



# ANNUAL REVIEW

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2020





## About Jacaranda Housing

Jacaranda Housing is a not for profit, registered community housing provider located in Yeerongpilly. Jacaranda was formed by amalgamating four housing cooperatives in South-East Queensland and provides housing to people with the greatest need in the community. Jacaranda is regulated under the National Regulatory System for Community Housing.

In 2020, we delivered our ***Five-Year Growth Strategy – Better Homes for the Future***, demonstrating our strong commitment to continue to deliver our core values of providing safe, secure, fit-for-purpose housing.

Jacaranda Housing holds title to a portfolio of seventy-seven dwellings in fifty-nine separate locations in South -East Queensland. These include sixteen properties in the Bayside area of Brisbane and Redland Cities and the remainder in inner suburban Brisbane. Our properties have an estimated value just short of \$40m.

Jacaranda is governed by a professional, skilled Board of Directors who focus on financial viability, sustainability, and future growth. The Board employs an experienced Executive and their team to manage the organisation's day-to-day operations. Jacaranda Housing currently manages all of its properties in-house.

Tenant participation is an individual choice, and we encourage active participation by way of innovative ideas and feedback. We encourage our tenants to be a part of a community - their community at home, or the wider community.

The Jacaranda Tenant Advisory Group (JTAG) is a sub-committee of the Board of Directors and is an avenue for tenants to continue to participate if they desire, ensuring they can remain engaged and the organisation continues to have access to their skills and knowledge gained over the past 30 years of volunteer service.

The Board of the Directors appoints the following sub-committees to ensure strong corporate governance and strategic growth within the organisation;

- Audit and Risk Committee
- Governance and Remuneration Committee
- Constitutional Change Committee



## Chairperson's Message- Adrian Pisarski

2019-20 will be a year that marks a turning point for Jacaranda Housing. It will shift from being a non-viable housing company, to a viable and sustainable housing organisation, following the adoption of the *Five-Year Growth Strategy - Better Homes for the Future*. It's the year when Jacaranda changed from being a housing company likely to lose properties in vital areas, which housed people on low incomes, who the market failed; to being a housing provider of renown, one which began the process of increasing the options for low income and vulnerable households. A year when the Management and Board said "enough" to losing ground, and instead turned the organisation around.

In 2020, in the year of COVID-19, we did this. History will record that we demonstrated courage, good sense, respect, and good judgement.

For some, but not many, it's been a controversial year. One in which the small minority has challenged the Chief Executive Officer; me, as the Chairperson; the Board; and other tenants and members, and resisted the change on the spurious basis that we don't care, we only want to sell properties, we disregard the history of Jacaranda's founding cooperatives, we don't listen, and we run roughshod over the complaints that small minority has made. But, like the change in the United States of America, we reject these allegations, in the certain knowledge that we have been fair; we are encouraging growth; and we have a goal and a solid, detailed plan, to house more people in need, in better homes, within the communities in which people are already housed.

Our plan involves selling properties. We've never shied away from that. It also involves turning those sales into more properties. We will acquire fifty-three properties, while selling thirty-seven over three to five years; a *net gain of sixteen properties*. We are providing *Better Homes for the Future*. That will mean sixteen more households are gaining access to high-quality housing they can afford, in areas close to the other amenities they need like health care, education, training, employment, transport, and culture.

This *Five-Year Growth Strategy* will cause some disruption to households who, over the next three to five years, will need to move. However, we are committed to making that transition as easy as we can, by helping with the move; by ultimately providing properties that better suit the needs of these households; by providing properties which don't require increasing investment in maintenance; which are safer and more comfortable for these households; and which will lead to a large reduction in the 'wastage' and the spare capacity Jacaranda's current portfolio carries. This is not something Jacaranda can afford any longer, and it's not something that should be tolerated by the tenants nor by the organisation. This is the case for all tenants, regardless of how long they have been living in the household, because the benefits to these tenants specifically and the organisation generally, far outweigh these considerations. It can be noted that many people face multiple moves in their lives, often involuntary moves, not dissimilar to our tenants. Jacaranda will help with your move and will guarantee your place if you are eligible for community housing.

I understand exactly how bad housing is in Australia. In my "day job", I am the Chief Executive Officer of National Shelter, an advocate for more social and affordable housing. I keep track of our housing markets and understand how they fail people on low incomes, Aboriginal and Torres Strait Islander People, newly arrived migrants, refugees, people with disabilities, young people, older people (especially older women), people experiencing homelessness, and those who slip through the cracks of our safety net.



I won't preside over an organisation, a staff, a Board that don't have at their heart the commitment to provide people who need housing with the housing they deserve. I have your back. I'm the one who confronts Prime Ministers, Ministers, private sector peak bodies, commentators, media. I propose solutions, paint the bad news, read the riot act. It cannot, in all honesty, be said of me, nor of any organisation I'm involved with, that we don't care or understand about community, or don't try to provide more housing to those in need. Unfortunately, this is what we have been accused of by some of our stakeholders. But it is simply not true.

If I seem emotional about this, it's because it is my life's work, and I will argue with anybody who falsely accuses the Jacaranda team, and me, as they have been known to do. This organisation has faced too much internal conflict; and we, as a united team encompassing the Board; staff; tenants; and, I hope, members, are determined to end this.

This year, we have developed and presented the *Five-Year Growth Strategy* to ensure Jacaranda's financial viability and sustainability. It's a testament to the determination, skill, and perseverance of our Chief Executive Officer, Lizz Bott, our staff, our Board, and the majority support of our members, that we now have our plan in place.

There are aspects of the plan, like precisely which properties we sell, which will remain confidential, because they affect tenants' privacy; something Jacaranda will not breach. Aspects that are commercial-in-confidence will not be disclosed. What you can be assured of is that we won't accept lower prices for properties we own and sell or pay too much for those we buy.

Our strategy incorporates sound business practices. However, we will provide any affected tenant with long-term notice, and we will help any tenant affected to make a smooth transition. We have many strategies in place to ensure the well-being of our tenants. To do this, we need your support, and we'd like, and believe we deserve, your trust.

We want to build Jacaranda Housing as a genuine community housing organisation. We want your involvement to put the community back into housing.

In closing, I thank my Board colleagues, especially Dr. Jacqui King, the Chair of our Audit and Risk Committee - whose background, expertise and knowledge in running a fine eye over our finances have meant we finish the financial year in a stronger position than may have been expected.

To my other Board colleagues - Sharon Elliot, who chairs our Governance and Remuneration committee, Chris Miers, Katherine Visini, Frances Paterson-Fleider, Aaron Sorensen, Josephine Ahern, and last but certainly not least, our Tenant Directors Pam Britton, Shane Mullins and George Zukiwskyj.

The Board has operated well, even though the Zoom limitations (or perhaps because of them); has met more often to ensure the directors understood and could interrogate the strategy; but has kept to task and been a pleasure to chair.

Thank you

6 November 2020



## Our Chief Executive Officer's Message- Lizabeth Bott

I am pleased to present the 2020 Chief Executive Officer's message for Jacaranda Housing.

To say 2020 has been challenging is undoubtedly an understatement. The COVID-19 pandemic impact has required a focus of our priorities and resources on keeping each other safe.

The pandemic saw our organisation's transition to working from home arrangements and the Board of Directors and the Jacaranda Tenant Advisory Group (JTAG) moving to online meetings for an extended period. The organisation's energy and commitment in responding to the challenges of COVID-19 are worthy of acknowledgment, and I thank all staff, tenants, members, and our Board of Directors for their continued dedication and efforts.

During this unprecedented event, we worked collaboratively to ensure continued frontline delivery of services to our tenants. Despite the pandemic's disruption, we were pleased to announce the *Five-Year Growth Strategy – Better Homes for the Future*. Over the next five years, our strategy will see us working closely with our tenants to make sure they live in homes that better suit their needs, homes that meet Government-mandated accessibility standards, and maintained more cost-effectively.

A key element of the strategy is the acquisition of fifty-three better homes. Thirty-seven existing properties that are no longer fit-for-purpose sold and replaced and sixteen additional properties for Queenslanders in our community will increase our portfolio to ninety-five properties by 2026.

There is no better time than now to be embarking on the strategy to improve the sustainability and financial viability of Jacaranda Housing. Our strategy will increase the number of properties to assist more vulnerable Queenslanders in the housing crisis. It will increase our income. It is the right thing to do.

Our organisation is here to house people with the greatest need in the community. We have ensured we have a highly skilled and experienced Board of Directors. We commit to developing our tenant directors and the JTAG skills in governance better to understand the organisation's responsibilities and individual self-development.

Never before has it been so important to have a place to call home. The COVID-19 pandemic has exposed how fundamental it is to have access to a safe and secure home. I am incredibly proud of the Board of Directors' commitment to our tenant's health and well-being by introducing the Jacaranda Tenant Assistance Program (JTAP). The JTAP offers free professional, confidential coaching and support from qualified clinicians to residents we refer for assistance.

I want to take this opportunity to thank our Chair, Adrian Pisarski, and the Board of Directors for their incredible support and guidance through a challenging year, along with Lynette, our Finance Manager.



Thank you to the JTAG group, who is a committed and passionate tenant group. 2020 has tested us all, and meeting via Zoom and telephone has been a challenge for some, but we continued. 2021 sees new opportunities for the JTAG, where we commit to new tenant engagement activities and capacity building together.

We are determined. We invite you to walk alongside us as we embark on an exciting future.

I look forward to an exciting 2021 and continuing to deliver on our Five-Year Growth Strategy- *Better Homes for the Future*.

24 November 2020

# FINANCIAL SUMMARY 2019-2020

## Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
<b>INCOME</b>			
ATO Cash flow stimulus COVID-19		26,999	-
ATO JobKeeper payments		18,000	-
Grant - local government		19,694	21,792
Grant - portfolio capacity		28,500	-
Incremental change Department of Housing Mortgage		124,746	97,743
Interest received		823	2,264
Recoveries		1,545	6,048
Rental income		869,199	872,515
Sundry income		12,502	9,833
<b>Total Income</b>		<b>1,102,008</b>	<b>1,010,195</b>
<b>EXPENDITURE</b>			
Administration		20,803	13,833
Consultants and contractors		95,198	47,330
Depreciation and impairments		179,436	230,266
Employee entitlements	3	308,301	276,177
Information technology and support		19,590	19,108
Insurance		43,337	37,873
Interest expense		3,248	2,133
Postage, printing, and stationery		5,569	6,777
Property costs	4	494,773	545,485
Rents paid		25,462	24,844
Sundry expenses		3,135	3,004
Telephone and internet		6,453	7,519
<b>Total Expenditure</b>		<b>1,205,305</b>	<b>1,214,349</b>
<b>Deficit before income tax expense</b>		<b>(103,297)</b>	<b>(204,154)</b>
Income tax expense	1	-	-
<b>Deficit after income tax expense for the year attributable to the members</b>		<b>(103,297)</b>	<b>(204,154)</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the shareholders</b>		<b>(103,297)</b>	<b>(204,154)</b>

## Statement of Financial Position as at 30 June 2020

	Notes	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash at bank		523,781	70,627
Cash on deposit		127,566	181,437
Rent receivables		1,148	1,544
Other receivables		12,053	5,786
GST receivables		7,750	9,554
<b>Total Current Assets</b>		<b>672,298</b>	268,948
<b>NON-CURRENT ASSETS</b>			
Property, plant, and equipment	5	37,819,534	39,130,784
<b>Total Non-Current Assets</b>		<b>37,819,534</b>	39,130,784
<b>Total Assets</b>		<b>38,491,832</b>	39,399,732
<b>CURRENT LIABILITIES</b>			
Accounts payables		23,415	15,735
Rent received in advance		42,225	39,154
Other payables		6,692	4,974
PAYG withholding payable		5,694	3,628
Provision for employee entitlements		24,545	16,479
<b>Total Current Liabilities</b>		<b>102,571</b>	79,970
<b>NON-CURRENT LIABILITIES</b>			
Borrowings - registered mortgage interest free	6	21,935,683	22,819,512
<b>Total Non-Current Liabilities</b>		<b>21,935,683</b>	22,819,512
<b>Total Liabilities</b>		<b>22,038,254</b>	22,899,482
<b>NET ASSETS</b>		<b>16,453,578</b>	16,500,250
<b>EQUITY</b>			
Asset revaluation reserve		14,176,556	14,119,931
Accumulated surplus	7	2,277,022	2,380,319
<b>Total Equity</b>		<b>16,453,578</b>	16,500,250

## Statement of Changes in Equity for the year ended 30 June 2020

	Asset revaluation Reserve \$	Accumulated Surplus \$	Total \$
Opening balance 1 July 2018	13,992,698	2,584,473	16,577,171
Less deficit attributable to the members	-	(204,154)	(204,154)
Other comprehensive income for the year, net of tax	-	-	-
Revaluation in property	-	-	-
Revaluation in borrowings	127,233	-	127,233
<b>Closing balance 30 June 2019</b>	<b>14,119,931</b>	<b>2,380,319</b>	<b>16,500,250</b>
Opening balance 1 July 2019	14,119,931	2,380,319	16,500,250
Less deficit attributable to the members	-	(103,297)	(103,297)
Other comprehensive income for the year, net of tax	-	-	-
Revaluation in property	94,560	-	94,560
Revaluation in borrowings	(37,935)	-	(37,935)
<b>Closing balance 30 June 2020</b>	<b>14,176,556</b>	<b>2,277,022</b>	<b>16,453,578</b>

## Statement of Cash Flows for the year ended 30 June 2020

Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	978,442	1,014,054
Payments to suppliers and employees	(1,036,531)	(1,088,861)
Interest received	823	2,264
Interest and other costs of finance	(3,248)	(37,873)
<b>Net Cash Flows Used by Operating Activities</b>	<b>(60,514)</b>	<b>(110,416)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for plant and equipment	(3,186)	-
Proceeds from disposal of land and buildings	1,260,000	-
<b>Net Cash Flows Used in Investing Activities</b>	<b>1,256,814</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(797,017)	-
<b>Net Cash Flows from Financing Activities</b>	<b>(797,017)</b>	<b>-</b>
Net increase in cash held	399,283	(110,416)
Cash at the beginning of the year	252,064	362,480
<b>CASH AT THE END OF THE YEAR</b>	<b>651,347</b>	<b>252,064</b>

# Notes to Financial Statements for the year ended 30 June 2020

## **Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **Basis of preparation**

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations and the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of Jacaranda Housing. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Jacaranda Housing.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 110 'Events after the Reporting Period', AASB 137 'Provisions, contingent liabilities and contingent assets', 'AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

### **Historical cost convention**

The financial statements have been prepared under the historical cost convention.

### **Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### **Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

### **Sales revenue**

Events, fundraising and raffles are recognised when received or receivable.

### **Donations**

Donations are recognised at the time the pledge is made.

### **Grants**

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with.

### **Interest**

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### **Other revenue**

Other revenue is recognised when it is received or when the right to receive payment is established.

**Income tax**

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Other receivables are recognised at amortised cost, less any provision for impairment.

**Property, plant and equipment**

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	50 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## **Employee benefits**

### **Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

### **Other long-term employee benefits**

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

### **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market. Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### **Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### **Estimation of useful lives of assets**

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### **Impairment of non-financial assets other than goodwill and other indefinite life intangible assets**

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

### Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered.

	2020	2019
	\$	\$
<b>Note 3. Employee Entitlements</b>		
Staff training	1,349	3,314
Superannuation	25,152	22,165
Wages and salaries	277,760	240,998
Workcover insurance	4,040	9,700
	<b>308,301</b>	<b>276,177</b>

<b>Note 4. Property Costs</b>		
Agent letting fees	1,150	1,194
Body corporate fees	38,046	37,166
Centrelink fees	1,031	816
Cyclical maintenance	18,051	25,042
Land tax	-	(2,028)
Planned maintenance	78,914	105,066
Property management planning	-	35,528
Property sales marketing	3,595	-
Rates council	182,303	172,087
Responsive repairs and maintenance	74,324	75,855
Secondary agent inspections	822	-
Sundry expenses	1,196	-
Water charges	95,341	94,759
	<b>494,773</b>	<b>545,485</b>

### Note 5. Property, plant, and equipment

Land at fair value	27,050,000	27,890,000
Buildings at fair value	11,230,000	11,525,000
less accumulated depreciation	(465,655)	(286,972)
	<b>10,764,345</b>	<b>11,238,028</b>
<b>Total property</b>	<b>37,814,345</b>	<b>39,128,028</b>
Plant and equipment at cost	7,953	4,766
less accumulated depreciation	(2,764)	(2,010)
	<b>5,189</b>	<b>2,756</b>
<b>Total property, plant and equipment</b>	<b>37,819,534</b>	<b>39,130,784</b>

## Note 6. Borrowings – registered mortgage interest free

Properties held under mortgage from The State of Queensland through the Department of Housing and Public Works (the State) were transferred to the Jacaranda Housing for zero cash consideration under a Capital Assistance Agreement with the Department of Housing and Public Works.

The registered mortgage agreements state “debt means all money which now or in the future is owing (actually or contingently) by the provider (Jacaranda Housing) to the State under the agreement, or this Mortgage and includes any loss or damaged suffered by the State as a result of the arrangement under the agreement, and this Mortgage. It also includes interest, costs, fees, duties, taxes and any other amount that the Provider (Jacaranda Housing) is obliged to reimburse or pay to the State at any time under this Mortgage or otherwise”.

	2020	2019
	\$	\$

### Note 7. Equity - accumulated surplus

Accumulated surplus at beginning of the year	2,380,319	2,584,473
Less deficit attributable to the members	(103,297)	(204,154)
<b>Accumulated surplus at the end of the financial year</b>	<b>2,277,022</b>	<b>2,380,319</b>

### Note 8. Cash flow information

Deficit after income tax expense for the year	(103,297)	(204,154)
<b>Noncash adjustments for:</b>		
Depreciation and amortisation	179,436	230,266
Incremental change Asset revaluation reserve	(30,441)	-
Incremental change Department of Housing Mortgage	(124,745)	(97,743)
<b>Change in operating assets and liabilities:</b>		
(Increase)/decrease in receivables	395	5,685
(Increase)/decrease in other assets	(4,463)	(1,743)
Increase/(decrease) in payables	7,680	(34,341)
Increase/(decrease) in other liabilities	6,855	(9,545)
Increase/(decrease) in provisions	8,066	1,159
<b>Net cash from operating activities</b>	<b>(60,514)</b>	<b>(110,416)</b>

### b. reconciliation of cash

Cash at bank	523,781	70,627
Cash on deposit	127,566	181,437
	651,347	252,064
Less overdrafts	-	-
	651,347	252,064

### Note 9. Contingent liabilities and Assets

Under the Capital Assistance Agreement the Provider (Jacaranda Housing ) “indemnifies and will keep the State and its officers, employees and agents (the indemnified persons) from and against all loss, damage, costs or expense (including legal costs) arising from any concerning the Provider or the carrying out of the Provider’s obligations under the Agreement (including progress reports relating to the construction, or any matter relating to the carrying out of the project or program).

The National Regulatory System Community Housing (NRSCH) Program requires all restricted funds including surplus program funds identified by the Department of Housing and Public Works in its annual CHAFAR return to be disclosed in the annual audited financial report. For the year ended 30 June 2020 Jacaranda Housing derived a Deficit in Community Housing Program Restricted Funds of \$(173,720) (2019: Deficit \$(143,881)), with total accumulated deficits as at the 30 June 2020 for the Community Housing Program Restricted Funds being \$(672,315) (2019: \$(498,595)).

As the program is in an accumulated deficit position on 30 June 2020, there are no restricted funds (2019: nil restricted funds).

There are no other known contingent liabilities or assets as of 30 June 2020 and 30 June 2019.

#### **Note 10. Incremental change Department of Housing Mortgage**

Under the terms of the Capital Funding Agreements, the Department of Housing and Public Works (the department) has a percentage interest in each property representing State's (State of Queensland) share of the market value of each property in the event of sale or serious mismanagement by the Provider (Jacaranda Housing). The Departments percentage interest in the properties is revalued annually by the following formula:

$$\text{Revaluation} = 2\% \times Y \times C_{vi}$$

Where:

Y = the number of full years that Jacaranda has held the property.

C<sub>vi</sub> = the current market value of the Departments proportion interest in the Buildings only.

#### **Note 11. Related party transactions**

##### **Transactions with related parties**

There were no transactions with related parties during the current and previous financial year.

##### **Receivable from and payable to related parties**

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

##### **Loans to/from related parties**

There were no loans to or from related parties at the current and previous reporting date.

#### **Note 12. Events after the reporting period**

On the 25 June 2020, the board of directors signed a contract for the sale of 88 Villers Street, New Farm which settled on the 24 August 2020. These financial statements have been adjusted to show the sale of 88 Villers Street New Farm.

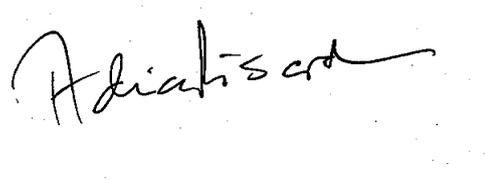
There are no other matters or circumstance that have arisen since 30 June 2020 that have significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

## Responsible Persons' Declaration for the year ended 30 June 2020

The responsible persons declare that in the responsible persons' opinion:

- a. the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations and the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of Jacaranda Housing.
- b. the attached financial statements and notes comply with the Australian Charities and Not-for-profits Commission Act 2012, the Accounting Standards as described in note 1 to the financial statements and other mandatory professional reporting requirements.
- c. the attached financial statements and notes give a true and fair view of the company's financial position as of 30 June 2020 and of its performance for the financial year ended on that date.
- d. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.



Adrian Pisarski  
Chairperson

*Dated this 2nd day of October 2020.*

## Independent Auditor's Report

To the members of the Jacaranda Housing

### Opinion

We have audited the accompanying financial report of the **Jacaranda Housing**, which comprises the statement of financial position as at **30 June 2020**, 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 responsible persons' declaration.

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

- i. giving a true and fair view of the company's financial position as of **30 June 2020** and of its performance for the year ended on that date.
- ii. complying with Australian Accounting Standards to the extent described in Note 1.
- iii. the financial statements and notes do satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and regulations.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Emphasis of Matter – Basis of Accounting

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 Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of the Directors 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

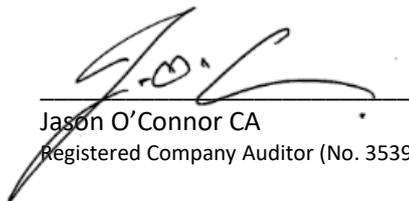
### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian Ethical Pronouncements.



Jason O'Connor CA  
Registered Company Auditor (No. 353931)

Liability limited by a scheme approved under Professional Standards Legislation

*Dated this 5<sup>th</sup> day of October 2020.*

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## Jacaranda Housing Board of Directors

### **Adrian Pisarski Independent Director and Company Chairperson**

Adrian is the Executive Director of National Shelter Australia's key NGO peak advocating ways to improve housing affordability and end homelessness with a 40-year history in the community sector, including housing, homelessness, welfare, and youth peak bodies in Tasmania, Victoria, NSW, Queensland and nationally. Adrian was a member of the Affordable Housing Summit Group, instrumental to developing the National Affordable Housing Agreement and NRAS. He has served on numerous advisory bodies for housing, homelessness, and youth affairs at state and national levels.

Adrian has an extensive history as a member of boards including as Chairperson of National Shelter 2005-2013, Deputy Chairperson of ACOSS 2007-2013, NCOSS, The Australian Youth Policy and Action and Association (AYPAC) (1990-93), Shelter NSW, and for five years was the CEO of the Youth Accommodation Association (YAA). His board experience spans several Incorporated Associations and Companies Limited by Guarantee, so he is familiar with the legislation governing the activities of a Company.

Adrian's whole working and personal life are a testament to the implementation of social justice.

Adrian also sits as the Chair of the Constitutional Change Committee.

### **Josephine Ahern- Stakeholder Director**

Jo Ahern is a senior executive who has held Chief Executive and General Manager roles in the non-profit and government sectors in Australia and the European Union. With more than 20 years' experience, Jo specializes in housing and homelessness.

Jo has held non-executive directorships on non-profit boards in Australia and Ireland. She holds a Master of Arts, Bachelor of Arts and Certificate in Financial Accounting. Jo is passionate about ensuring there is an adequate supply of social and affordable housing for people in need, in Queensland.

Jo is a member of the Governance and Remuneration Committee.

### **Pam Britton- Stakeholder Tenant Director**

Pam left high school at age 13 and went immediately to learn new skills in administration roles. She attended night school and learned shorthand and typing and loved working in reception where she could meet new people from all walks of life. Married at 25, Pam became a Defence Services wife, had two wonderful children and eventually settled in Brisbane some years later. Pam enrolled at Kelvin Grove TAFE and graduated with a Higher School Certificate.

After graduating Kelvin Grove Tafe, Pam commenced with the Commonwealth Government and enjoyed many and varied roles over the next 20 – odd years, generally in Administrative capacity. Many certified courses were completed to extend Pam's skill base, knowledge and efficiency while with the Commonwealth Government.



Six years as a Legal Assistant in the Office of the Director of Public Prosecutions before transferring to ATSIC for her final eight years of service. Pam is dedicated to her family, one daughter and a son who passed in 2005. Being a grand mother of four and great grand mother of one keeps Pam very busy and makes her very proud.

A passion for community housing is evident with Pam having been a member of New Farm Housing Co-Op, joining well over 25 years ago now. Pam participated in many roles in NFHC during its operation, met many wonderful people and hopes that Jacaranda Housing can grow larger and help many, many more people find stable homes and happiness, as she has.

Pam is a member of the Audit and Risk and Constitutional Change Committee.

#### **Sharon Elliott- Independent Director**

Sharon is strongly committed to all aspects of social housing and the objectives of Jacaranda Housing which can be demonstrated through the following over 20 years, experience in operational housing service management, incorporating private sector, not for profit, community and government.

Sharon has extensive experience in social housing operational service provision. She continues to work in, multi-disciplinary roles, as part of her commitment to be involved in the continued delivery of Social Housing in Qld. Sharon's skills with operational management of social housing have been developed over many years with several social housing organizations including Brisbane Housing Company Ltd (BHC), Qld Department of Housing and Public Works and St Vincent de Paul Society Qld Housing Ltd – T/a Vinnies Housing.

Sharon has completed training with the Governance Institute of Australia- Certificate in Governance.

Sharon is the Chair of the Corporate Governance and Nominations Committee.

#### **Dr. Jacquelyn King- Audit and Risk Chair**

Jacqui has extensive experience as a Chartered Accountant, both nationally and internationally, and currently holds a Senior Executive role within the Queensland Government. She has substantial experience in both the Government and private sectors in the legislative and policy spheres and has particular skills in governance frameworks. She has represented organisations and served on Boards and Committees within Queensland and nationally and has vast experience working with stakeholders, specifically in relation to contentious issues.

Jacqui brings a wealth of experience in many fields, also being a qualified Veterinary Surgeon, with a PhD in Veterinary Medicine. However, her qualifications as a Chartered Accountant, with an MBA and comprehensive business and financial management experience, see Jacqui Chair Jacaranda's Audit and Risk committee.



### **Christopher Miers- Independent Director**

Chris's current professional role is with the not-for-profit organisation, National Heart Foundation of Australia, as the Head of Legal and Company Secretary. Within this role, Chris is responsible for ensuring legal, risk and governance compliance of the organisation throughout Australia.

Chris has prior experience as a Non-Executive Director for various not-for-profit companies, thereby having a deep understanding of the strategic importance the Board has in supporting and driving organisation and strategic success. This combined experience has allowed a proven track record in developing governance and risk frameworks, regulatory compliance and policy platforms, leading fundamental organisational change and driving strategic priorities.

Chris is a qualified Lawyer in Australia and in England and Wales. Chris is also a qualified Company Secretary, Nationally Accredited Mediator, and Accredited Family Dispute Resolution Practitioner. He holds a Master of Laws Degree, a Graduate Diploma of Applied Corporate Governance, a Bachelor of Laws and a Bachelor of Business. I am also currently completing the Director's Course through the Australian Institute of Company Directors.

Chris is a member of the Governance and Remuneration Committee

### **Shane Mullins- Stakeholder Tenant Director**

Shane previously volunteered on the Board of Jacaranda Housing for three years from 2011 to 2014. As a Board member, Shane applied many of his valuable skills from his time serving his country in the Defence Force as a Military Police Officer. Shane is experienced in investigations, time management, and dealing with difficult situations.

Prior to joining the Jacaranda Housing Board, from 2003 to 2004, Shane was a member and tenant of New Farm Housing Co-operative. Shane held the position of Chair for a period while volunteering to the New Farm Board. He is also experienced in lobbying for the rights of people at risk in the community at various levels of government right through to the Ministerial level.

Shane is a member of the Constitutional Change Committee.

### **Frances Paterson-Fleider- Casual Director**

Frances is the State Manager of Community Housing Limited. Frances has worked in housing services for 34 years within a range of different organisations including large government departments to small specialised housing providers. Frances is accomplished in all areas specialising in Housing Management, Asset Management, Housing Support, Community Development, Housing Renewal and Property Development.

Frances studied housing at Heriot-Watt University in Edinburgh and graduated in 1996. In January 2013, Frances also completed, via distance learning through the Robert Gordon University in Aberdeen, a Master's Degree in Property Development.



Frances has represented the housing sector on government policy into homelessness in Scotland and also took a lead role in the development of other key housing initiatives, including urban regeneration and stock transfers. In Australia, Frances has represented the Community Housing Sector in several forums, including the Queensland Housing Assistance Forum with the Housing Minister.

Frances is an accredited Member of the Australasian Housing Institute, a graduate of the Australian Institute of Company Directors and is a Director on the Board of the Community Housing Industry Association (CHIA Queensland).

### **Aaron Sorensen**

Aaron holds a Bachelor of Business management with a double Major in Real estate Development and Marketing and a Certificate IV in Property Services. Aaron's professional career has been more focused towards residential property development with over \$50 million in projects (Gross Realisation) developed over the past 8 years.

In addition, Aaron's current role as Managing Director of the Charles Knight Group sees him responsible for cash flow forecasting pertaining to organisational goals and revenue targets, monitoring and reconciliation of accounts and regular review of organisational expenses.

Having grown up in housing commission in Sydney, Aaron has a desire to ensure that all people in society have the ability to access affordable housing where necessary.

### **Katherine Visini- Stakeholder Director**

Katherine is an experienced property professional who has worked in Retail, Commercial, and Residential Property development for the past 14 years—having trained as a Town Planner, Katherine has a strong and ongoing interest in evolving our urban footprint. This interest extends to how urban development interacts and engages with all sectors of society.

Understanding the structures of existing communities and how those communities adjust to change has long been a drive for Katherine's engagement with the community. Attention to detail while keeping the big picture in focus has been the hallmark of Katherine's career progression. This, along with her engagement with local authorities and the Queensland Government ensures Katherine brings an understanding of how to navigate competing agendas to produce win-win outcomes.

Katherine is a member of the Audit and Risk Committee.

### **George Zukowskyj- Stakeholder Tenant Director**

George is involved in community housing for 30 years and served as a Director on the New Farm Housing Co-operative Board for over 10 years. He has worked with NFP organisations for more than four decades in various roles, including youth leadership, drug and alcohol counselling, and long-term unemployment. George has completed training with the Governance Institute of Australia- Certificate in Governance.

George is a member of the Audit and Risk, Governance and Remuneration committees.



**Director resignations were accepted during the period;**

Peter Downie – August 2019

Frances Paterson-Fleider- November 2019 and reappointed as a casual director February 2020

Paula Holden – February 2020

Benjamin Wash- February 2020

**Meetings of Directors**

<b>Directors</b>	<b>Number eligible to attend</b>	<b>Number attended</b>
Adrian Pisarski	6	6
Josephine Ahern	8	7
Pam Britton	10	10
Sharon Elliott	10	10
Dr. Jacquelyn King	6	6
Christopher Miers	6	4
Shane Mullins	10	9
Frances Paterson-Fleider	6	4
Aaron Sorensen	6	5
Katherine Visini	10	10
George Zukiwskyj	10	8
Peter Downie	1	1
Paula Holden	5	5
Benjamin Wash	4	4



## Staff Profiles

### **Lizz Bott- Chief Executive Officer**

A trusted leader, Lizz spent many years working in remote indigenous communities in the Northern Territory where she was widely respected for her work in developing strong connections with Traditional Owners, ensuring their cultural protocols and needs were always considered. She also worked tirelessly to improve housing options in remote communities.

Since joining Jacaranda Housing in 2017, Lizz has been instrumental in the transformation of Jacaranda Housing, driving cultural change and stability within the organisation.

### **Lynette Piotrkowski – Finance Manager**

Lynette joined Jacaranda's team in April 2016 and brings a wealth of experience in finance and bookkeeping. Lynette works to ensure the organisation's financial obligations are met and completed to a high standard. Monthly reporting to the Chief Executive Officer and the Board is comprehensive and accurate to assist with decision-making processes. Lynette recognised the need to respond to the changing needs of the organisation and its decision makers.

### **Kelly Ali – Community Housing Officer**

We welcomed Kelly Ali to the team as our new Housing Officer in late 2020.

Kelly has extensive experience within the real estate industry with previous roles as a Senior Property Manager, Business Development Manager and Sales Agent. Kelly is new to the Community Housing sector and is very excited to be part of a sector that assists our most vulnerable.

We are very fortunate to have Kelly on the team and we hope you join us in making Kelly feel welcome.

### **Zahira Saheed – Community Housing Manager (to August 2020)**

Zahira joined Jacaranda Housing in March 2018 as the Community Housing Manager. Zahira has a Bachelor of Business in Human Resource Management and is an experienced Senior Property Manager and real estate professional with over 7 years industry knowledge and expertise.

Zahira has developed further skills in the Community Housing sector since starting her role, attending several training sessions and creating strong networks with others in the sector. In her role as Community Housing Manager, compassion, experience and integrity are essential to Zahira building effective continuous communication and relationships with tenants and members.

Zahira has a genuine interest in ensuring tenants can sustain their tenancies and ensure our properties are managed implementing regulatory requirements but still with an exceptional degree of tenant care, professionalism and high standards. Zahira is always diligent and her bright friendly personality ensures she provides outstanding service at all times.