



# **METRO COMMUNITY HOUSING CO-OP LTD**

**ANNUAL REPORT  
2016 - 2017**

*Safe: Stable:  
Secure*

# Metro Community Housing Co-operative Ltd

**Location:** Suite 208, Level 2, 1 Erskineville Rd

**Postal Address:** PO Box 1198, Newtown, 2042

**Office hours:** Monday, Tuesday & Thursday: 10.00am – 4.00pm  
Wednesday: 1.00pm - 4.00pm

*Tenants and applicants are seen by appointment outside these times.*

**Telephone:** 02 9565 4599

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## **Our values:** *To create a better community by*

- ✓ providing housing and other assistance to people in our community who are in high need;
- ✓ empowering our tenants and enhancing their life choices through access to affordable, appropriate and secure housing;
- ✓ making links and working collaboratively with other housing providers and community support services to help us achieve these aims; and
- ✓ actively engaging in activities which support the social housing sector and the broader objective of improving access to safe, affordable housing for all.

*Thank you to all who have contributed to the co-operative over the last year!*

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**Published by:** Metro Community Housing Co-operative Ltd.

For a copy of the Metro Community Housing Annual Report please call us on (02) 9565 4599 or e-mail [reception@metrohousing.org.au](mailto:reception@metrohousing.org.au).

This report can be downloaded from [www.metrohousing.org.au](http://www.metrohousing.org.au)

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Annual General Meeting  
6.00pm on 29 November 2017  
Petersham Bowling Club  
Brighton Street, Petersham

Agenda

1. Welcome and Acknowledgement of Country
2. Apologies
3. Minutes of previous meeting
4. Matters arising from the previous minutes
5. Reports:
  - a) Chairperson's report
  - b) Treasurer's report
  - c) Manager's report
6. Motion for acceptance of reports
7. Appointment of Returning Officer
8. Election of Board of Directors
9. Appointment of Auditor
10. New business

# *Minutes of the 2015/2016 Annual General Meeting*

Wednesday 30th November 2016

at

Erskineville Town Hall,

Erskineville Road, Erskineville 2043

## **1. Welcome**

The Chairperson opened the meeting at 5.00pm and welcomed all Metro Co-operative members and guests to the AGM. James then introduced the Metro Board of Directors and staff, acknowledged the attendance of representatives from our partner organizations and thanked tenants who were present.

**Present:** Fred Corrie, Walter Lavery, Connie Smith and Sandra Toovey (Stepping Out), Jennifer Croton, Cassandra Croton-Smith, Julie Harrison, Emma Lane, David Abello, Malcolm Pollard, Enda O'Callaghan, Sue Taylor, James Kennedy, Alan Mathew, Dennis Elacion, Dawn Kavouras, Nhung Vu (Launchpad), Catherine Lin, Ken Stevenson, Yarrie Sillah, Warren McCullough, Mark Barass

**Apologies:** Valerianne Byrnes, Melinda Tunbridge, Rick Daly, Elizabeth Sharaq

## **2. Welcome to Country**

James acknowledged the traditional owners of the land on which we were meeting, the Gadigal people of the Eora nation, and thanked elders past and present for their care of the land.

## **3. Minutes from previous meeting:**

Motion: "That the minutes of the AGM held on 24 November 2015 be accepted as a true and accurate record of the meeting".

Moved: Sue Taylor

Seconded: Malcolm Pollard

Motion carried unanimously.

## **4. Reports:**

### **Chairperson's Report**

The Chairperson focused on the highlights of the previous 12 months in his Report.

Metro is providing housing to a greater number of people than a year ago. James noted that 5 of the additional tenants are being housed at the property Metro acquired in November 2015 in Sloane Street, Summer Hill.

James advised the meeting that the Co-op is currently awaiting settlement on the purchase of a piece of land that adjoins the Sloane Street property. This will increase the development potential of the site considerably. The purchase should be completed in the current financial year.

James expressed his thanks and acknowledged the work of all of the Metro Co-op staff, his fellow Board members and all of our support partner organizations.

The Chairperson then made a presentation and moved a vote of thanks to Alan Mathew who, as Metro's previous accountant, provided over 20 years of sound financial advice and dedicated service to the Co-op. He also noted that Alan had equipped us for the future through the training and mentoring he provided to our current accountant.

### **Treasurer's Report and Financial Statements**

Catherine Lin presented the Financial Statements for the financial year ending 30 June 2016. She reported that Metro is in a sound and strong financial position to go forward.

### **CEO's Report**

The CEO spoke to her report. Julie said she was pleased to be able to report on the very positive results shown in the 2015-2016 Metro Tenant Satisfaction Survey. The work for the survey is contracted out and is conducted by the Federation of Housing Associations on behalf of Metro.

The results showed that Metro had met and exceeded the requirements of the National Regulatory Standards benchmarks in a number of areas eg communication with staff, overall satisfaction with the services tenants receive from Metro, and the condition and location of their properties.

Julie also informed the meeting that we had successfully negotiated an additional feature to our insurance policy which means that from 1 December 2016 tenants will be covered for Contents Insurance up to the value of \$5000.00. The cost of this comes to approximately \$10.00 per tenant per annum and Metro is happy to absorb this cost in order to offer this benefit to all tenants.

Julie thanked the Metro staff for their excellent work on behalf of the tenants and the Co-operative.

Motion: "That the Chairperson's Report, the Treasurer's Report and Financial Statements for 2015-2016 and the CEO's Reports all be accepted."

Moved: Malcolm Pollard      Seconded: David Abello. Motion carried unanimously

## **7. Election of Board of Directors**

Julie Harrison acted as the Returning Officer for the election of Directors to the Board.

Julie read out the names of those members who were nominated to stand for election to the Board of Directors – James Kennedy, Catherine Lin, Malcolm Pollard, Enda O'Callaghan and Sue Taylor.

There being five vacancies and no further nominations, Julie declared the five nominees to be elected unopposed.

## **8. Appointment of Auditor**

Motion: "That Partlett, Chave and Rowland be appointed to act as Auditors for Metro Community Housing Co-op in the 2016 -2017 financial year."

Moved: David Abello      Seconded: Enda O'Callaghan. Motion carried unanimously

James thanked the Auditors for their diligent efforts over many years. He noted that whilst the Co-op has retained the same company of auditors for many years, in accordance with industry best practice the actual auditor completing our annual finance report is rotated every 3 years.

James declared the meeting closed, thanked everyone for their attendance and wished all present a wonderful festive season.

Meeting closed at 5.30pm.

# A Snapshot of Metro Community Housing

## *How do we operate?*

Metro Community Housing receives operational funding from the Communities, Homes and Places Division of the NSW Department of Family and Community Services.

Our primary purpose is to provide long term, subsidised accommodation to people on low incomes who meet Housing Pathways (NSW Housing Register) eligibility. This requires applicants for social housing in NSW to be either Australian citizens, permanent residents or have protected visa status; to reside in NSW; and to meet income eligibility requirements.

Metro also provides transitional housing for people referred through support partnership nominations from our community support partners. The consumers/clients of these organisations require assistance to exit primary homelessness or to prevent those exiting in-patient psychiatric services, crisis refuges, drug and alcohol programs, or the criminal justice system from falling into homelessness or being required to live in unsafe/insecure accommodation.

Through a program run in collaboration with Sydney Area Local Health Service, the associated Community Mental health teams and Community based support providers we provide transitional housing to clients of those services who need to demonstrate independent living skills in order to be offered permanent social housing.

The transitional housing programs are for periods of between 6 and 24 months depending on the individual circumstances of the tenant/s.

## *Who do we house?*

Metro is a generalist housing association, but an objective of our 2015-2018 Strategic Plan committed us to increasing the percentage of tenancies offered through support partnership nominations for those in high need from 25% to 35%. Metro has achieved this target.

Metro has also partnered with FACS, City of Sydney Council and other inner metropolitan community housing providers to provide long term housing to people who have been rough sleepers in the inner city through the Connect 100 program. This follows on from our earlier collaboration with Bridge Housing, which co-ordinated the Platform 70 program for a similar cohort.

In collaboration with Specialist Homelessness Services, these programs aim to provide “wrap-around” services to assist people with a lengthy history of primary homelessness to achieve a sustainable and positive tenancy, improve their health and well-being and develop greater capacity for positive social and community engagement.

Tenants are assisted into permanent housing and provided with an initial level of intensive support and/or referral to specialist services (i.e. mental health; alcohol and other drugs, trauma counselling) to aid their transition from “street to home”.

Further information about the composition and features of our tenancies are detailed in the Statistical Information section of this report.

### *Where do we operate?*

The majority of our properties are located within the inner west metropolitan area - primarily in what were the former Ashfield, Marrickville and Leichhardt Local Government areas (now incorporated into the amalgamated Inner West Council); City of Sydney and Canterbury Local Government areas. We have a smaller number of properties located across 12 other local government areas. Our housing stock ranges from studio apartments to six bedroom houses.

Over the last three years we have seen a minor re-orientation of our leasehold portfolio to suburbs a little further from the CBD. This followed a major review of the Community Housing Leasehold Program, the outcome of which was a change from a subsidy model based on the difference between the rent paid by Metro (capped at the benchmark rent for individual Local Government Areas) and the rent paid by our tenants, to an annualised funding model which commenced at the start of the 2014/15 financial year.

Those annual budgets were determined based on an averaging of the funding each Community Housing provider had received over the previous 4 quarters. Subsequent annual funding was initially indexed at 5% per annum but since 2016/17 has been 2.5% per annum (based on downward trends in the Consumer Price Index).

In order to restrain costs in this program we have been gradually relinquishing properties in higher cost areas when tenants seek a transfer or voluntarily vacate, or when owners issue us with Notice to Vacate.

Except where tenants can demonstrate a “locational need” to remain or be housed in a specific suburb/area in order to access specialist medical, educational or support services we will try to acquire replacement properties in less expensive areas/suburbs.

This, and the application of a “cap” on the rents we will pay is resulting in a reduction in the number of properties we lease in the inner city, the inner west and the eastern suburbs, and an increase in our leasehold acquisitions in the middle ring suburbs.

A positive by-product of this approach has been that we have been able to assist a number of our transitional tenants who have had a positive tenancy history to successfully exit to the private rental market at the end of their tenancy with Metro, as we have been able to negotiate with the managing agent/owner for the tenant to take over the lease of a property that is within their affordability.

## *How are we governed?*

Metro is incorporated as a not-for-profit, co-operative of members with Public Benevolent status. Membership of the co-operative is made up of Metro tenants and other persons with a demonstrated interest in our organisation or in the provision of community housing more generally. All potential members complete a written application and these are then put to the Board for approval at the first available board meeting.

Membership will only be refused where persons applying have acted in a way contrary to the interests of the co-operative or its members.

All members of the co-operative must meet the “active membership” provisions which require them to attend at least one meeting of the Board per annum. This would normally be the Annual General Meeting. All members of the co-operative are entitled to nominate for, and/or vote at the AGM for appointment as a Director.

The newly elected Board of Directors then call for nominations and elects specific position holders (i.e. Chairperson, Secretary, Treasurer) at the first board meeting held after the Annual General Meeting. These position holders are termed “executive” members.

There is also a standing Finance, Audit and Risk Sub-committee comprising 3 directors, one of whom must be the Treasurer. Other sub-committees are formed on an ad-hoc basis in response to specific requirements, ie Policy Sub-committee, Complaints Sub-Committee.

## *What is the role of the Board of Directors?*

The role of the independent Directors on Metro’s Board is to ensure the good governance and financial viability of the organisation. The Board of Directors are responsible for setting and monitoring Metro’s strategic direction and ensuring the organisation is meeting its legal, regulatory and fiduciary responsibilities.

The Board meets every month to monitor the implementation of the plans (Strategic Plan, Business Plan, and Risk Management Plan) which provide the framework for our operations.

At each meeting the Board is presented with information in relation to our key performance indicators in the areas of arrears, asset maintenance, occupancy rates, our financial performance against budget and significant tenancy issues.

The Board is provided with *Profit and Loss* and *Balance Sheet* statements for the preceding month and quarter and our accountant prepares *Explanatory Notes/Exception Reports* in relation to any significant (>5%) variations to budget/other matters of consequence. The Accountant attends several board meetings each year and is available to respond to any board enquiries about our financial position in a timely manner.

The day to day management of the organisation is the responsibility of the Manager. The Manager develops the annual Business Plan with actions linked to our Strategic Plan objectives, liaises regularly with the Chairperson, attends board meetings and provides the Board with updates related to sector and organisational activities.

The Manager represents Metro on relevant committees/working groups and is responsible for developing and overseeing Service Level Agreements with partner agencies.

## *Our Current Board*

The current members of the Metro Board of Directors have qualifications and experience in Law, Accounting, Financial and Strategic management, Property and Asset Management, Human Resources, Disability Advocacy and Evaluation, and Community Support. Board members are elected for two year terms.

Directors Valerianne Byrne, Melinda Tunbridge, Elizabeth Sharaq and David Abello were elected for two year terms at the AGM in 2015. They are therefore required to stand down from the Board, re-nominate and stand for re-election at this year's AGM.

Directors James Kennedy, Susan Taylor, Catherine Lin and Malcolm Pollard were elected to the Board at the 2016 AGM. They will serve a two year term and are not required to stand down at this year's AGM.

Executive Officers are elected by the Board at the first board meeting following the AGM.

Current executive members are:

- James Kennedy - Chairperson
- Elizabeth Sharaq - Deputy Chairperson
- Catherine Lin - Treasurer
- Susan Taylor - Secretary

Information about the date each Director was appointed and the number of meetings attended in the 2016/17 financial year is contained in the Annual Financial Statement section of the Audit report for this period.

## *External Accountability*

In 2014 a new National Regulatory System commenced to replace the previous state-based compliance reporting. Metro undertook interim registration as a Tier 2 Community Housing Provider in February 2014 and we have submitted Annual Registration returns in December of each subsequent year in order to maintain our Registration status. This requires us to demonstrate that all aspects of our operations comply with the standards required by the Independent Registrar of Community Housing which is a statutory position.

Metro also provides detailed financial and governance data on an annual basis to the NSW Registry of Co-operatives, NSW Department of Fair Trading, and we report on key performance data in relation to tenancy management, asset maintenance and financial performance on an annual and quarterly basis to the Community Homes and Places Division, Department of Family and Community Services (our primary funder).

Metro also conducts annual tenant surveys which are independently conducted on our behalf by our peak body – the *NSW Federation of Community Housing Associations*. The Federation conducts surveys on behalf of other Community Housing providers and formats are standardised to allow us to benchmark our performance against our peers. Survey results inform and assist us to review and respond to any service delivery issues identified by our tenants.

# Chairperson's Report

At the outset, I want to acknowledge our members and other tenants who entrust the board with the responsibility to create and sustain the homes we provide. We are dependent on the skill and goodwill of our Manager and all our staff for continuing to be successful in that endeavour.

I am enormously grateful to my colleagues on the board who contribute so willingly of their time and expertise. We value the support given by the NSW Department of Family & Community Services and all the support partners we work with.

We are a great organisation, focussed on ensuring as many people as possible can have a safe, secure, comfortable and stable home.

Our Constitution (revised at a Special General Meeting in 2014) allows for the appointment of between 6 and 10 directors. Metro currently has nine directors overseeing the operations of the organisation. Their strong support for the principles and values of the co-operative helps to ensure we achieve our objective to safely and securely house people in need.

The Metro board has determined that all decisions affecting the governance of the organisation will be made on a consensus basis and matters will be put to a vote of directors only in exceptional circumstances. I want to acknowledge the commitment of directors to this principle which can on occasions make for a difficult decision making process, and for their active interest and engagement with board discussions.

My fellow directors have met their responsibilities with a demonstrated spirit of co-operation, collaboration and good will and they have all provided me with expert advice and guidance in overseeing the performance of the organisation.

As directors we remain committed to the principle of tenant representation at board level and two of our directors are current tenants who contribute diverse skills and lived experience to our deliberations. Malcolm Pollard is especially active in representing the broader interests of tenants through his participation in the Social Housing Tenant's Network and his advocacy on behalf of Metro tenants.

Metro has been fortunate in having an extremely stable board over many years who have been able to support and mentor those members who have joined in recent years. At the start of the 2016/17 financial year we were very pleased to be able to recruit Catherine Lin to fill a casual vacancy on the board following the resignation of our previous Treasurer in early 2016.

Catherine nominated for and was elected to the Board at the 2016 AGM and was subsequently appointed to the position of Treasurer following her election. Catherine comes with significant accounting and financial management experience across several sectors and she has made a valuable contribution to the board since her appointment.

I would also like to acknowledge director Valerianne Byrnes's assistance in acting in the Treasurer's position from early 2016 until the AGM. Valerianne was also a member of the Finance, Audit and Risk Committee alongside myself and David Abello throughout 2016. David and Valerianne's diligence in overseeing our fiduciary responsibilities is greatly appreciated.

Metro remains committed to working effectively with our support partners to provide appropriate assistance to high need clients with a particular focus on:

- People with a psychiatric disability
- People wishing to exit from long term primary homelessness (rough sleepers)
- Young people exiting care or crisis services
- Women and their children escaping domestic violence
- Young indigenous families
- People exiting the criminal justice system and alcohol/other drug rehabilitation programs

At Metro we believe strongly that transitional housing programs complement and support a "Housing First" approach by providing affordable, stable housing to people experiencing short term situational crisis or by providing a framework for high needs tenants to acquire and demonstrate independent living skills.

The allocation of transitional housing allows individuals to access appropriate supports to address the circumstances/issues that led to their becoming homeless in the first instance pending an allocation of permanent housing or exit to other housing options.

We are well aware of the high level of unmet demand for social housing. There are currently over 60,000 individuals and families on the NSW Housing Register. Approximately 5000-6000 people are made offers of permanent social housing each year but this is less than those added to the Housing Register annually.

Waiting times for the allocation of long term social housing, even for priority approved social housing applicants have lengthened considerably, and many of the people who we house in transitional programs would otherwise have experienced a worsening of their health, social connectedness and capacity to engage in education or employment whilst waiting for permanent housing.

The majority of people we house in our transitional programs will require long term or permanent social housing but for those who have the capacity to move towards greater independence through educational opportunities and workforce participation we will support them in these goals. We do this by:

- providing stable and affordable accommodation beyond the maximum two year transitional term for young people and single parents who are in full time vocational or tertiary education and able to provide proof of course completion/achievement.
- extending the term of transitional tenancies for single parents with dependent children who are completing Year 12 of high school or undertaking full time vocational/tertiary studies.
- providing tenants with access to scholarships to assist with course fees and related costs.

- subsidising rent for up to 12 months beyond the end of their transitional term for young people (under 25) and single parents (under 30) who have gained employment and have a realistic expectation of increasing their income/job security through permanent appointment, gaining additional hours of employment, or career progression.

The majority of our tenants are housed in properties that we head lease in the private market with funding provided by FACS through the Community Housing Leasing Program. The introduction of annualised funding (to replace the previous subsidy model) in 2014 required community housing providers to introduce acquisition strategies to restrain costs so that more people can be housed within the budget constraints of this program.

We have done this by reconfiguring our leasehold portfolio (where possible), relocating to less expensive locations when we are required to relinquish properties or transfer tenants, and negotiating with agents/owners for longer term leases with capped annual increases.

Metro is contracted to provide 261 leasehold properties within the allocated budget, but through the strategies outlined above we have been able to fund additional leasehold properties. In the 2016/17 reporting period we have leased an average of 266 properties and these additional leases have allowed us to respond to the demand for short-medium term transitional housing for people exiting specialist homeless services, prison and drug and alcohol rehabilitation programs.

Unspent CHLP funding is also able to be used to subsidise the purchase of properties to provide additional social and affordable housing. In late 2015 Metro was able to utilise these funds to purchase a former boarding house which we have been able to convert to a 5 unit residence comprising 1 two bedroom unit and 3 one bedroom units. In October 2016 we successfully bid at auction for land adjoining this property and future redevelopment of this combined site will allow us to meet our moderate and achievable growth targets.

I want to acknowledge the role of the Communities, Home and Place division of the Department of Family and Community Services. That agency continues to experience significant changes in their structure and operations and we acknowledge the commitment and professionalism of those staff we have worked with over this last year.

Metro has operated primarily in the inner west metropolitan area since our inception. We are committed to preserving diversity and social inclusiveness in our local community and we are grateful to receive ongoing funding from FACS which allows us to provide housing services in locations which would be impossible to access without significant rental subsidies for low income earners and those in need.

Our peak body - The NSW Federation of Housing Associations - provide strong advocacy for the sector, through its policy work and submissions to government and oversight bodies. Their recognition of the importance of opportunities for information exchange and networking in order to promote continuous improvement is demonstrated through their training activities, industry development activities, the Federation Exchange Forums, and support and facilitation of the Asset Managers, Human Resource Managers, Middle Managers, Income Management and Chief Financial Officers' networks.

We contract the Federation to conduct our annual Tenant Satisfaction surveys and the continuing development and refinement of benchmarking initiatives such as HouseKeys improves our capacity to review and analyse our operations to ensure we continue to provide high quality and financially viable services.

In conclusion I want to reiterate my sincere thanks to the Metro staff team who continue to demonstrate their commitment to providing empathic, responsive and professional tenancy management services to all our tenants. We are well served by their dedication to the interests of the powerless in our community.

*James Kennedy*

# Treasurer's Report

I am pleased to present the financial performance of your Co-operative for the year 2016/17. METRO's balance sheet position at the end of the year remains extremely strong.

This reflects the Board's focus on maintaining a financially viable organisation whilst meeting our client service obligations to our tenants at the highest possible standard.

Metro takes seriously our responsibility to the taxpayers of NSW and Based on our continued positive financial performance, I am confident that METRO meets its responsibilities to the satisfaction of the regulatory authorities and to our funding body.

Highlights of our operating performance for this financial year include:

- Total income increased by 1% to \$10.4 million from prior year. Of which, grant income increased by 6.3% to \$6.0 million from prior year.
- Total expenses for the year were \$8.9 million, down from \$9.1 million in 2016 largely due to reduced rent payments.
- An operating surplus of \$1.5 million, representing an increase of \$247K over 2015/16.

Highlights of our balance sheet position as at the end of the financial year include:

- Total assets at the end of 2016/17 were \$8.8 million versus liabilities of \$2.1 million, resulting in net assets of \$6.7 million
- Current assets increased to \$5.4 million in 2016/17 from \$2.2 million in prior year
- Cash reserve increased to \$4.6 million in 2016/17 from \$2.9 million in prior year.

The Board thanks the METRO management team for strong leadership and prudent financial management.

METRO's sound financial position ensures the continuity of its operations while meeting fiduciary obligations. It will also open opportunities through acquisition and redevelopment which will allow METRO to gradually grow our portfolio so we can house more people in need.

Thank you.

*Catherine Lin*

# Manager's Report

## Tenant Satisfaction Survey

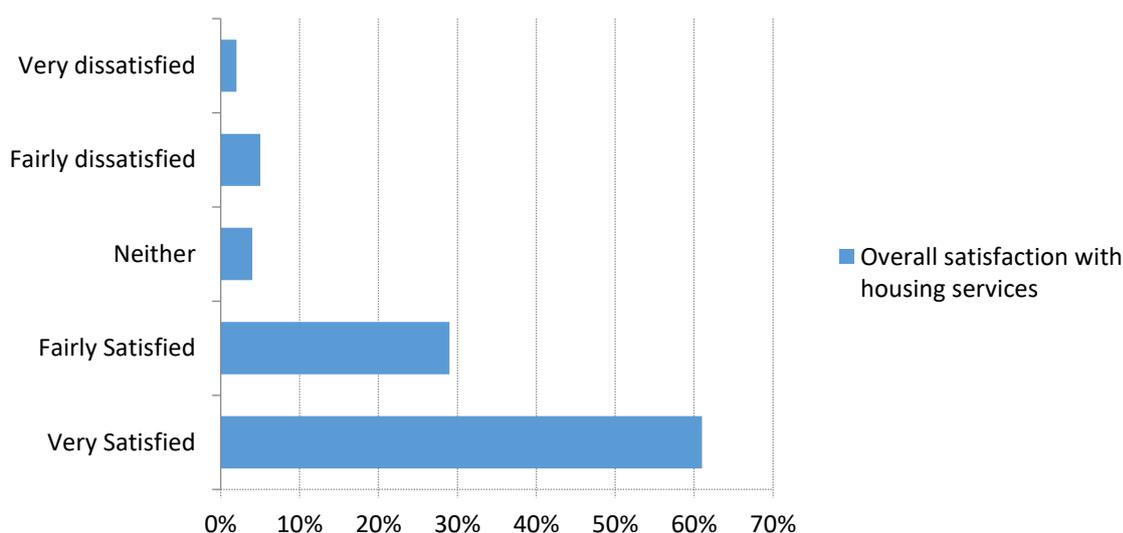
Metro has engaged the NSW Federation of Housing Associations to conduct our tenant surveys for the last six years. This survey was conducted between 25 January and 1<sup>st</sup> March 2017. All tenants were sent written surveys developed in consultation with the Federation and based on sector reporting requirements and benchmarks. Tenants were provided with return paid envelopes to return their completed surveys directly to the Federation for analysis. Tenants could also complete the survey in an on-line format. 23% were received on-line.

We achieved a 33% response rate which is above the National Regulatory Scheme (NRSCH) benchmark of 25%. Metro met or exceeded the three NRSCH thresholds, including overall satisfaction with housing services which had a combined satisfaction rate of 90%: satisfaction with property condition which had a combined satisfaction rating of 83%; and satisfaction with the quality of repairs and maintenance which had a combined satisfaction rating of 85%.

Other notable results include:

- 91% were satisfied with their communications with Metro Housing
- 89% of respondents said they were likely to recommend Metro to family & friends
- A large majority (88%) reported that staff were helpful

### Overall satisfaction with housing services



## Overall satisfaction by main service areas

Overall satisfaction	Very satisfied	Fairly satisfied	Neither	Fairly dissatisfied	Very dissatisfied	Combined Satisfaction	Combined dissatisfaction
Housing Services	64%	27%	6%	2%	2%	90%	4%
Supported Housing	63%	29%	8%	0%	0%	92%	0%
Complaints	19%	52%	14%	10%	5%	71%	15%
Repairs and Maintenance	49%	35%	4%	1%	12%	84%	13%
Location	73%	19%	5%	3%	1%	92%	3%
Neighbourhood	56%	27%	9%	5%	3%	83%	8%
Communication	58%	33%	4%	2%	3%	91%	5%
Tenant Engagement	53%	28%	15%	3%	3%	81%	4%

## Complaints and Appeals

Tenant satisfaction with the management of complaints and appeals improved slightly over last year's results. Of those who made a complaint 71% were very satisfied/satisfied with how their complaint was dealt with (up from 68%) and only 15% were either very dissatisfied (4%) or fairly dissatisfied (10%).

This compares positively to the last survey when 24% were very or fairly dissatisfied. Viewed over the longer term there has been a year on year improvement since the first externally conducted survey in 2013 which had an overall satisfaction rate of only 38%.

This is a positive trend and hopefully reflects our focus on strengthening skills and supporting staff to deal with complex complaint matters, utilising the expertise and resources of external bodies such as the Housing Appeals Committee at early stages of the complaint process, and referring tenants to tenant advocacy and support services to ensure effective representation.

In regard to awareness of complaint and appeal processes, this year's result of 68% is slightly down from the previous survey (71%) with 20% *unsure* and 12% who *didn't know* but represents a major improvement from 2015 when only 41% of tenants reported understanding the complaints process. The comparative figure for Appeals was 52% stating that they know how to appeal a decision by Metro (51% in the previous year) with 28% *unsure* and 20% saying they *didn't know* how to appeal.

Despite the relatively high number of supported transitional tenants who are housed by us for short periods (between 6-24 months) it was pleasing to see that over 80% of clients who have a support agreement in place (ie were nominated by a community support provider) indicated a good knowledge of our complaint and appeal processes.

Ensuring that the support providers who nominate transitional tenants know and understand these processes so as to better assist their clients to utilise complaint and appeal mechanisms is an ongoing focus of our work with partner agencies.

Whilst we need to keep working with our tenants to increase their understanding of the appeal/complaint process it is worth noting that these results show that our efforts to inform tenants of these processes are proving to be effective.

All tenants are given a copy of our *Tenant Handbook* at the time they sign their lease. This outlines their rights and responsibilities as tenants and also includes detailed information about the options available to tenants if they are dissatisfied with any aspect of our service delivery or decision making. The handbook contains information about both internal and external processes for complaints and appeals.

Our website includes information about complaints and appeals, and regular articles on the Metro/external complaints and appeals processes have been included in our quarterly newsletters over the past year.

All correspondence sent to tenants relating to breaches of the terms of their lease and/or applications made to NCAT includes contact details for, and recommends that the tenant contact their nearest Tenant Advisory Service for assistance.

Benchmarking by the NSW Federation of Housing Associations indicates that our results in relation to complaints and appeals are consistent with the results of peer organisations.

### *Location of Home and Satisfaction with Neighbourhood*

Despite the previously discussed changes to the CHLP program which resulted in locational reconfiguring of a proportion of our leasehold portfolio, tenants rated satisfaction with the location of their home at 92% (91% in 2016) with a positive upward trend from 83% in 2014. Total dissatisfaction was just under 4%.

*Overall Satisfaction with Neighbourhood* declined from 91% in the previous survey to 83% with total dissatisfaction being 8%. As this is the area most outside of our direct control it is difficult to explain why the number (9%) who felt their neighbourhood had either slightly declined (5%) or greatly declined (4%) had increased. It may reflect tenants impacted by things like WestConnex acquisition, demolition and construction activities, increases in noise/disruption from increased residential development in particular locales, worsening traffic conditions or by very localised factors such as perceptions of crime/concerns about safety.

### *Communication*

This section is made up of 2 questions relating to communication with tenants. The first question asks how satisfied tenants are with the way Metro provides information and this resulted in scores of 87% satisfied and 4% dissatisfied. The second part is how helpful tenants felt staff were when contacted with 91% reporting they found staff to be helpful and 5% stating staff were unhelpful.

Overall satisfaction was ranked as 91% satisfied and 5% dissatisfied.

## *Tenant engagement*

This section asks 3 separate questions relating to the degree of engagement tenants have with Metro as an organisation:

1. How satisfied or dissatisfied with the way Metro involves tenants?
2. How satisfied or dissatisfied are you that Metro listens to tenant's views and acts on them?
3. How satisfied or dissatisfied are you that tenants are able to influence Metro's decision making?

It is noted that satisfaction was higher for the first two (lower) levels of engagement at 83% and 84% respectively but only 74% for the higher level of engagement.

We believe this is largely explained by the need for Metro (and all other Community Housing providers) to comply with relevant Federal and State government legislation/policy frameworks as well as funding body and regulatory requirements in the application of relevant policies and procedures to our operations, leaving little room for us to implement decisions which tenants may desire but which would not meet our compliance obligations.

Overall results for this category at 81% were consistent with the 2016 ranking of 80% and it is pleasing to note that this area is trending in a positive direction with comparative results being 72% in 2015 and 58% in 2014.

## *About respondents*

Respondents gave their ancestry as:

-  45% born in Australia
-  28% born in a non-English speaking country
-  20% born in an English speaking country
-  8% were indigenous

This aligns reasonably well with the proportion of Metro tenants in each of these categories with perhaps slight under-representation of tenants from non-English speaking backgrounds.

Tenants in leasehold properties were generally more positive than tenants in leasehold properties, particularly in regard to questions relating to "value for money for the rent you pay" and "satisfaction with support plan". **It should be noted that almost 74% of Metro tenants live in head-leased properties with an even higher proportion of supported transitional tenants residing in leasehold properties.**

Metro does not have primary responsibility for the maintenance of our leasehold properties and this would contribute to the higher level of satisfaction in regard to "the quality of maintenance of your home" at 88% for tenants in capital properties compared to 83% for tenants in leasehold properties.

*Julie Harrison*

## Our Housing Partners

The Metro Strategic Plan 2015/2018 set a goal of increasing partnerships by 3-5% each year until we reached our target of 35% of all tenancies offered through support partnerships. We have achieved this goal and we currently have 120 tenancies offered to clients referred through support partnerships with 22 separate service providers.

A support partnership is one where the service provider has nomination right; that is, they refer a client who is in urgent need of housing and provide support to help that person establish and maintain a successful tenancy. Current priority groups for support partnerships include:

- ✓ Women and their children exiting crisis accommodation
- ✓ Young people (16-25) who are homeless or exiting crisis accommodation
- ✓ Transgender and gender diverse persons
- ✓ People exiting residential drug and alcohol programs
- ✓ People exiting the criminal justice system
- ✓ People with a psychiatric disability

### *Our current partners include:*

- Aboriginal Women and Children's Crisis Service
- Aftercare Association (Biala and PHAMs programs)
- B Miles Women's Foundation
- NSW Department of Justice Compulsory Drug Treatment Program
- Glebe House
- Guthrie House
- Kathleen York House
- Launchpad Youth Community
- Lillian's Place
- Mission Australia Homelessness Outreach Service
- NEAMI (Way2Home and PHAMS programs)
- Rainbow Lodge
- Salvation Army Homelessness Services Network
- St John of God
- St Vincent De Paul (Marian Centre, Homelessness Services)
- Sydney Local Health District (Community Mental Health and Mobile Assertive Outreach)
- The Gender Centre
- Uniting Care (Supported Living Program, Mental Health Program)
- We Help Ourselves
- Wesley Mission
- YWCA (Young Women's Support Program and Rapid Rehousing Program)
- WAGEC

# Statistical Information for 2015/16

**Incorporation status:** Co-operative, Public Benevolent status

**Registration status:** Registered as Tier 2 Housing Provider

*Properties as at 30 June 2017 - 398*

<b>Property Type</b>	<b>Number of Properties</b>
Leasehold	268
Capital (includes 2 Specialist Service crisis accommodation properties)	107
Connect 100	12
Fee for Service	5
Other Leasehold(GHSH, Crisis, Non-quota)	5
Owned	1
<b>Total:</b>	<b>398</b>

*Tenancies as at 30/6/17 - 421\**

\* The number of tenancies is greater than number of properties as we have several 'shared' properties with more than one head tenant

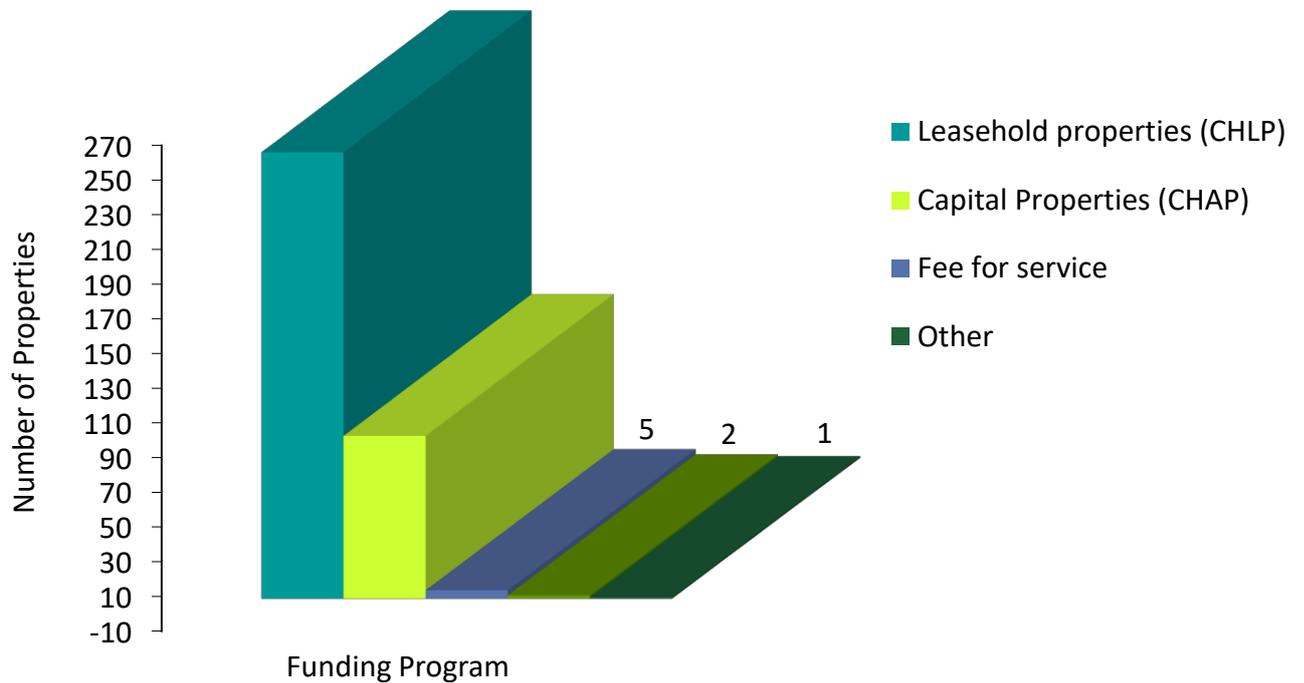
*Total people housed as at 30/6/17 - 851\**

\* This includes head tenants, their children and additional occupants

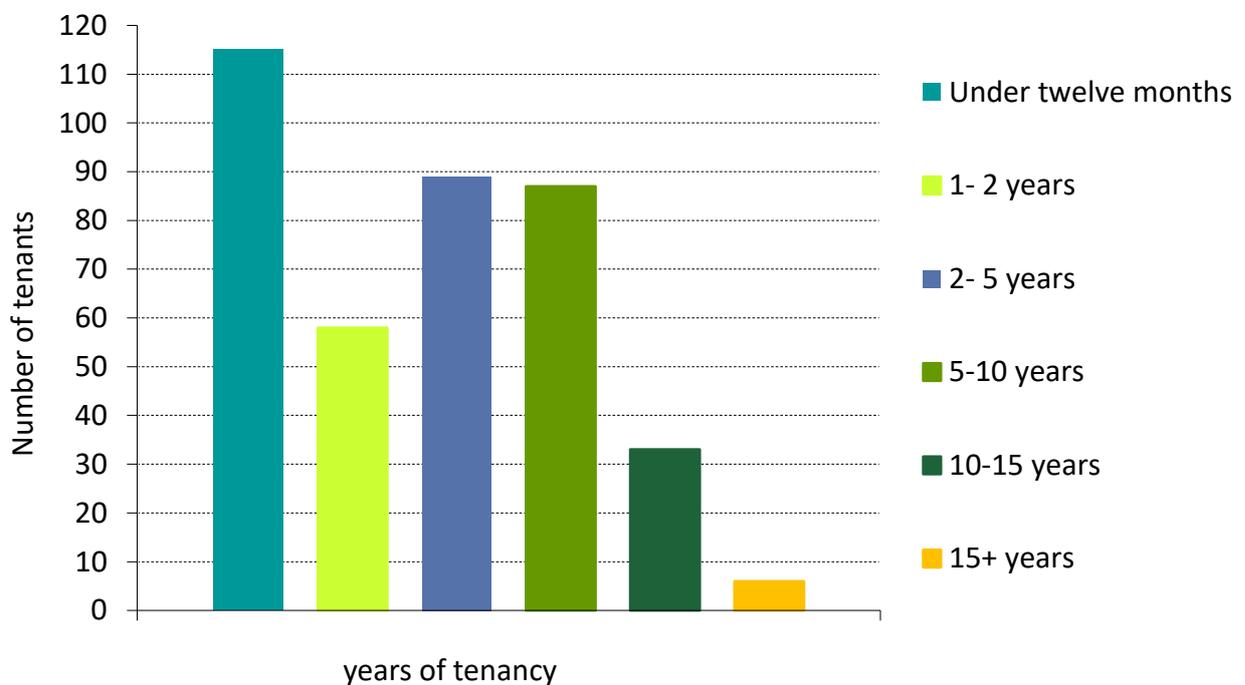
*Total tenancies for the period- 506\**

\*This includes head tenants who have exited during the period.

## Breakdown of properties by funding programs

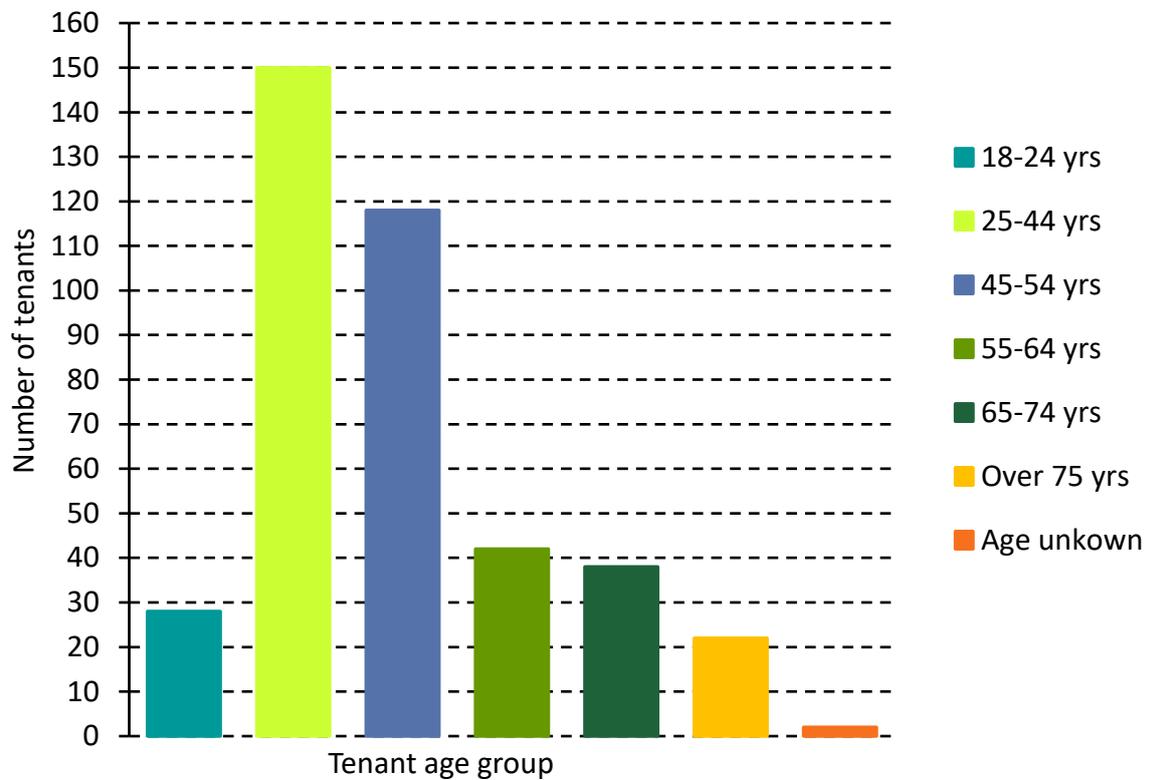


## Length of tenancies



*Note: the relatively large number of tenants in the “under twelve months category” reflects tenants housed for periods of between 3-24 months through transitional housing programs.*

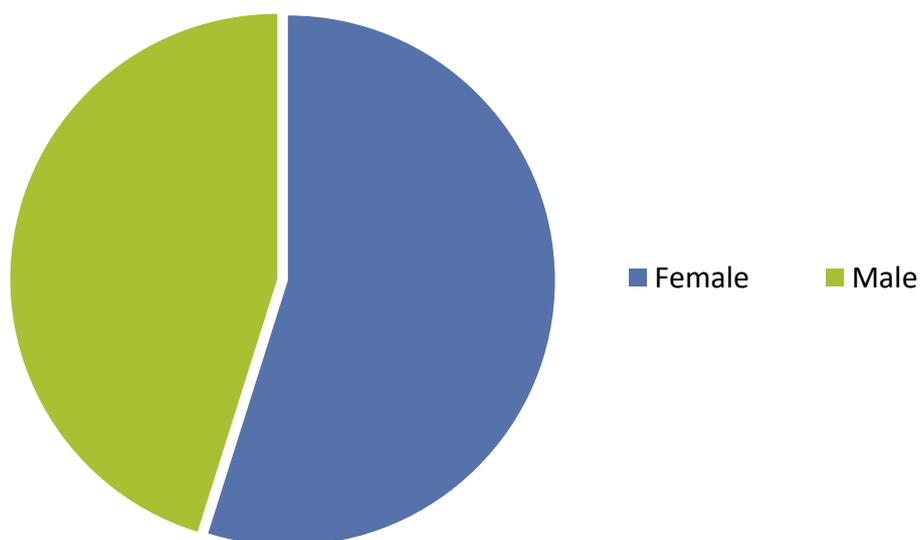
## Ages groups of head tenants



Actual Number:

18-24=50, 25-44=150, 45-54= 118, 55-64=42, 65-74=38 Over 75=22, Unknown=1

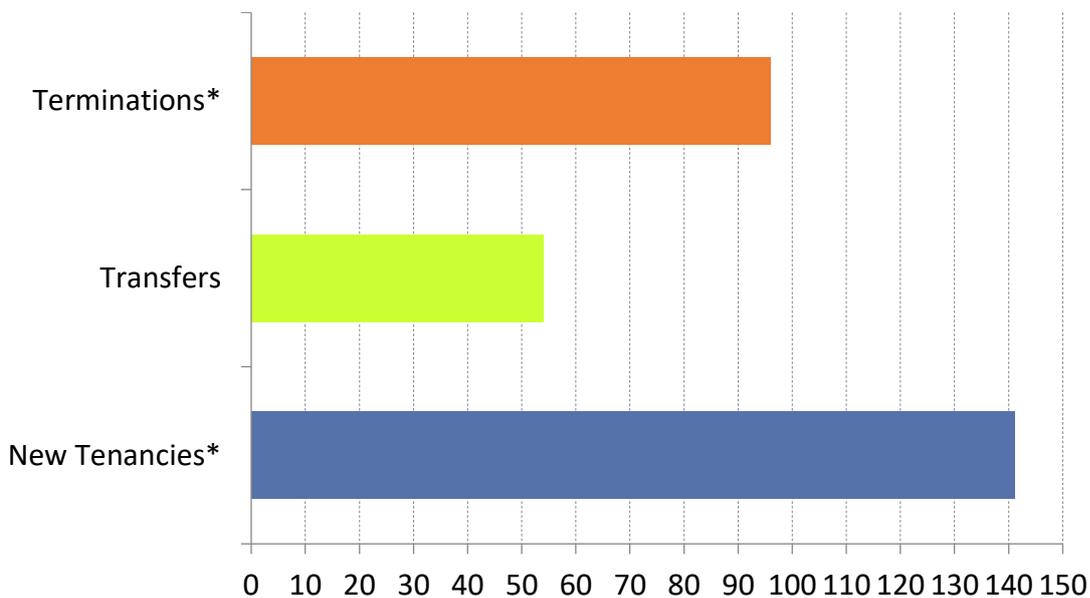
## Gender of tenants (self-identified by tenants)



Female: 219 Male: 201 Not Stated: 1

## Tenancy Movements

<i>New tenancies for the period</i>	<i>141</i>
<i>Tenancies ending in the period</i>	<i>96</i>
<i>Tenant transfers for the period</i>	<i>54</i>



### Notes:

*1. New tenancies does not include tenants transferring between Metro Properties*

*2. In the majority of cases tenancies ending (shown in orange) relate to tenants completing transitional housing programs.*

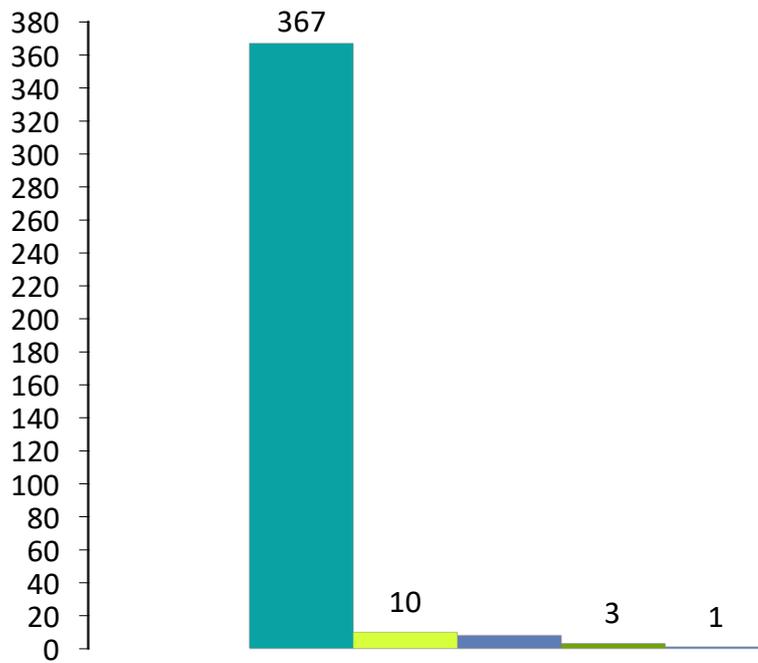
*It also includes tenants who were deceased, who abandoned their properties, or had tenancies terminated by an order of NCAT.*

*In descending order, tenants exited to:*

- permanent housing with Housing NSW/ other community housing providers*
- the private rental market*
- reside with family or friends*
- higher support facilities such as aged care hostels/nursing homes*
- residential programs for Alcohol and other drug treatment*
- prison/Immigration detention/deported*

## Rent Arrears as at 30/06/2017

Not in arrears:	367
Arrears less than 2 weeks:	36
Arrears less than 4 weeks:	10
Arrears 4-8 weeks	8
Arrears over 8 weeks:	0



## *Cultural Diversity (self-identified by tenants)*

<b>Cultural Identity</b>	<b>Percent</b>
Not stated/declined to disclose	34.7%
Australian (non-indigenous)	27.2 %
Aboriginal/Torres Strait Islander	7.8 %
Vietnamese	4.6 %
Arabic	3.6 %
New Zealand, Melanesia & Polynesia	3.1 %
South American	2.2 %
Central European	2.0 %
Middle Eastern	1.9%
British	1.9%
Chinese	1.6 %
Turkish	1.7 %
South East Asian (other than Vietnamese)	1.7 %
African	1.4 %
Southern European	1.0 %
Russian/Russian Ukrainian	0.6 %
Indian	0.5 %
American	0.3 %
Korean	0.3 %
<b>Total</b>	<b>100%</b>

# **Metro Community Housing Co-operative Ltd**

**Audited Financial Statements**

**2016-2017**

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A.B.N. 85 775 722 514

FINANCIAL REPORT

FOR THE YEAR ENDED  
30TH JUNE 2017

METRO COMMUNITY HOUSING CO-OPERATIVE LTD

A.B.N. 85 775 722 514

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**METRO COMMUNITY HOUSING CO-OPERATIVE LTD**  
**A.B.N. 85 775 722 514**

**DIRECTORS' REPORT**

Your directors present their report on the co-operative for the financial year ended 30th June 2017.

**DIRECTORS**

The names of the directors in office at any time during the year and to the date of the report are:

James Kennedy  
Susan Taylor  
Catherine Lin  
Eanna O'Ceallachain  
Elizabeth Sharaq  
David Abello  
Malcolm Pollard  
Valerieanne Byrnes  
Melinda Tunbridge

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

**PRINCIPAL ACTIVITIES**

The principal activities of the co-operative during the financial year were:

**Provision of affordable Community Housing to people who meet  
Housing Pathways eligibility criteria**

No significant change in the nature of these activities occurred during the year.

**RESULT OF OPERATIONS**

The profit of the co-operative for the financial year amounted to \$1,495,562.

**REVIEW OF OPERATIONS**

A key plank of our 2015-2018 Strategic Plan is to "house more people in need". In the financial year ending on 30 June 2017 Metro housed 851 people in 433 accommodation units. This is an increase of 62 people from the 2015/16 financial year and a significant increase from the 2014/15 financial year when we housed 736 people.

Of the persons housed during the year we had 506 head tenants (ie the person who signs the lease with Metro). Other household members were overwhelmingly dependent children (18 years or younger); adult children of the head tenant (over 18 years); domestic partners, friends, carers and extended family members.

Metro manages 105 capital properties (that is properties owned by the NSW Land and Housing Corporation) and we receive government funding from the NSW Department of Family and Community Services to head-lease a minimum of 261 properties from the private rental market.

As a result of effective financial management of this portfolio, Metro has been able to lease additional properties within our leasehold budget in three out of the four quarters, giving us an annual average of 265 head-leased properties.

Approximately 5% of our portfolio is for "shared" housing and this results in a higher number of "accommodation units" in comparison to actual properties. These properties are all used for transitional, supported housing, generally for unrelated persons referred by a support partner agency that has "nomination rights" and each person in the household signs an individual lease with Metro.

Reflecting our ongoing commitment to provide supported transitional housing to persons in urgent need of housing, Metro allocates approximately 40% of tenancies to transitional tenancies for terms of between 3 and 24 months. As at 30 June 2017, 124 people were in transitional housing nominated by 23 different support providers/support programs.

The Metro board recognizes the higher operating costs of housing high needs tenants through such programs including higher end of tenancy remediation and cleaning costs, reduced capacity to recover tenant arrears and non-rent debts, and additional staff and organisational time to acquire and relinquish properties.

In the 2016/17 financial year we had 116 exits from our properties. Of these, the majority related to transitional tenancies. Approximately 35% of persons exited to permanent social housing, 35% exited to the private rental market, 10% exited to reside with partners, family or friends, and the remainder exited to aged/higher support care, moved interstate or overseas, were imprisoned, or were deceased.

The board retains an ongoing commitment to transitional housing because we believe they offer tenants housed through such programs the opportunity to maintain or improve their physical and mental health, increase their general well-being and community engagement, develop positive tenancy histories and receive appropriate support from specialist services pending the allocation of permanent social housing or in preparation for exits to the private rental market.

Metro has continued our involvement in the provision of long term housing to people exiting long term homelessness funded through the Connect 100 funding program to provide leasehold subsidies and ongoing support to people who have been rough sleepers in the City of Sydney. We have been allocated an additional 8 packages to commence in July 2017 with NEAMI and Mission Australia providing the initial support to assist this cohort to establish and maintain their tenancies.

As a result of our positive financial performance over the last several years Metro has been able to generate sufficient cash reserves to purchase a block of land in October 2016 adjoining the property which we purchased in November 2015. This will provide us with greater flexibility in regard to future redevelopment on a very well situated site located close to excellent public transport, commercial and community services.

Under the National Regulatory system for Community Housing Providers, Metro achieved the compliance requirements to be registered as a Tier 2 Housing Provider in November 2016.

The Registration Tier that Community Housing Providers are assessed against is determined by the size and nature of our operations, including the level of involvement in development or other activities which impact on the organisation's risk profile or financial viability. As a relatively small provider, which has not needed to borrow finances for our acquisitions, we have a lower risk profile and this is reflected in the assessment of Metro as a Tier 2 provider.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

DIRECTORS' REPORT

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

DIRECTORS' REPORT

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There have been no significant changes to our activities in the 2016/17 financial year.

**AFTER BALANCE DATE EVENTS**

No matters of circumstance have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the result of those operations, or the state of affairs of the co-operative in subsequent financial years.

**LIKELY DEVELOPMENTS**

The Metro Board will develop a new Strategic Plan (2018-2021) in early 2018. This review may re-align our future activities to a small extent, but our focus will remain on "housing people in need" and we will continue to work in collaboration with our funding body and with support partners to provide transitional and long term housing to people in need.

Aligning with the NSW Government's "Future Directions" Social Housing Policy we will seek to provide:

- **More social housing** - both through efficient use of our leasehold funding to acquire additional properties and through small scale development activity.

Metro sees our role as a provider of social housing to people in need. Future development activity may include the provision of "affordable housing" but this would essentially be a means to an end of achieving our long-term goal of modestly contributing to the growth of social housing for very low income earners.

- **More opportunity, support and incentives for people to exit social housing** through encouraging participation in education and training for transitional tenants.

We believe that the cohort of people who have the capacity to sufficiently improve their circumstances through education and employment is small given the wider economic issues of youth unemployment, high levels of casualization in the labor market and the unaffordable rental markets in Sydney and other large regional centres.

Metro does however house a large number of young people, and a smaller group of people exiting crisis services who have had an employment history who may benefit.

Metro provides such incentives through our Scholarship program, and through providing subsidies for up to twelve months to provide "affordable housing" to young single people and parents who are either completing tertiary studies, or who have gained employment but need to consolidate their employment status, increase hours of employment, or complete apprenticeships.

We will also extend the transitional term offered to parents whose dependent children are in the final year of high school or undertaking tertiary studies.

- **A better social housing experience** - both in terms of tenancy management and asset management.

We will do this by continually assessing our capital properties and ensuring effective planned maintenance practices are in place to provide our tenants in capital properties with high quality premises, and ensuring that the leasehold properties that we acquire are in good condition and are appropriate to the locational and physical needs of our tenants.

During 2015/16 we were able to acquire a number of "affordable" properties which require developers/owners to lease to a Registered Community Housing provider for a period of 10 years with rent "discounted to the market" by 20%.

As well as offering budget certainty to Metro over the term of the lease, tenants have the assurance of a long term tenancy in a high quality property. Metro hopes to acquire additional "affordable properties" over the next year.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

DIRECTORS' REPORT

(a) Directors' Positions as at 30 June 2017

	Position	Date Appointed
Eanna O'Ceallachain	Director	13th August 2008
Susan Taylor	Director, Secretary	22nd November 1996
Elizabeth Sharaq	Director, Deputy Chairperson	27th November 2002
David Abello	Director	13th August 2008
Malcolm Pollard	Director	21st March 2007
James Kennedy	Director, Chairperson	21st October 2009
Valerieanne Byrnes	Director, Acting Treasurer	16th October 2013
Melinda Tumbridge	Director	16th October 2013
Catherine Lin	Director	30th November 2016

(b) Directors' Meetings

During the financial year, 8 meetings of directors were held.

Attendances were:

	<u>Directors' Meetings</u>	
	<u>Number Eligible</u>	<u>Number</u>
	<u>to attend</u>	<u>attended</u>
Elizabeth Sharaq	10	9
David Abello	10	10
Malcolm Pollard	10	10
Eanna O'Ceallachain	10	9
James Kennedy	10	8
Susan Taylor	10	6
Valerianne Byrnes	10	4
Melinda Tunbridge	10	4
Catherine Lin	6	5

**DISCLOSURE OF INTERESTS**

No director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the co-operative or a related body corporate with the director, a firm of which the director is a member or a co-operative in which the director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the co-operative's accounts, or the fixed salary of a full time employee of the co-operative or related body corporate.

**INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the co-operative.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

DIRECTORS' REPORT

PROCEEDINGS ON BEHALF OF CO-OPERATIVE

No person has applied for leave of Court to bring proceedings on behalf of the Co-operative or intervene in any proceedings to which the Co-operative is a party for the purpose of taking responsibility on behalf of the Co-operative for all or any part of those proceedings. The Co-operative was not party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

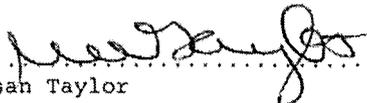
A copy of the auditor's independence declaration as required under Co-operatives (Adoption of National Law) Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012 is attached following this Directors' Report.

Signed in accordance with a resolution of the Board of Directors:

Director

  
.....  
James Kennedy

Director

  
.....  
Susan Taylor

Dated this 8th day of November 2017

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF  
METRO COMMUNITY HOUSING CO-OPERATIVE LTD

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2017 there have been:

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

**Name of Firm:** Partlett, Chave & Rowland  
Chartered Accountants

  
.....  
**Name of Auditor:** Robert Bruce Rowland

**Address:** Level 9  
75 King Street,  
Sydney NSW 2000

**Dated:** 8th day of November 2017

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2017

	Note	2017 \$	2016 \$
<b>REVENUE</b>			
Rent Received or Receivable		4,115,630	4,127,713
Government Grants	2	6,012,649	5,656,754
Others	3	275,053	541,702
Total Revenue		<u>10,403,332</u>	<u>10,326,169</u>
<b>EXPENSES</b>			
Tenancy and Property Expenses	4	8,230,593	8,376,726
Administration Expenses	5	677,177	700,799
Total Expenses		<u>8,907,770</u>	<u>9,077,525</u>
Current year operating surplus/(loss)		<u>1,495,562</u>	<u>1,248,644</u>
Tax expense		-	-
Net current year operating surplus/(loss)		<u>1,495,562</u>	<u>1,248,644</u>
<b>Other comprehensive income:</b>			
Net gain/(loss) on revaluation of non current assets		-	-
Net gain/(loss) on revaluation of financial Assets		-	-
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>1,495,562</u>	<u>1,248,644</u>
Transfer to Reserve		<u>(114,626)</u>	<u>(46,260)</u>
Net current year operating surplus attributable to members of the entity		<u>1,380,936</u>	<u>1,202,384</u>
Total comprehensive income attributable to members of the entity		<u>1,380,936</u>	<u>1,202,384</u>

The accompanying notes form part of these financial statements.

**METRO COMMUNITY HOUSING CO-OPERATIVE LTD**  
A.B.N. 85 775 722 514

**STATEMENT OF FINANCIAL POSITION**  
AS AT 30TH JUNE 2017

	Note	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash assets	6	3,824,455	1,776,443
Receivables	7	1,251,182	115,412
Other assets	8	333,314	264,753
<b>TOTAL CURRENT ASSETS</b>		<u>5,408,951</u>	<u>2,156,608</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	2,177,682	2,219,061
Other Assets	10	450,437	489,277
Other Financial Assets	10	752,223	1,161,110
<b>TOTAL NON-CURRENT ASSETS</b>		<u>3,380,342</u>	<u>3,869,448</u>
<b>TOTAL ASSETS</b>		<u><u>8,789,293</u></u>	<u><u>6,026,056</u></u>
<b>CURRENT LIABILITIES</b>			
Payables	11	1,974,157	708,915
Provisions	12	52,858	45,046
Other	13	30,449	24,790
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,057,464</u>	<u>778,751</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	12	34,507	45,545
<b>TOTAL CURRENT LIABILITIES</b>		<u>34,507</u>	<u>45,545</u>
<b>TOTAL LIABILITIES</b>		<u><u>2,091,971</u></u>	<u><u>824,296</u></u>
<b>NET ASSETS</b>		<u><u>6,697,322</u></u>	<u><u>5,201,760</u></u>
<b>EQUITY</b>			
Reserves	15	1,260,886	1,146,260
Retained surplus	14	5,436,436	4,055,500
<b>TOTAL EQUITY</b>		<u><u>6,697,322</u></u>	<u><u>5,201,760</u></u>

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2017

	Retained Surplus \$	Total Reserve \$	Total \$
Balance at 1 July 2015	2,853,116	1,100,000	3,953,116
Operating Surplus/(Loss)	1,248,644		1,248,644
Other Comprehensive Income	-		-
Movement in Operating Surplus	(46,260)		(46,260)
Movement in Reserves		46,260	46,260
<b>Balance at 30 June 2016</b>	<b>4,055,500</b>	<b>1,146,260</b>	<b>5,201,760</b>
Balance at 1 July 2016	4,055,500	1,146,260	5,201,760
Operating Surplus/(Loss)	1,495,562		1,495,562
Other Comprehensive Income	-		-
Movement in Operating Surplus	(114,626)		(114,626)
Movement in Reserves		114,626	114,626
<b>Balance at 30 June 2017</b>	<b>5,436,436</b>	<b>1,260,886</b>	<b>6,697,322</b>

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Rent and Charges Received from Tenants	3,244,473	4,306,048
Government Grants	7,116,258	5,558,500
Interest Received	94,472	101,979
Other Income	2,706	7,096
Payments to Suppliers and Employees	(8,706,015)	(8,677,013)
<b>Net cash provided by (used in) operating activities</b>	<b>1,751,894</b>	<b>1,296,610</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Equipment		333
Proceeds from Rental Bonds	(238)	(7,900)
Payment for Financial Assets	408,886	(46,261)
Payments for Property and Equipment	(112,530)	(2,214,382)
<b>Net cash provided by (used in) investing activities</b>	<b>296,118</b>	<b>(2,268,210)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Sale of Capital Items	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>-</b>
Net increase (decrease) in cash held	2,048,012	(971,600)
Cash at Beginning of Financial Year	1,776,443	2,748,043
<b>Cash at end of year</b>	<b>3,824,455</b>	<b>1,776,443</b>

The accompanying notes form part of these financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

CASH FLOWS STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
<b>Notes to the Cash Flows Statement</b>		
<b>Reconciliation of Cash</b>		
Cash at the end of financial year as shown in the Cash Flows Statement is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on Hand	483	196
Cash at Bank	2,640,221	1,215,963
Term Deposits	1,183,751	560,285
	3,824,455	1,776,444
<b>Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax</b>		
<b>Operating surplus (loss) after income tax</b>	1,495,562	1,248,644
Proceed from Sale of Equipment		(333)
Transfer to Asset Purchase	-	-
<b>Non-cash flows in operating surplus (loss)</b>		
Provision for Annual Leave	11,181	(4,874)
Provision for Doubtful Debts	1,542	9,918
Provision for Long Service Leave	(11,039)	10,970
Provision for Time in Lieu	(3,368)	2,237
Provision for Bond Expenses	39,078	-
Depreciation & Amortisation	49,909	44,966
<b>Changes in assets and liabilities</b>		
(Increase) Decrease in Sundry Debtors	(1,145,122)	(29,255)
(Increase) Decrease in Interest Receivable	(4,000)	10,553
(Increase) Decrease in Prepayments	14,170	(11,931)
(Increase) Decrease in Rent Paid in Advance	25,270	60,183
(Increase) Decrease in Input Tax Credits	6,283	(24,350)
(Decrease) Increase in Sundry Creditors	45,187	6,249
(Decrease) Increase in Rent in Advance/Arrears	7,811	4,387
(Decrease) Increase in Accrued Expenses	38,532	76,238
(Decrease) Increase in PAYG Withholding	14	(5,231)
(Decrease) Increase in GST Payable	94,305	9,688
(Decrease) Increase in Grants in Advance	1,089,946	(109,584)
(Decrease) Increase in Payable	(3,367)	(1,867)
<b>Cash flows from operations</b>	1,751,894	1,296,610

The accompanying notes form part of this financial report.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2017

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**1 Statement of Significant Accounting Policies**

The financial statements are for Metro Community Housing Co-operative Ltd as an individual entity, incorporated and domiciled in Australia. The Metro Community Housing Co-operative Ltd is a co-operative.

The financial statements were authorised for issue on 8th November 2017 by the directors of the co-operative.

**Basis of Preparation**

The financial statement is a general purpose financial statement in accordance with Co-operatives (Adoption of National Law) Act 2012, the Australian Charities and Not-for-profits Commission Act 2012, and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

**Going Concern**

The accounts have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business

**Accounting Policies**

**Income Tax**

The Co-operative is exempt for income tax purposes. No provision for taxation has been made.

**Investments**

Investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of the investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2017

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**Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are measured on the cost basis.

**Plant and equipment**

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

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

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

The useful life for each class of depreciable asset are:

Office Equipment	20%
Property Equipment	15%
Software	40%

**Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the co-operative are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2017

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**Employee Entitlements**

Provision is made for the co-operative's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Long Service Leave is accrued in respect of all employees with more than 5 years service with the co-operative.

**Revenue**

Revenue from rental income is recognised on accrual basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months, net of bank overdrafts. Bank overdrafts are shown in current liabilities on the balance sheet.

**Provisions**

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

**New Accounting Standards for Application in Future Periods**

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the co-operative has decided not to early adopt.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
<b>2 Government Grant Revenue</b>		
CTS Housing Grants	6,012,649	5,656,754
	6,012,649	5,656,754
	6,012,649	5,656,754
<b>3 Other Revenue</b>		
Sundry Revenue	15,936	13,364
Management Fees	5,229	5,395
Interest Received	98,472	91,426
Tenants Charges	155,416	200,397
Sepp 10 Grant		231,121
	275,053	541,703
	275,053	541,703
<p>Included in the Other Revenue is a one-off transfer of Sepp 10 Grant of \$231,121 from Deferred Grant Income to Other Revenue in the financial year 2015 / 16</p>		
<b>4 Tenancy and Property Expenses</b>		
Rent Paid	6,884,389	7,021,565
Repairs & Maintenance	518,192	632,599
Electricity	9,961	13,243
Insurance	72,334	65,665
Rates & Taxes	209,530	199,001
Water Usage	32,391	42,713
Bad Debts - Tenants Charges	37,406	16,822
Bad Debts - Rent	7,055	5,335
Depreciation	22,547	15,318
Sundry Costs	68,292	53,233
Salaries and Superannuation	368,496	311,232
	8,230,593	8,376,726
	8,230,593	8,376,726
<b>5 Administration Expenses</b>		
Office Expenses	212,614	260,360
Rent	55,867	54,929
Salaries and Superannuation	397,446	375,280
	665,927	690,569
	665,927	690,569
<b>5A Auditor's Remuneration</b>		
Auditing of Financial Statements	11,250	10,230
	11,250	10,230
	11,250	10,230
<b>Total Administration Expenses</b>	677,177	700,799

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
<b>6 Cash Assets</b>		
Cash on Hand	483	196
Cash at Bank	2,640,221	1,215,963
Term Deposits	1,183,751	560,285
	3,824,455	1,776,444
	3,824,455	1,776,444
<b>7 Receivables</b>		
CURRENT		
Sundry Debtors	1,277,001	131,879
Less: Provision for Doubtful Debts	(45,501)	(43,959)
	1,231,500	87,920
	1,231,500	87,920
Other debtors	19,682	27,492
	1,251,182	115,412
	1,251,182	115,412

**Provision for Doubtful Debts**

Current trade receivables are generally 30-day terms. These receivables are assessed for recoverability and a provision for doubtful debts is recognised when there is objective evidence that an individual trade receivable may not be recoverable. These amounts have been included in other expenses items.

Opening balance	43,959	34,042
Addition to provision	46,003	32,074
Written off	(44,461)	(22,157)
	45,501	43,959
	45,501	43,959

**Credit Risk - Trade and Other Receivables**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Statement of financial position and notes to and forming part of the financial statements.

The co-operative does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the co-operative.



METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
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NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
<b>9 Property, Plant and Equipment</b>		
Land & Building	2,181,897	2,181,897
Less: Accumulated Depreciation	(37,579)	(15,032)
	2,144,318	2,166,865
Office Machines & Equipment	84,605	81,819
Less: Accumulated Depreciation	(69,062)	(60,840)
	15,543	20,979
Office Furniture & Equipment	36,037	36,037
Less: Accumulated Depreciation	(28,913)	(25,453)
	7,124	10,584
Property Equipment	1,909	1,909
Less: Accumulated Depreciation	(762)	(476)
	1,147	1,433
Software	45,959	40,709
Less: Accumulated Depreciation	(36,409)	(21,509)
	9,550	19,200
<b>Total Plant and Equipment</b>	<b>2,177,682</b>	<b>2,219,061</b>

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30TH JUNE 2017

	2017	2016			
	\$	\$			
<b>9 Property, Plant and Equipment</b>					
<i>Movements in Carrying Amounts</i>					
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:					
	Freehold Land and Building \$	Office Machine and Equipment \$	Office Furniture and Equipment \$	Software \$	Total \$
Balance at 1 July 2015	-	34,605	15,040	-	49,645
Additions	2,181,897	485	-	32,000	2,214,382
Disposals - written-down value	-	-	-	-	-
Revaluations increment	-	-	-	-	-
Depreciation - Capital Reserve	(15,032)	(13,158)	(3,976)	(12,800)	(44,966)
Carrying amount at 30 June 2016	2,166,865	21,932	11,064	19,200	2,219,061

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
<b>9 PROPERTY, PLANT AND EQUIPMENT (continued)</b>		
	Freehold Land and Building \$	Office Machine and Equipment \$
	Office Furniture and Equipment \$	Software \$
	Total \$	
Balance at 1 July 2016	2,166,865	21,932
	11,064	19,200
	2,219,061	
Additions	-	3,280
	-	-
	5,250	
	8,530	
Disposals - written-down value	-	(494)
	-	-
	-	
	(494)	
Revaluations increment	-	-
	-	-
	-	
	-	
Depreciation - Capital Reserve	(22,547)	(8,028)
	(3,940)	(14,900)
	(49,415)	
Carrying amount at 30 June 2017	2,144,318	16,690
	7,124	9,550
	2,177,682	
<b>10 Other Assets and Other Financial Assets</b>		
Other Assets		
Rental Bonds with Bond Board	450,437	489,277
Other Financial Asset - Term Deposits		
	752,223	1,161,110
<b>11 Payables</b>		
CURRENT		
Sundry Creditors	183,427	139,294
Tenants Rent	159,994	129,435
Deferred Grant Income	1,414,047	324,101
Input Tax Credits	(37,288)	(43,572)
GST Payable	247,541	153,236
Amounts Withheld	6,436	6,422
	1,974,157	708,915

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
<b>12 Provisions</b>		
CURRENT		
Provision for Annual Leave	47,191	36,011
Provision for Time in Lieu	5,667	9,034
	52,858	45,046
NON-CURRENT		
Provision for Long Service Leave	34,507	45,545
	34,507	45,545
	52,858	45,046
	34,507	45,545
<b>13 Other Liabilities</b>		
CURRENT		
Accrued Expenses	28,850	19,825
Superannuation Payable	1,599	4,965
	30,449	24,790
	30,449	24,790
<b>14 Retained Surplus</b>		
Retained surplus/(accumulated losses) at the beginning of the financial year	4,055,500	2,853,116
Transfer from Capital Grants Reserve	-	-
Transfer from General Reserve	-	-
Transfer from General Reserve - Resamen	-	-
Transfer to Capital Maintenance Reserve	(56,599)	(15,994)
Transfer to Operating Expenses Reserve	(58,027)	(30,266)
Net profit attributable to members of the entity	1,495,562	1,248,644
Retained surplus/(accumulated losses) at the end of the financial year	5,436,436	4,055,500
	5,436,436	4,055,500
<b>15 Reserves</b>		
Capital Maintenance Reserve	622,593	565,994
Operating Expenses Reserve	638,293	580,266
	1,260,886	1,146,260
	1,260,886	1,146,260

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
<b>15 Reserves (continued)</b>		
 <b>Capital Maintenance Reserve</b>		
Movements during the year:		
Opening Balance for the year	565,994	550,000
Transfer from surplus and other reserve	56,599	15,994
Closing balance	<u>622,593</u>	<u>565,994</u>
 <b>Operating Expenses Reserve</b>		
Movements during the year:		
Opening Balance for the year	580,266	550,000
Transfer from surplus and other reserve	58,027	30,266
Closing balance	<u>638,293</u>	<u>580,266</u>

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
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NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
<b>16 Remuneration and Retirement Benefits</b>		
The names of directors who have held office and were paid remuneration during the financial year were:		
Eanna O'Ceallachain	900	800
Susan Taylor	600	600
Elizabeth Sharaq	900	800
David Abello	1,100	800
Malcolm Pollard	1,000	800
James Kennedy	900	600
Valerieanne Byrnes	500	700
Melinda Tunbridge	400	600
Catherine Lin	700	200
	7,000	5,900
	7,000	5,900

No retirement benefits provided to Directors.

**17 Economic Dependence**

The co-operative relies on grant payments made available by the NSW State Government.

The government grants shown in accounts are:

Housing Grants	6,012,649	5,656,754
	6,012,649	5,656,754

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
<b>18 Capital and Leasing Commitments</b>		
(a) Finance Lease Commitments		
No Finance Lease commitments during year.		
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
Not later than 12 months	62,606	60,356
Between 12 months and five years	52,172	114,778
Total Operating Lease Liability	114,778	175,134
 Operating lease consists of:		
- Office Lease		
 The Office lease is a lease for a five year term ending 30/04/2019, with rent payable monthly in advance. Contingent rental provisions with the lease agreement allow for minimum lease payments to be increased by the higher of CPI or 4% per annum. An option exists to renew the lease at the end of the term for an additional three year term.		
(c) Capital Expenditure Commitments		
Capital Expenditure commitments contract for:		
Balance of Property Acquisition	936,000	-
Total Capital Expenditure Commitments	936,000	-

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$

19 **Financial Instruments**

The co-operative's financial instruments consist mainly of deposits with banks, term deposit investments and accounts receivable and payable.

**Interest Rate Risk**

Interest rate risk relates to the co-operative's exposure to fluctuations in repayments due to changes in market interest rates. The average interest rates of the entities financial assets and liabilities are as follows:

	Average Effective Interest Rate			
	2017	2016	2017	2016
Financial Assets	%	%	\$	\$
Cash at Bank	1.50	1.69	2,640,221	1,215,963
Term deposits	3.38	3.55	1,935,975	1,721,395
<b>Total Financial Assets</b>			<b>4,576,196</b>	<b>2,937,357</b>

**Net Fair Values**

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardized form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the co-operative intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2017

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**20 Segment Reporting**

This co-operative only operates in New South Wales.

**21 Contingent Liabilities**

The directors are not aware of any other significant events since the end of the reporting period.

**22 Events after the reporting period**

No other matters or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the co-operative, the results of those operations, or the state of affairs of the co-operative in subsequent financial years.

**23 Contingent Right - Tenant Bond**

The Co-Operative has the potential right to claim against Rental Bond Board for bonds deposited by tenants in the events of default by the tenants.

**24 Entity Details**

The registered office and principal place of business of the entity is:  
Metro Community Housing  
Suite 208,  
1 Erskineville Road  
Newtown NSW 2040

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

DIRECTORS' DECLARATION

The directors' of the Co-operative declare that, in the directors' opinion:

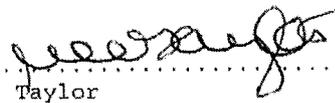
1. The financial statements and notes are in accordance with the Co-operatives (Adoption of National Law) Act 2012, and Australian Charities and Not-for-profits Commission Act 2012, and:
  - (a) comply with Australian Accounting Standards and the Co-operatives National Regulations; and
  - (b) give a true and fair view of the financial position as at 30th June 2017 and of the performance for the year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the directors.

Director:

  
.....  
James Kennedy

Director:

  
.....  
Susan Taylor

Dated this 8th day of November 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

METRO COMMUNITY HOUSING CO-OPERATIVE LTD  
A.B.N. 85 775 722 514

**Report on the financial report**

I have audited the accompanying financial report of Metro Community Housing Co-operative Ltd, which comprises the statement of financial position as at 30TH JUNE 2017, and the statement of 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 company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Co-operatives (Adoption of National Law) Act 2012 and the Australian Charities and Not-for profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

*Auditor's responsibility*

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards, Co-operatives (Adoption of National Law) Act 2012 and the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013, and a true and fair view which is consistent with my understanding of the Co-operative's financial position and of its performance.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**METRO COMMUNITY HOUSING CO-OPERATIVE LTD**  
**A.B.N. 85 775 722 514**

**Independence**

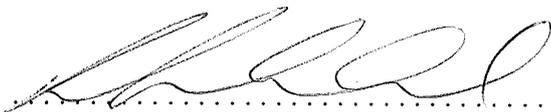
In conducting my audit, I have complied with the independence requirements of the Co-operatives (Adoption of National Law) Act 2012 and Australian Charities and Not-for-profits Commission Act 2012 and any applicable code of professional conduct in relation to the audit.

**Auditor's Opinion**

In my opinion, the financial report of Metro Community Housing Co-Operative Ltd has been prepared in accordance with the Co-operatives (Adoption of National Law) Act 2012 and Australian Charities and Not-for-profits Commission Act 2012, including:

- a. giving a true and fair view of the company's financial position as at 30th June 2017 and of its financial performance and cash flows for the year ended on that date; and
- b. complying with Australian Accounting Standards, the Co-operatives National Regulations and the Australian Charities and Not-for-profits Commission Regulation 2013.

Name of Firm: Partlett, Chave & Rowland  
Chartered Accountants

Name of Auditor:   
Robert Bruce Rowland

Address: Level 9,  
75 King Street,  
Sydney NSW 2000

Dated: 8th November 2017