since January as we have strived to achieve SouthEast's mission.

## **Initiatives undertaken in the second half of 2015-16 include:**

- A full review of the Board and governance practices facilitated by Steven Bowman of 'Conscious Governance'
- Successful application for funding (Department of Health and Human Services - Rapid Housing Assistance Fund) to assist in the purchase of four 2-bedroom apartments
- Numerous internal reviews of human resource structures and processes which have resulted in greater efficiency and improved practices
- A concerted effort (through 'Housing Futures' and the May General Meeting) to increase awareness of 'rightsizing' and why it is important to the future of SouthEast

SouthEast members and other stakeholders can be assured that our cooperative is in a strong financial and governance position.

## **A new strategic plan will be devised in the first half of 2017, which will (as it should) have our mission as its central tenet:**

"... to provide affordable, secure, financially and environmentally sustainable housing for people on low incomes, primarily in the South and East of Melbourne, who are committed to cooperative democracy and engagement."

I look forward to working with staff and Directors on behalf of our members throughout the next financial year and beyond.

**Steven Morrissey**

MBUSMGT, AFAIM, MAICD

The background image shows a group of people seated at a long table in a meeting room. On the left, a woman in a red shirt is visible. In the center, several people are seated, with nameplates in front of them; one nameplate clearly shows 'DEBBIE'. To the right, a man is seated. Large silver balloons are visible on the left side of the frame. The text is overlaid on a semi-transparent blue rectangle in the center of the image.

**“SouthEast  
members and  
other stakeholders  
can be assured  
that our  
cooperative is in  
a strong financial  
and governance  
position.”**

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# Committee Reports

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## Audit Committee

The Audit Committee shall:

- Recommend appointment, dismissal and remuneration of internal and external auditors and oversee the audit process
- Maintain an effective audit function
- Have unlimited access to the auditor and to the Chief Executive Officer and all employees
- Engage outside expertise if needed for audit purposes e.g. legal and technical consultants
- Approve policies for reporting, risk management and internal audit.
- Where there is any difference of view between the auditor and management, the audit committee should ensure that the difference is reported, followed up and resolved to the Committee's satisfaction
- Invite the auditor to attend Committee meetings as appropriate
- Take steps to ensure that all recommendations arising from audits are considered and implemented if appropriate.

The SouthEast Audit Committee was established to ensure probity in the processes of SouthEast and to review and manage risks, including financial risks, and meets only as required.

### Steven Kropf

Convenor



## Business and Finance Committee

July 2015 to June 2016 has been a very interesting time for the Cooperative. SouthEast had a new Chief Executive Officer, Steven Morrissey, come on board in January 2016.

The recruitment process to find the right person for SouthEast was something I enjoyed. During this period the Department of Health and Human Services (DHHS) allowed SouthEast to utilise Community Capacity Building money, held for the First Street redevelopment, into other forms of growth.

It has been a great five months with Steven Morrissey being on board and what he has brought to the cooperative has been invaluable. He has built great relationships with the DHHS, the Housing Registrar and the City of Greater Dandenong.

We have a surplus of \$288k which has given us the opportunity to purchase more properties. SouthEast is in a great financial position to take on more houses and we are looking forward to more growth into the future.

### Tracey Hall

Convenor



## Governance and Policy Committee

The Governance and Policy Committee has the responsibility to identify any areas of the policy and rules that require changes and to present the committee's recommendations to the Board, these covering:

- The governance performance of SouthEast
- Regularly develop and implement the strategic and business plans
- Develop policies and procedures that reflect the needs and wishes of the membership.

The committee meets monthly.

The first half of the financial year was a busy and challenging time, following the passing of the General Manager Ian McLaren, while maintaining an effective operational management.

The staff are to be congratulated for dedication to their roles and for ensuring the smooth running of the office. Joy Haines and David Griffiths as acting managers were instrumental in keeping the cooperative on track during this time, and I thank them for stepping into the roles at short notice.

The Board had the extra workload of the employment of a new CEO and organising the Xmas party, which was well attended by members. It was an enjoyable time for all.

The success of the party was due to the Directors who made their time available as well as the volunteers and many thanks to our volunteers who worked tirelessly all day.

The Board also had to make changes to rules to meet the Cooperative National Law which came into effect in July 2015.

The Board has also carried out a governance review which has identified constitution and policy changes which need to be discussed and the implementation will be ongoing into the New Year. I thank all Directors for their hard work over the past year and I look forward to continued improvements which will meet the needs of our members.

Our new CEO, Steven Morrissey, came into the co-op at a challenging time and is proving to be an asset to SouthEast. I look forward to working with Steven and the Board over the coming year.

## Shirley Faram

Convenor

# Performance

## Primary Goals & Tenets

### Goals

- Provide affordable, secure, well maintained and sustainable housing.
- Operate a well-run, adaptive and financially secure organisation that meets the expectations of members, government and other stakeholders.
- Develop a well-informed, engaged and committed membership.
- Seek to ensure long-term viability and visibility of SouthEast to DHHS and other stakeholders and decision-makers as part of promoting and strengthening the cooperative housing model.
- Pursue opportunities for growth in the range and level of affordable housing available primarily through the Southern and Eastern areas of Melbourne.
- Maximise utilisation of our properties.

### Tenets

- Managed growth through either new properties, or acquiring titles for DHHS managed properties, is necessary for ongoing growth in assets, and to increase the financial strength of SouthEast. This will assist to reinforce and improve security of tenure for all members.
- Growth must be supported by members and be prudent, risk managed and within organisational capacity.
- Growth will be consistent with service quality and continued improvements.
- Any new properties built or acquired should be offered to members for voluntary rightsizing.
- Environmentally sustainable housing is in the cooperative's and the members' interest.
- Accommodation must be adaptable to meet the changing needs of members.
- Stakeholders and partnerships should be compatible with the cooperative's values

# Achievements

- First Street development approved by the DHHS, building to commence late 2016.

- Four area meetings held to mark the 15th birthday of SouthEast and Xmas celebration achieved with high levels of attendance of adults and children (80+).

- Members participated in workshops and encouraged re director's successions and rightsizing at the May General Meeting.

- CEO succession plan updated.

- Complex Needs and Child Safety Standards policy and procedures approved.

- Member communications policy enhanced.

- Staff trained in grants procurement.

- New staff position descriptions updated to include key performance indicators and performance reviews completed.

- Asset plan updated to include General Lease risk and financial factors.

- Tenancy data base restructured.

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# SouthEast Directors Board and Committee Attendance

## Financial Year 2015-2016

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### Board Meetings

(Total meetings: Ordinary: 11 Extraordinary: 1)

NAME	ATTENDED	APOLOGY
Andrea Lee	12	
Debbie Dioguardi	10	2
Gayle Koubwere	12	
Greg Nolan	12	
Jan Dickson	11	1
Shirley Faram	12	
Steve Kropf	9	3
Steven Grange	12	
Tracey Hall	9	3

### Notes

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- The rules state there shall be nine board member director positions and up to two independent directors.
  - It is normal for the Audit Committee to meet only once or twice each year. The purpose of the September 2015 meeting was to jointly discuss and confirm the audited financial statements in consultation with the appointed accountant, auditors and the Acting General Manager Operations. The independent directors were consulted via electronic means and were unable to attend due to prior business commitments.
  - Tracey Hall and Debbie Dioguardi attended the National Housing Conference in Perth WA.
  - The Chairperson is a member of all subcommittees but is not required to attend all subcommittee meetings.
  - Board Committee meetings are held as required.
  - Gayle Koubwere was a formal Governance and Policy committee member from November 2015
-

## Audit Committee Meetings

(Total meetings: 1)

NAME	ATTENDED	APOLOGY
Auditors	1	
Joy Haines, Acting Operations Manager	1	
Steven Grange		1
Steven Kropf		1

## Business & Finance Committee Meetings

(Total meetings: 10)

NAME	ATTENDED	APOLOGY
Andrea Lee	3	3
Debbie Dioguardi	4	4
Jan Dickson	9	1
Shirley Faram	10	
Tracey Hall	10	

## Governance & Policy Committee Meetings

(Total meetings: 4)

NAME	ATTENDED	APOLOGY
Andrea Lee	4	
Debbie Dioguardi	3	1
Gayle Koubwere	3	
Greg Nolan	4	
Jan Dickson	4	
Shirley Faram	4	

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# Director Profiles

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## **Andrea Lee**

**Member Director and Chairperson. Member of the Governance & Policy and Business & Finance Committees.**

Cooperative member since 8/7/2001. Board member 2005/6 and since 2010. Bachelor of Business Accounting and Management. Accountant. Seven years in Business Services.

## **Debbie Dioguardi**

**Member Director and Deputy Chairperson. Member of the Business & Finance Committee.**

Previous member Ringwood/Croydon coop for three years and participated in the policy committee. Previous banking experience for total of six years. Certificate in book keeping to trial balance. Cooperative member since December 2004. Level 2 first aid certificate. Managed a team for a planning company. Active member of SouthEast Housing for over ten years. Home Schooling Supervisor

## **Greg Nolan**

**Member Director and Cooperative Secretary. Member of the Governance & Policy Committee.**

SouthEast cooperative member since 2004, and previously a Moorabbin Rental Housing Coop (RHC) tenant-member since October, 1989. Had two previous terms on Moorabbin RHC Steering Committee (Board) in late 1990's and early 2000's, including once as a Vice-Chair. In the mid-90's, Greg was on a founding committee which had the task of setting up the constitutional foundations of the Joint Housing Collective (J.H.C.), which was the initial state-wide peak body for RHC's in Victoria. Served for several years as Moorabbin delegate on the former J.H.C. The equivalent and expanded forum today is the Community Housing Federation Victoria (CHFV). Life and work experiences have been in music education, public transport, horticulture and aged and disability care as both a part-time worker and volunteer.

## **Gayle Koubwere**

**Member Director and Cooperative Deputy Secretary. Member of the Governance & Policy and Business & Finance Committees.**

I have been a SouthEast member for 4 years, and a Board member since November 2013. From 1992 to 1996 I was a member of the Oakleigh Rental Housing Cooperative and worked on the Policy and Finance sub-committees. I have worked in Administration, Accounts and Payroll, recently completing Certificates in Frontline Management, Aged Care and Home and Community Care.

## **Tracey Hall**

**Member Director and Convenor of the Business & Finance Committee.**

Since 2002 director on the SouthEast Board including: Chairperson for one year, secretary for one year, policy committee member for two years and the balance as a business and finance committee member. Cert 4 Small Business Management. Cert 4 Business (Governance). School committee: publicity officer. Village committee member for two years for the City of Kingston.

## **Shirley Faram**

**Member Director and Convenor of the Governance & Policy Committee. Member of the Business & Finance Committee.**

Over 14 years on Board. Over 12 years as SouthEast Chairperson. Four years secretary of Frankston Council's Good Neighbour program. Four years volunteering with the Bayside Shared Accommodation Register. Four years as Board member and worker with the Bayside Youth Housing Project. Six years as a Director for the Cooperative Federation of Victoria.

## **Jan Dickson**

**Member Director and a member of the Governance & Policy and Business & Finance Committees.**

Previous director and chairperson 1 year. Cooperative director four years. Cooperative member since 4/5/2001. Home Duties. Participated in a co-op Office Support Group and was a Policy Group participant also. Committee member Clayton Junior Football Club ten years.

## **Steve Kropf**

**Independent Director and Convenor of the Audit Committee**

MBA, BBus BA, FCPA, over twenty years' experience in senior commercial management roles including CFO, GM Finance and planning roles through a range of companies covering transport and logistics, tourism, government privatisations and pharmaceuticals. Currently owner and manager of two companies both in the service sector.

## **Steven Grange**

**Independent Director and a member of the Business & Finance and Audit Committees.**

Steven worked for, First Option Credit Union, a \$160M credit union with 10,000 members across Australia and his role was a Business Development Manager. Steven has spent 35 years in working for industry based credit unions. Other roles Steven has filled include: Director: Kyneton Community Cooperative from 1983 to 1987, Director/Chairman: Reservoir Fawknor Credit Cooperative from 1990 to 1997. Industry Training: Director training via the Australian Institute Credit Union Directors. Qualifications: Diploma in Marketing: Hawthorn Institute of Technology, 1990.



Andrea Lee



Gayle Koubwere



Jan Dickson



Debbie Dioguardi



Tracey Hall



Steve Kropf



Greg Nolan



Shirley Faram



Steven Grange

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# Staff Profiles

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## **Steven Morrissey**

MBUSMGT, AFAIM, MAICD.

Master of Business Management  
(Monash, 2009)

Associate Fellow of the Australian Institute of  
Management

Member of the Australian Institute of Company  
Directors

Certificate IV Workplace Trainer & Assessor

Certificate III Investigative Services

Registered Electrical Contractor (Vic) No. 12109

A Grade Electrician (Vic) No. A27739

**Chief Executive Officer**

***Joined SouthEast in January 2016***

## **Joy Haines**

Advanced Certificate in Estate Agency  
(Frankston College of TAFE 1994)

**Tenancy Officer**

***Joined SouthEast October 2001***

## **Michelle D'Rozario**

Certificate IV Business Administration

**Administration Officer and Assistant**

**Asset Coordinator**

***Joined SouthEast April 2008***

## **Trang Le**

Bachelor of Engineering (RMIT)

Graduate Diploma Computing Studies (RMIT)

Diploma Accounting (Box Hill TAFE)

**Bookkeeper**

***Joined SouthEast June 2006***

## **Jim Kokoras**

Domestic Builders Registration Course

(Holmesglen Institute of TAFE, 2001)

**Asset Coordinator**

***Joined SouthEast August 2004***

## **Dale Carroll**

Bachelor Business Local Government (RMIT)

Bachelor Social Science (Swinburne)

Graduate Diploma Psychology (Swinburne)

Parent Education Leadership Certificate

(Box Hill TAFE)

**Compliance and Development Officer**

***Joined SouthEast December 2008***



Steven Morrissey



Michelle D'Rozario



Jim Kokoras



Joy Haines



Trang Le



Dale Carroll

# Financials

## The Audited Financial Statements

### Statement of Profit or Loss and Other Comprehensive Income Year Ended 30 June 2016

	2016 \$	2015 \$
<b>Continuing Operations</b>		
Revenue	1,775,644	1,743,584
Other Revenue	218,443	42,113
Employee benefits expense	(559,698)	(560,963)
Depreciation and amortisation expense	(64,628)	(62,918)
Occupancy expense	(63,901)	(82,414)
Property expense	(732,051)	(600,842)
Administration expenses	(285,871)	(113,255)
Bad Debts	(161)	
<b>Profit before income tax</b>	<b>287,778</b>	<b>365,305</b>
Income tax expense		
<b>Profit for the year</b>	<b>287,778</b>	<b>365,305</b>
<b>Other comprehensive income:</b> <i>Items that will not subsequently be reclassified to profit or loss</i>		
Net gain on revaluation of land and buildings	0	0
<b>Other comprehensive income for the year:</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the year</b>	<b>287,778</b>	<b>365,305</b>
<b>Profit attributable to:</b> <b>Members of the Cooperative</b>	<b>287,778</b>	<b>365,305</b>
<b>Profit for the year</b>	<b>287,778</b>	<b>365,305</b>
<b>Total comprehensive income attributable to:</b> <b>Members of the Cooperative</b>		
<b>Total comprehensive income for the year</b>	<b>287,778</b>	<b>365,305</b>

## Statement of Financial Position

### As at 30 June 2016

	2016 \$	2015 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,969,325	1,841,222
Trade and other receivables	23,904	35,950
Other current assets	31,145	44,121
<b>TOTAL CURRENT ASSETS</b>	<b>2,037,350</b>	<b>1,908,317</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,882,852	2,908,076
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,882,852</b>	<b>2,908,076</b>
<b>TOTAL ASSETS</b>	<b>4,920,203</b>	<b>4,816,393</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	105,341	280,743
Provisions	82,782	83,991
<b>TOTAL CURRENT LIABILITIES</b>	<b>188,123</b>	<b>364,734</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	36	7,393
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>36</b>	<b>7,393</b>
<b>TOTAL LIABILITIES</b>	<b>188,159</b>	<b>372,127</b>
<b>NET ASSETS</b>	<b>4,732,044</b>	<b>4,444,266</b>
<b>EQUITY</b>		
Members' funds	3,198,231	3,244,292
Reserves	1,533,813	1,199,973
<b>TOTAL EQUITY</b>	<b>4,732,044</b>	<b>4,444,266</b>

# Financials

## Statement of Changes in Equity For The Year Ended 30 June 2016

	Retained earnings	Cyclical Maintenance Reserve	Revaluation Reserve	Property Development Reserve	Total Attributable to Members of the co-operative
Balance at	\$	\$	\$	\$	\$
1 July 2014	2,878,987	145,000	1,054,973	—	4,078,960
Profit for the year	365,305	—	—	—	365,305
Other comprehensive income	—	—	—	—	—
Total comprehensive income for the year	365,305	—	—	—	—
Transfers	—	—	—	—	—
<b>Balance at</b>					
<b>30 June 2015</b>	<b>3,244,292</b>	<b>145,000</b>	<b>1,054,973</b>		<b>4,444,265</b>
Balance at					
1 July 2015	3,244,292	145,000	1,054,973		4,444,265
Profit for the year	287,778				287,778
Other comprehensive income	—	—	—	—	—
Total comprehensive income for the year	287,778				287,778
Transfers	(333,840)	—	—	333,840	—
<b>Balance at</b>					
<b>30 June 2016</b>	<b>3,198,231</b>	<b>145,000</b>	<b>1,054,973</b>	<b>333,840</b>	<b>4,732,043</b>

## Statement of Cash Flows

### For The Year Ended 30 June 2016

	2016 \$	2015 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from tenants and government agencies	1,790,124	1,721,524
Payments to suppliers and employees	(1,641,074)	(1,354,040)
Interest received	37,498	35,458
Finance costs	-	-
<b>Net cash provided by operating activities</b>	<b>186,548</b>	<b>402,942</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of property, plant and equipment	20,315	-
Payments for property, plant and equipment	(78,760)	(2,985)
<b>Net cash used in investing activities</b>	<b>(58,445)</b>	<b>(2,985)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>
Net increase in cash and cash equivalents	128,103	429,506
Cash and cash equivalents at beginning of financial year	1,841,222	1,411,716
<b>Cash and cash equivalents at end of financial year</b>	<b>1,969,325</b>	<b>1,841,222</b>

**Please note:**

The financial information contained herein has been extracted from SouthEast Housing Cooperative's 2015/16 Financial Report, and therefore does not represent a full financial report. Any member who wishes to review the full audited financial report can request a copy by contacting Compliance and Development Officer Dale Carroll at the SouthEast office (phone (03) 9706 8005, Dale.Carroll@sehc.org.au).

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# Financials

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## Directors' Declaration

The directors have determined that the Cooperative is not a reporting entity, and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Directors of the Cooperative declare that:

1. The accompanying financial statements and notes for the financial year ended 30 June 2016 are prepared in accordance with the requirements of the Cooperatives National Law and:

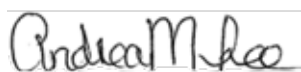
Give true and fair view of the financial position and performance of the Cooperative at the end of the financial year; and

Comply with applicable accounting standards.

At the date of this declaration, there are reasonable grounds to believe that the Cooperative will be able to pay its debts as and when they become due and payable.

The Cooperative has kept such accounting records that correctly records and explain the transactions and financial position of the Cooperative.

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



**Andrea Lee Director/Chairperson**



**Greg Nolan Director/Secretary**

Dated at Dandenong this 14th day of October 2016

Advantage Advisors Audit Partnership

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEAST HOUSING CO-OPERATIVE LTD**

We have audited the accompanying financial report of SouthEast Housing Co-operative Ltd, being a special purpose financial report, which comprises the statement of financial position as at 30 June 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Directors' Responsibility for the Financial Report**

The directors of the Co-operative are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the needs of the members. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

# Financials



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEAST HOUSING CO-OPERATIVE LTD (Continued)

### Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

### Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of SouthEast Housing Co-operative Ltd as at 30 June 2016 and its performance for the year then ended in accordance with the accounting policies described in Note 1 of the financial statements.

### Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Co-operative rule. As a result, the financial report may not be suitable for another purpose.

A handwritten signature in black ink that reads 'Advantage Advisors'.

ADVANTAGE ADVISORS AUDIT PARTNERSHIP  
CHARTERED ACCOUNTANTS

A handwritten signature in black ink that appears to read 'Ben Bester'.

BEN BESTER  
PARTNER

Dated in Melbourne on this 14 day of October 2016





## Contact Details and Feedback

### **Maintenance** 03 9706 8005

Email: [jim@sehc.org.au](mailto:jim@sehc.org.au)

Facsimile: 03 9706 8558

<http://www.sehc.org.au/index.php/services/maintenance-form>

<http://www.sehc.org.au/index.php/services/maintenance>

### **Tenancy** 03 9706 8005

Email: [joy@sehc.org.au](mailto:joy@sehc.org.au)

Facsimile: 03 9706 8558

<http://www.sehc.org.au/index.php/services/tenancy-form>

<http://www.sehc.org.au/index.php/services/tenancy>

### **Management** 03 9706 8005

Steven Morrissey

Chief Executive Officer

Email: [steven@sehc.org.au](mailto:steven@sehc.org.au)

Facsimile: 03 9706 8558

<http://www.sehc.org.au/index.php/contact/general-enquiry>

## Legal Information

SouthEast is incorporated under the Cooperative Act 1996 and operates under the Cooperatives National Law Application Act 2013 and its companion acts. The cooperative is a member of the Community Housing Industry Association and the Community Housing Federation of Victoria.

**Disclaimer** This report is provided for information only. Although every effort is made to ensure accuracy of information, it is presented without warranty of any kind, either express or implied. The user assumes the entire risk as to the use of the report and the material.

**Privacy** SouthEast is committed to protecting your privacy and complying with all applicable privacy laws. If you have any questions or comments about our privacy practices, we can be contacted at PO Box 7141, Dandenong Phone: 3175. 03 9706 8005 Fax 03 9706 8558