



VENTURE HOUSING COMPANY

AFFORDABLE HOUSING FOR TERRITORIANS



Annual Report 2018 - 2019



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Vision and Values

Vision Statement

For all Territorians to be able to access affordable and secure accommodation with an emphasis on the provision of affordable housing for key workers. Venture Housing Company's goal is to make a significant contribution to the supply of affordable and social housing in the Northern Territory by working with the government, private sector and NGOs through partnerships to deliver housing projects.

Venture's Values

- Inclusiveness, choice and greater equity for our clients.
- Customers and staff being central to all things.
- Innovation in our thinking and actions.
- Collaboration and partnerships.
- Transparency, honesty and trust in all our dealings.
- Application of business-like disciplines and accountability alongside strict standards of Governance.



About Venture

Venture was established in December 2011 and is committed to making a significant contribution to the supply of affordable and social housing in the Northern Territory by working with the government, private sector and NGOs through partnerships to deliver housing projects.

Venture was established following a national tender called by the Northern Territory Government seeking an effective response to the growing housing affordability crisis amongst low and moderate income groups in the Northern Territory.

Venture is supported by Unity Housing Company as its Foundation Member.

Venture Housing Company is a company limited by guarantee and has both Charitable and Public Benevolent Institution status. The Company is governed by an independent Board. Venture was heavily capitalised by the Northern Territory Government and is committed to the delivery and growth of a sustainable mix of affordable, social and assisted home ownership pathways in the Northern Territory.

As at 30 June 2019, Venture owned 172 dwellings in the Darwin and Palmerston region, managed 10 seniors' apartments at Parap on behalf of the NT Department of Local Government, Housing and Community Development and 1 apartment on behalf of a private developer, and had a further 5 dwellings about to commence construction in Tennant Creek.

Venture's primary focus for its 2019-2022 Strategic Plan is to further grow its affordable housing portfolio in the delivery of appropriate, sustainable, safe and affordable housing to Northern Territorians.



Chairman's and CEO's Report

Venture's vision is for all Territorians to be able to access safe, quality, affordable and secure accommodation, with an emphasis on the provision of housing for low to moderate income earners. Venture's goal is to make a significant contribution to the supply of sustainable and affordable housing in the Northern Territory by working with the government, private sector and NGOs through partnerships to deliver housing outcomes.

Venture has delivered an additional twenty-two (22) new builds since Venture's initial capitalisation by the Northern Territory Government, completed on 23 June 2016, with full cash flow capacity achieved at the end of 2016 following tenancing. These include the acquisition of twelve (12) apartments (including four Specialist Disability Apartments) at Mitchell Springs in partnership with Zest Development Construction and Advisory (Zest), and twenty (20) townhouses at 69 Driver Avenue, Driver built by Halikos.

The primary focus of Venture's 2019 – 2022 Strategic Plan is to further grow its affordable housing portfolio in the delivery of appropriate, sustainable, safe and affordable housing to Territorians, whilst also ensuring that its current portfolio is well-preserved. To that aim, Venture currently has a small development under construction at 90 Peko Road, Tennant Creek. This small, unit titled, intentional community of five single dwellings will be comprised of two (2) three-bedroom, two-bathroom homes and three (3) one-bedroom and bathroom homes, in a safe and appropriately landscaped environment. The construction of these five new houses for key workers on low-to-moderate incomes in Tennant Creek is under a turnkey contract delivery by local builder, T&J (NT) Pty Ltd, who has partnered with Venture on this project. NT Indigenous enterprise, Dice Australia, will be responsible for providing solar power to these homes, thus rendering them even more affordable for their eventual tenants. Venture will commence the tenant application process for the housing from working individuals, couples and families shortly before completion.

Due to the phasing out of the National Rental Affordability Scheme, Venture has a constrained capacity for the growth of additional housing in the next three to five years. It was, thus, extremely pleasing to be advised in April 2019 that Venture's submission to the Commonwealth for funding for its long-planned Tennant Creek Major Project had been included as part of the Barkly Regional Deal. Venture has been working on this project since 2016! Venture's CEO travelled to Tennant Creek to participate in the formal announcement of the Barkly Regional Deal on 13 April 2019. Both the Commonwealth and the Northern Territory Government have agreed to fund \$950,000 each (a total of \$1.9m) towards the construction of a Safe Women's Place and Indigenous Key Worker Housing.

Commercially, all of Venture's projects must meet the required metrics of the National Regulatory System for Community Housing (NRSCH), Venture's Project Benchmark Policy, Risk Management Plan and its Integrated Asset Management Plan, to ensure that they are viable and add value to the organisation. Since the announcement of the Barkly Regional Deal, Venture has been actively working on the development of the full Business Case for the Major Tennant Creek Project for the Board's approval and to ensure such viability.

This project will cost approximately \$5.1M and the Barkly Regional Deal grant contribution of \$1.9m represents 37% of that cost; with Venture funding circa \$3.2m. The Safe Women's Place is intended as a secure complex for a mix of Indigenous women, being the elderly and young mothers and their infants, and consists of ten x 1 bedroom units and a central community building and will be social housing. The Indigenous Key Worker Housing consists of 10 dwellings (2 and 3-bedroom houses) for working Indigenous people on low to moderate incomes and will be affordable housing.

In developing the Major Tennant Creek Project, Venture wished to engage with local contractors so that the funds spent on the Project stay in the Northern Territory to benefit a wider group of people and, more specifically, ensure that local Aboriginal people are directly employed. Accordingly, a partnership has been developed with T&J Contractors NT (and its associated sub-contractors) through an open and transparent early contractor engagement process which will require the employment of Aboriginal workers through this arrangement.

The Major Tennant Creek Project clearly demonstrates that Venture's attention, innovation and leadership is targeted wherever need and disadvantage truly arise and where our investment will make a profound and lasting impact for good in individuals' lives. It also demonstrates Venture is committed to understanding the unique Territorian housing environment and how it actively seeks partnerships that leverage and provide innovative, sustainable, affordable, needs-based and timely housing solutions.

Our gratitude and thanks are extended to Matthew Adcock, Consultant, for his time and patience in dealing with a myriad of project scoping and other matters with the CEO, and his assistance to the Board, over what has been a particularly busy year. His guidance has been invaluable and his enthusiasm and innovation inspirational.

Venture also seeks to be a good community member and it is a member of a variety of not-for-profit organisations and engages with and demonstrates its support of them. In the 2018-2019 Financial Year, Venture provided financial



Allan McGill, Chair

and/or in-kind support to Uncle Jimmy Thumbs Up Ltd; the Tennant Creek Children's Christmas; Baptist Care NT; and Food Bank NT. Venture also participated as a 2018 sponsor of Run With Dad (which raises funds for research into Prostate Cancer) and participation in and sponsorship of the 2018 Palmerston Shopping Centre Special Children's Christmas Party. Venture further collaborated with Food Bank NT to promote both organisations through a competition open to Venture's tenants to win twelve (12) Christmas Food Hampers. The Property Management team participated in Foodbank NT's Pancake Day on 05 March 2019 and in Anglicare's Youth Homelessness Week Couch Surfing Event on 17 April 2019. Internally, the Venture team celebrated Harmony Day on 22 March 2019 with a staff luncheon.

Venture also benefited from the generosity of a number of organisations and people, including but not limited to Woolworths, Coles and The Good Guys, who provided gift cards for tenants in need; a donation of \$20,000 from PSC Insurance Group to be put towards the Safe Women's House; and a donation from Bank Australia. Penny LaSette provided and organized several in-kind donations of household items for tenants, as did the Venture Team. Staff members have also benefited from Information Exchanges with other not-for-profit organisations and attendance at forums and training workshops relevant to the particular roles of team members, to ensure their ongoing professional development.



Jillian Cable, CEO and Company Secretary

As at 30 June 2019, Venture owned 172 and managed 11 dwellings in the Darwin and Palmerston regions, providing housing for low-to-moderate income Territorians at 74.99% or less of prevailing market rental levels. Venture has a strong focus on ensuring its properties are well-maintained and that adequate financial reserves are retained to ensure the timely responsive and planned cyclical maintenance of these properties.

Eco Properties

Venture identified various National Construction Code non-compliances with the ten Eco Waters' (22 Stalwart Street, Johnston) and six Eco Gardens' (1 Brisbane Crescent, Johnston) properties and has sought independent expert inspections and advice. Venture lodged claims under the Home Building Certification Fund scheme (HBCF) with regards to all sixteen (16) dwellings and a Loss Adjustor has been appointed to investigate these claims. Venture is confident the majority of the costs will be recovered within these claims. Subject to the outcome of the HBCF claim, Venture will be seeking to discuss alternative strategies regarding these properties with the Northern Territory Government in due course.

Market valuations and impairment assessments were undertaken and the following decreases recorded against the properties:

- Eco Waters' (22 Stalwart Street, Johnston): total decrease \$2,930,000
 - \$750,000 reduced market value
 - \$2,180,000 impairment for claims under investigation
- Eco Gardens' (1 Brisbane Crescent, Johnston): total decrease \$1,760,000
 - \$450,000 reduced market value
 - \$1,310,000 impairment for claims under investigation

It is likely these claims will be resolved within twelve to eighteen months. Any subsequent movements in property values and/or impairment will be recognised at whichever is the earlier of settlement of the claim, or the end of the reporting period 30 June 2020.

11 Tarakan Court, Johnston (48 units)

On 30 April 2019, Venture was served with a Building Notice by the Northern Territory Government's Building Advisory Services (BAS) with regard to the alleged design of the transfer slab at 11 Tarakan Court, Johnston. In compliance with the Form 1 Building Notice, Venture engaged a NT-registered Structural Engineer, Project Building Certifiers Pty Ltd (PBC), and determined and undertook the temporary remedial works required within seven days of the Engineer's engagement, at Venture's cost, and advised BAS of same. Venture has received and provided BAS with the final Structural Engineering Report. Venture is in discussions with the Northern Territory Government and other parties with regards to this issue

and seeks to collaborate and cooperate in determining a solution. Venture is confident the majority of the costs will be recovered.

Market valuations and impairment assessments were undertaken and the following decreases recorded against 11 Tarakan Court:

- \$1,850,000 reduced market value
- \$1,370,000 impairment for claim under investigation

It is likely this claim will be resolved within twelve to eighteen months. Any subsequent movements in property values and/or impairment will be recognised at whichever is the earlier, settlement of the claim, or the end of the reporting period 30 June 2020.

The two matters outlined above have taken up a considerable amount of Venture's resources in the 2018-2019 Financial Year. These include the cost of professional reports, legal advice and the CEO's management and administration of the compliance processes; the attendance of the Chair, Deputy Chair and CEO in meetings and the close attention of the Board and the Audit and Risk Committee.

We wish to thank Graham Symons, the Chair of Venture's Audit and Risk Committee for his work over the 2018-2019 Financial Year and for the risk appetite/tolerance workshop that he facilitated with the Board. We also wish to thank Project Building Certifiers and CozensJohansen Lawyers for their prompt and very professional assistance throughout the year.

Venture's 2018-2019 Tenant Survey was released in May 2019 and revealed that 92.65% of Venture's tenants were 'satisfied' to 'very satisfied' with their homes and 93.75% were 'satisfied' to 'very satisfied' with the services Venture provided to them.

We would like to thank the co-Executive Housing Managers, Amelia Pallpratt and Larissa Kirby, and Property Managers, Alana Hallam and Megan Dennis, for ensuring that our tenants are at the forefront of Venture's endeavours and that our properties are well maintained.

The REINT Report for the quarter ending June 2019 advised that the rental vacancy rate for units and townhouses was 6.7% in Darwin and 6.5% in Palmerston (and 6.7% overall in the Greater Darwin Area). Venture had an annual vacancy rate of 5.3% across its portfolio, with 4.0% in Darwin and 5.9% in Palmerston (noting that some properties in Palmerston were intentionally held vacant by Venture for repairs and maintenance). We wish to thank the Property Management Team for their ongoing vigilance of the local rental sector and for making certain that Venture's vacant properties were always promoted at a rent of 74.99% or lower than the private rental market. This has benefitted low-to-moderate income earners in the greater Darwin area and Venture's low vacancy rate is a testament of the ongoing need for affordable housing in the Territory.



90 Peko Road, Tennant Creek

As well as managing our own National Rental Affordability Scheme (NRAS) allocations, Venture provides expert, third-party, management services, as an Approved Participant, for sixty-three Investor NRAS allocations. Venture's NRAS claim was, again, compliant. We wish to thank Compliance Officer, Caitlin Lee, for her ongoing dedication and thorough administration of Venture's NRAS compliance and claims.

Before impairment losses, Venture recorded an operating surplus of \$784,856. Including the impairment loss on revaluation of land and buildings of \$10,440,000, the net loss for the reporting period was (\$9,655,144). At 30 June 2019, Venture held cash and cash equivalents of \$3,076,650. This amount is significantly lower than the prior year due to the delayed receipt of National Rental Affordability Scheme (NRAS) incentives. The flow-on effect of this delay is an increase in Receivables from \$469,635 in 2018 to \$1,766,908 in 2019. Venture has current assets of \$5,268,846 and current liabilities of \$827,783, resulting in a liquidity ratio of 6.4. Total assets reduced from \$72,681,675 in 2018 to \$62,473,280 in 2019. The decrease was mainly due recognition of impairment for the revaluation of investment properties.

We wish to thank the Chief Operations Manager, Helen Stuart, for her ongoing support of the CEO and Board,

wise counsel, commercial rigor and financial oversight. In addition to standard day-to-day financial management and administration, Helen has given many discretionary hours to financially model and analyse the numerous projects and opportunities that have arisen throughout the year. We also thank Lakshmi Vazhayil, Finance Officer, for her unfailing good humour and ability to provide valuable accounting support.

We sincerely thank the Deputy Chair, Patrick Bellot, for his support, time and often 'hands on' assistance through this exciting time of Venture's evolution; and also all the Directors for their vision for advancing affordable housing in the Territory as articulated in the 2019 – 2022 Strategic Plan.

We look forward to updating you on Venture's plans and progress next Financial Year!

Yours sincerely

Allan McGill
Chair

Jillian Cable
Chief Executive Officer | Company Secretary

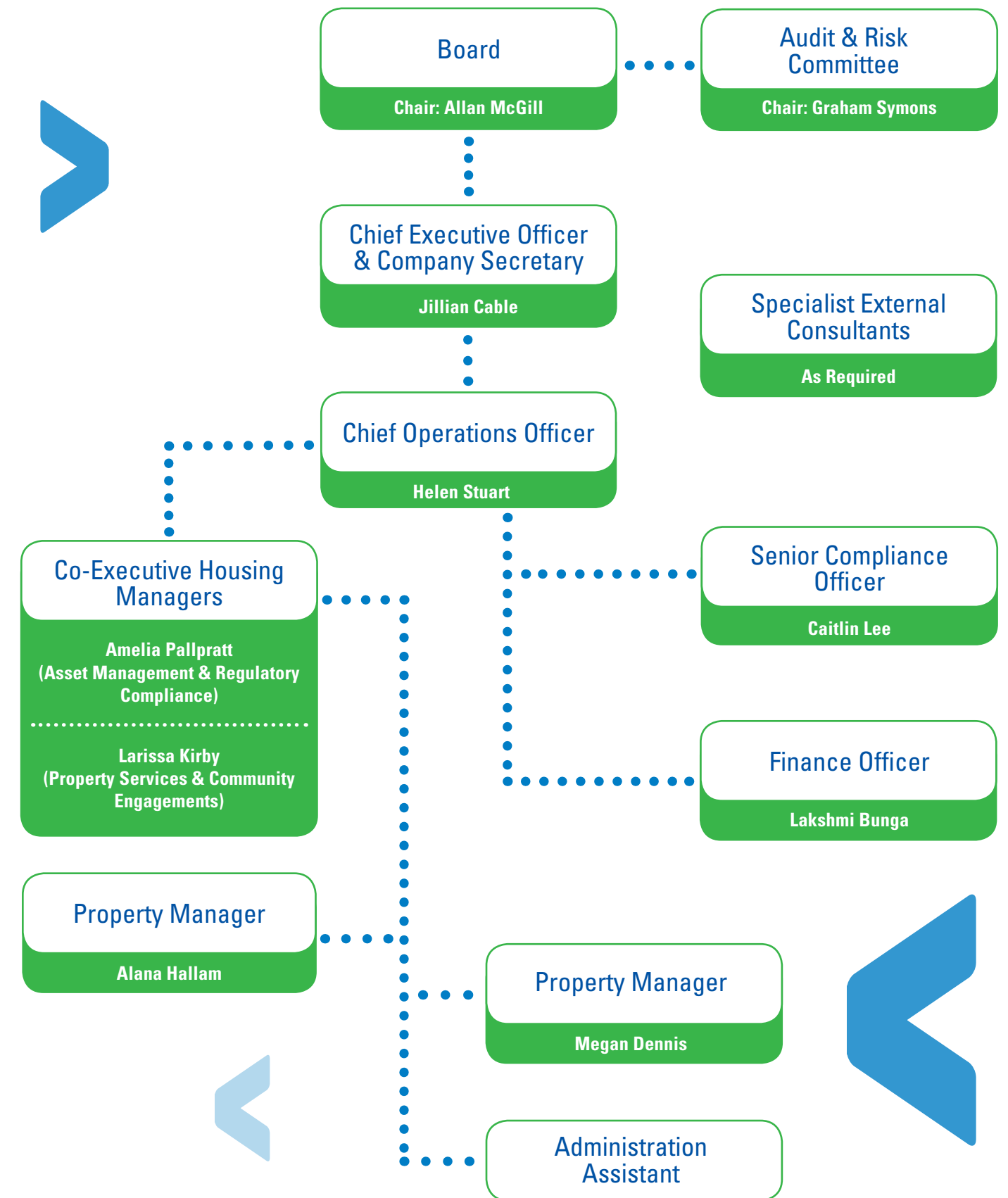


"Our interactions with Venture have always been professional, from lease renewals to inspections and maintenance requests. We thoroughly enjoy living in properties that are managed by the organisation knowing the level professionalism the company upholds and the quality of the properties in their portfolio."

Newman family

Organisation Chart

as at June 2018:



Board of Directors

As at 30 June 2019:



Allan McGill AM Chairman, Venture Housing Company Ltd, NT Nominee

Allan's career has spanned 40 years of local government employment, working in Councils from inner-city urban to the most remote reaches of the Northern Territory. He has spent the last 35 years as a CEO or in senior management positions, most recently as the Chief Executive of the Northern Territory Department of Local Government and the Department of Housing.

Allan holds a Diploma of Public Administration (RMIT) and a Diploma of Corporate Investigation (UWS) and is a graduate of the Australian Institute of Company Directors.

From 2008, Allan successfully led, for a period of four years, Territory Alliance, a company created to construct houses and infrastructure in remote communities. Allan's method of

working relies on strong links to the community through formal consultation and informally by simply participating in community life. Allan is currently the Chair of Tiwi Partners, a joint venture between the Tiwi Land Council and Sitzler Pty Ltd.

Allan has a strong focus on governance and compliance and has held and continues to hold many longstanding committee and board positions, in organizations such as the NT Racing Appeals Tribunal, the NT Employment and Training Authority, various School Councils, the Tiwi Bombers NTFL football club, and the Northern Territory Polocrosse Association and the NT Racing Commission. Allan is an advocate for the arts and was the Chair of Brown's Mart Theatre.

Allan's skills and experience in governance, leadership and corporate development are particularly well-suited to managing projects, navigating intergovernmental relations and organizational capacity-building. He has developed extensive professional networks and possesses strong links with the Indigenous community and a thorough understanding of Aboriginal culture and service delivery in remote regions.



Matthew Woodward Director, Unity Housing Company nominee

Matthew holds a Masters of Social Work, Graduate Certificate in Housing Policy, Graduate Diploma of Environmental Studies, Bachelor of Social Administration, Bachelor of Arts and a Diploma of Property (Real Estate).

Chief Executive Officer of Unity Housing Company Ltd. managing a housing portfolio in excess of 3,000 individual dwellings with a value of over \$850 million, annual turnover of \$32 million and a net equity capacity of \$270 million. Matthew has over 30 years' experience in human services working as a social worker, manager and in policy development across Government and non-government sectors, largely in metropolitan Adelaide, but also with several years spent in rural South Australia and the UK.

Matthew has received recognition of his extraordinary contribution to community housing. In 2015 he received a 'Lifetime Achievement' award from PowerHousing Australia; in 2017 the 'Outstanding Achievement' award from Australasian Housing Institute (SA); and the '2018 EY Social Entrepreneur, Central Region (SA/NT)' award.



Karen Janiszewski Director, Unity Nominee

Karen has 30 years of construction and development experience gained in private companies, public companies and government. She was the Director, Affordable Housing, Lend Lease Communities and has also held the role of Project Director of Kensington Banks, has managed hotel, commercial and residential developments. Karen has led teams on project acquisitions and tenders. Karen's qualifications include building and graduate diplomas.

Karen is a Fellow of the Institute of Company Directors, chairs the Royal Melbourne Showgrounds, is a Board member of Unity Housing and the Queen Elizabeth Centre and has previously been the chair of King and Godfree Pty Ltd and a Board member with Embracia and Uniting AgeWell as well as an Advisory Board Member to the University of Adelaide's Centre for Housing Urban and Regional Planning.



Leigh Garrett Director, Unity Nominee

Leigh is the Chief Executive Officer of OARS Community Transitions and the Centre for Restorative Justice. Leigh commenced work with OARS SA in January 1994. OARS is well known for its work in providing homelessness support, advocacy, counselling, and drug and alcohol treatment for offenders, those at risk of offending, and their families. In 2010, the new business name, OARS Community Transitions, was created, reflecting the importance of transition points in people's lives and the risks associated with this.

In 1997, Leigh established the Centre for Restorative Justice in SA. The Centre works in courts, schools and businesses to assist in repairing the harm associated with crime and poor behavior and bullying in schools and workplaces. Leigh also served as Deputy Chair of the Ministerial Housing Advisory Committee to the South Australian Government.

Leigh holds a degree in Education, a Post Graduate Degree in Occupational Health & Safety Management, and a Master of Business Administration degree from the International Graduate School of Management, University of South Australia. He has been awarded Fellowships of the Australian Institute of Company Directors and the Australian Institute of Managers and Leaders (Formerly AIM). In 2002, Leigh's Leadership Achievements in the Not-For-Profit sector were recognised when he was awarded the National Title 'CEO of the Year' for the NFP Sector by Equity Trustees.



Frances Kilgariff Director, NT nominee

Fran is part of a Northern Territory family that has been involved in NT economic, political and community affairs in various ways since the 1920s. She was born in Alice Springs and educated there and in Adelaide.

Fran has qualifications in Radiography, Archaeology, Education and is a Fellow of the Australian Institute of Company Directors. She has had a diverse career and has worked as a Radiographer, High School Teacher, spent 14 years in Local Government, including an 8 year term as Mayor of Alice Springs. She has been a senior Northern Territory Government Executive and a General Manager in an NGO focused on remote Australia.

She is an experienced Board Director and currently is on several Boards, including being the Chair of the Olive Pink Botanic Garden in Alice Springs and St John Ambulance NT. She is also currently a Commissioner of the NT Planning Commission and on the NT Parole Board and NT Mental Health Tribunal. Fran was awarded a medal in the Order of Australia (AM) in 2012 for her contribution to Local Government and the economic and social development of Alice Springs.



Patrick Bellot Deputy Chair, NT nominee

A born and bred local, Patrick has held a number of senior commercial roles across both the facility management and property development industry in the NT & WA, developing extensive experience within the sector over his 18-year career. As Director of Commercial for Colliers International (NT) for 7 years, he was successful in a number of notable achievements across the commercial property, retail and Industrial sectors and, more recently, he has been involved in the management of a number of major property development projects as part of his present role at Darwin International Airport, including the Osgood South Commercial, Entertainment Precinct Expansion, and a modern childcare facility.

Along with a genuine passion for both property and the Territory, Patrick is also involved with numerous key industry bodies, most notably as an executive member of the Property Council (NT Division).



Trish Angus Director, NT nominee

Trish is a Jawoyn woman from Katherine. She held senior Executive Public Sector positions in the human services areas of health, housing, local government and community services for more than 20 years. Trish has experience working in the Australian Defence Force and community-controlled organisations, and extensive governance experience, including board and committee memberships across a range of sectors. She is a Director of CareFlight and Voyages Indigenous Tourism Australia; a Tourism NT Commissioner and member of the Northern Territory Heritage Council.

Audit and Risk Committee

Graham Symons: Chair of Venture's Audit and Risk Committee
 Allan McGill: Chair, Venture
 Patrick Bellot: Board Director Nominee
 Jillian Cable: Chief Executive Officer / Company Secretary

Graham Symons Chair of Venture's Audit and Risk Committee



Graham has extensive experience as a board director, particularly in the not-for-profit and public sectors and is currently a director on two boards and chair of another board. He also has particular experience as a chair/member of board Finance, Risk & Audit committees.

Graham worked for many years in Chief Executive and Deputy CE roles in the Northern Territory public service. His CE roles included Territory Housing, Dept. of Business & Employment, and Commissioner of Public Employment. His deputy roles included Treasury, Dept. of the Chief Minister and Dept. of Health. He now runs his own business Mindil Consulting.

He has tertiary qualifications in Science, Social Administration, and Business and is a graduate member of the Australian Institute of Company Directors.

Staff

Chief Executive Officer:



Jillian (Jill) Cable CMgr, FIML, GAICD, CAHRI, DipSup&tsJuris, DipSupTradInt, GradDipBIA, LLM, DipPM, DipOHS has over 25 years' management experience, most particularly in the successful conception and implementation of change, cultural diversity, risk and strategic management plans, in global corporations, SMEs and For Purpose Organisations within Australia and internationally. She was previously the Executive Director of the YWCA of Darwin and the 2014 NT Telstra Business Women's Awards winner in the Community and Government and the Innovation Categories. Jill was formerly an Executive Manager with Air France KLM and the Company Secretary of a boutique Financial Services group in Sydney NSW. Her experience includes bringing an Aboriginal organisation into profitability and owning a motel in Derby WA. Jill spent ten years working on large, culturally-diverse and geographically-dispersed infrastructure projects in emerging nations with Siemens AG. A capable protocol expert and professional communicator, Jill studied and commenced her career in France and speaks fluent French and professional German.

Venture Housing's staff members are:

Chief Executive Officer:	Jillian Cable	Executive Housing Manager:	Amelia Pallpratt
Chief Operations Officer:	Helen Stuart	Property Manager:	Alana Hallam
Finance Officer:	Lakshmi Bunga	Property Manager:	Megan Dennis
Compliance Officer:	Caitlin Lee	Administration Assistant:	Vacant
Executive Housing Manager:	Larissa Kirby		



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"Desperate, at risk and on the brink on homelessness, Venture Housing have helped me multiple times and ensured the process was calm, quick and stress-free. The staff have been extremely supportive and understanding at every turn and truly go out of their way to help each person in need of secure accommodation. I cannot commend them enough on their professionalism, you really couldn't ask for anything more from a housing provider."

Sade Dobson and family

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Statement of profit and loss and other comprehensive income

	2019 \$	2018 \$
REVENUE		
Rent	2,496,211	2,595,205
Government recurrent grants	1,437,393	1,373,154
Other Income	174,892	189,292
Total Revenue	4,108,496	4,157,651
EXPENSES		
Property maintenance expenses	241,372	183,129
Property rates and taxes	248,460	240,057
Other property expenses	904,749	850,481
Staffing costs	1,254,145	1,050,385
Office expenses	130,295	102,113
Administration expenses	311,039	317,699
Depreciation	37,207	43,729
Finance costs	182,227	159,118
Impairment loss on impairment - building compliance	4,860,000	-
Impairment loss on revaluation of land and buildings	5,580,000	1,605,104
Bad debt expense	14,146	16,387
Total expenses	13,763,640	4,568,202
Net profit (loss) for the year	(3,595,144)	(410,551)

STATEMENT OF COMPREHENSIVE INCOME

Items that will not be reclassified subsequently to profit or loss when specific conditions are met:

Fair value gains/(losses) on revaluation of land and buildings	-	(1,625,000)
Total other comprehensive income for the year	-	(1,625,000)
Total comprehensive income (loss) for the year	(9,655,144)	(2,035,551)
Profit (loss) attributable to members of the entity	(9,655,144)	(410,551)
Total comprehensive income (loss) attributable to members of the entity	(9,655,144)	(2,035,551)

The reported operating deficit of the Company amounts to (\$9,655,144). During the reporting period a revaluation of investment properties resulted in a decrease in carrying value of \$10,440,000 of which \$5,580,000 relates to revaluations driven by property market fluctuations and \$4,860,000 relates to property impairments for building compliance where claims are under investigation. Venture is confident the majority of costs will be recovered within these claims. The decrease in value is recognised as an impairment loss in the Statement of Profit and Loss. During the prior year, a revaluation of investment properties resulted in a decrease in value of \$3,230,104. The flow-on from the revaluation was an impairment loss of 1,605,104 and a comprehensive income loss of \$1,625,000.

This is an abridged version of the audited Financial Statements of Venture Housing Company Ltd for the year ended 30 June 2019.

The full set of audited Financial Statements and accompanying notes are obtainable to approved parties on request.

Statement of financial position

As at 30 June 2019

	2019 \$	2018 \$
ASSETS		
Current assets		
Cash and cash equivalents	3,076,650	4,290,823
Accounts receivable and other debtors	1,766,908	469,635
Other current assets	425,288	241,582
Total current assets	5,268,846	5,002,040
Non-current assets		
Property, plant and equipment	124,434	159,635
Investment properties	57,080,000	67,520,000
Total non-current assets	57,204,434	67,679,635
Total assets	62,473,280	72,681,675
LIABILITIES		
Current liabilities		
Accounts payable and other payables	485,117	969,257
Borrowings	257,049	312,045
Employee Provisions	85,617	49,521
Total current liabilities	827,783	1,330,823
Non-current liabilities		
Borrowings	3,537,264	3,611,123
Employee Provisions	55,447	31,799
Non-current liabilities	3,592,711	3,642,922
Total liabilities	4,420,494	4,973,745
Net assets	58,052,786	67,707,930
EQUITY		
Reserves	1,067,120	820,180
Retained earnings	56,985,666	66,887,750
Total equity	58,052,786	67,707,930

This is an abridged version of the audited Financial Statements of Venture Housing Company Ltd for the year ended 30 June 2019.

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"When I first moved to Darwin, I was struggling. I am Aboriginal, a full-time student, I work and on top of all that I take care of my little sister and grandma. The fantastic team at Somerville introduced me to Venture Housing. Thanks to the support team from Venture Housing, my family and I have a roof over our heads and a place to call home in a wonderful neighbourhood. For all the help and support I have been given and am still receiving from Venture Housing, I truly am grateful. "

Calvin Anzac

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Overview of Portfolio

As at 30 June 2019, Venture's total assets were \$62,473,280 of which housing assets were \$57,080,000.
As at 30 June 2019, Venture owned 172 dwellings and managed 11 dwellings and has 5 dwellings under development.

As At 30 June	Owned	Under Development	Under Management	Total for Year
2012	0	0	0	0
2013	35	0	10	45
2014	44	0	10	54
2015	44	20	10	74
2016	160	0	10	170
2017	160	12	10	182
2018	172	0	11	183
2019	172	5	11	188

Asset Age

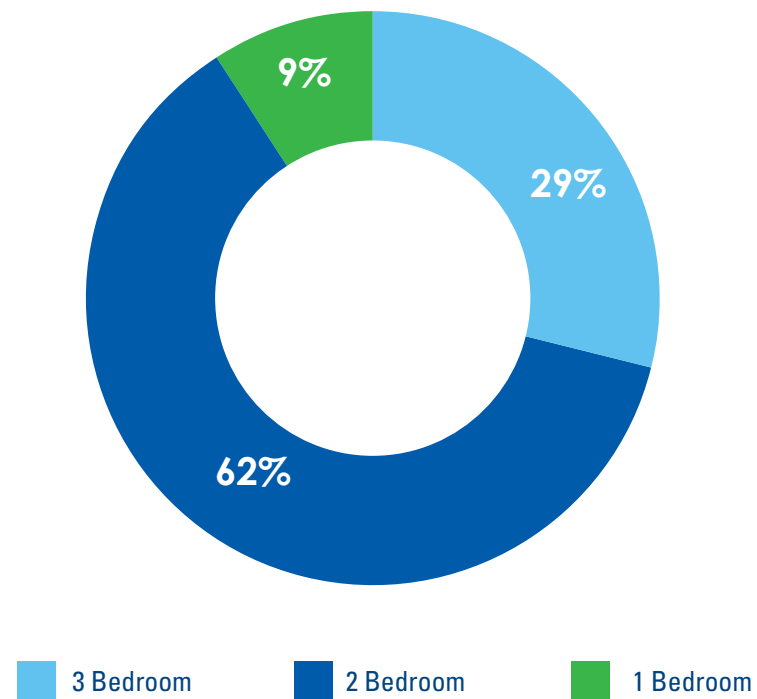
As at 30 June 2019, all of Venture's properties were less than six years' old and the majority are under five years of age.

Housing owned by Venture as at 30 June 2019:

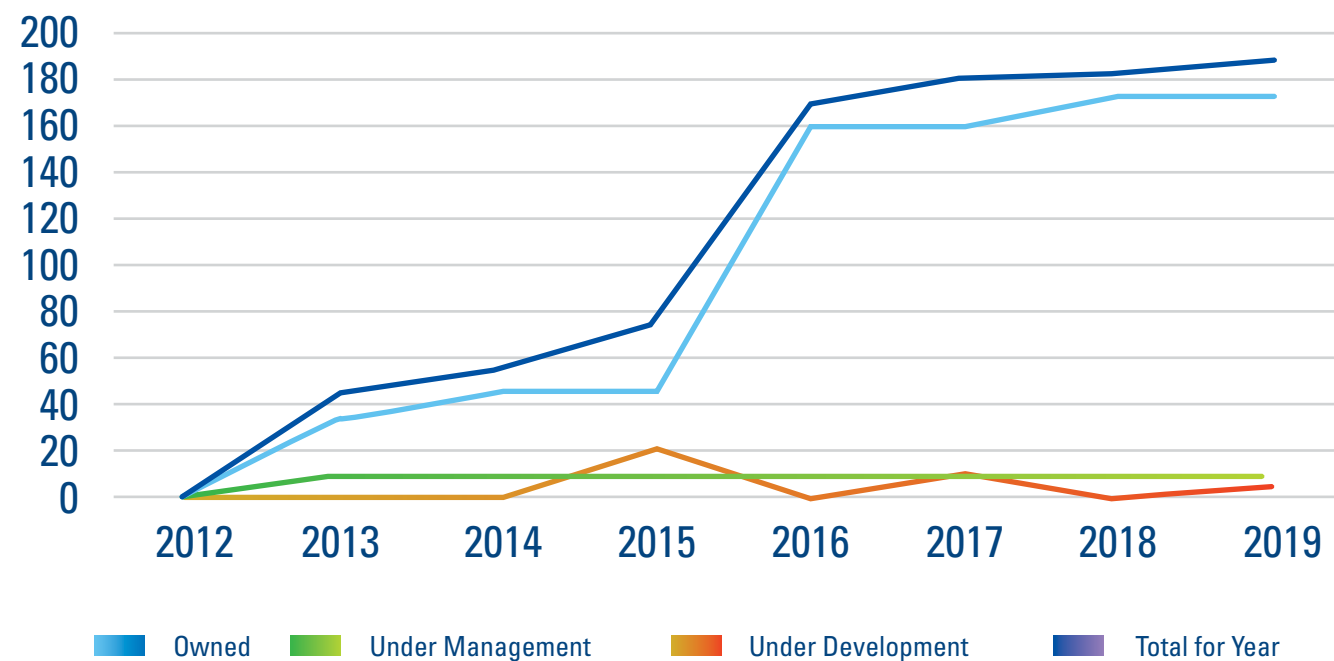
Locality	Property	Type	No. of Bedrooms	Quantity	Total Properties
Darwin	Parap	Unit	1	9	
Darwin	Avis	Unit	2	10	10
Darwin	Nahla	Unit	2	10	10
Darwin	Parap	Unit	2	19	
Darwin	Parap	Unit	3	7	35
Palmerston	Tarakan	Unit	1	6	48
Palmerston	Driver	Townhouse	2	20	20
Palmerston	Lorna	Unit	2	9	9
Palmerston	Parks	Unit	2	12	12
Palmerston	Tarakan	Unit	2	27	
Palmerston	Eco Gardens	Townhouse	3	6	6
Palmerston	Eco Gardens	Townhouse	3	10	10
Palmerston	Mitchell Springs	Unit	3	12	12
Palmerston	Tarakan	Unit	3	15	
					172

Housing Portfolio

Housing Portfolio as at 30 June 2019



Housing Portfolio as at 30 June 2019



Location Distribution of Properties Owned by Venture as at 30 June 2019



Tenant Demographics

Venture Tenant Profiles as at 30 June 2019

Household Composition	Number of Households	
Couple no children	20	11%
Couple with children	38	22%
Seniors	1	1%
Single	53	30%
Sole parent with children	55	32%
Unrelated adults living together	7	4%
Grand Total	174	100%

Occupants, Cultural Background including children	Number of Occupants	
Aboriginal or Torres Strait Islander Household members	65	17%
Culturally and linguistically Diverse Household members	171	43%
Anglo-Australian Household Members	159	40%
Grand Total	395	100%

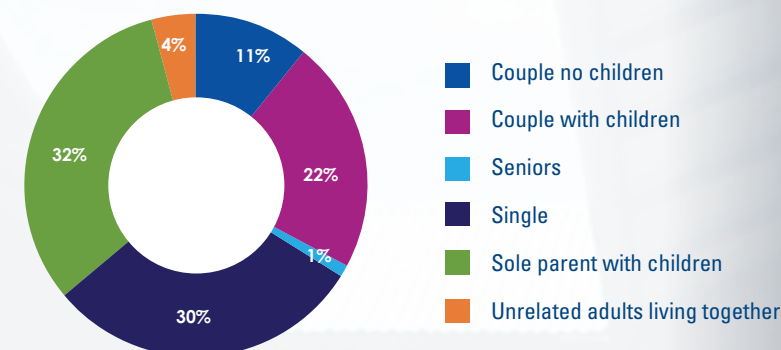
Tenants Main Income Source	Number of Tenants	
Government Pensions & Allowances	61	26%
No Income Source	18	8%
Other Sources	6	2%
Self Employed	3	1%
Wages/salaries (Community Sector)	11	5%
Wages/salaries (Private Sector)	119	51%
Wages/salaries (Public Sector)	16	7%
Grand Total	234	100%

Prior Living Arrangements	Number of Tenants	
Home being purchased	2	1%
Homeless	2	1%
Living with family or friends	54	23%
Other	3	1%
Renting	173	74%
Grand Total	234	100%

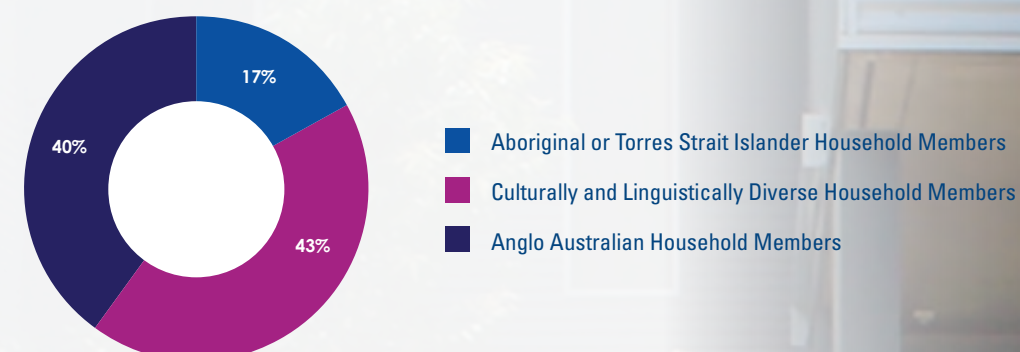
Tenants receiving Commonwealth Rent Assistance (CRA)	Number of Tenants	
Tenants not receiving CRA	179	76%
Tenants receiving CRA	55	24%
Grand Total	234	100%

Tenants receiving Disability Support Pension (DSP)	Count of Tenants	
Tenants not receiving DSP	214	91%
Tenants receiving DSP	20	9%
Grand Total	234	100%

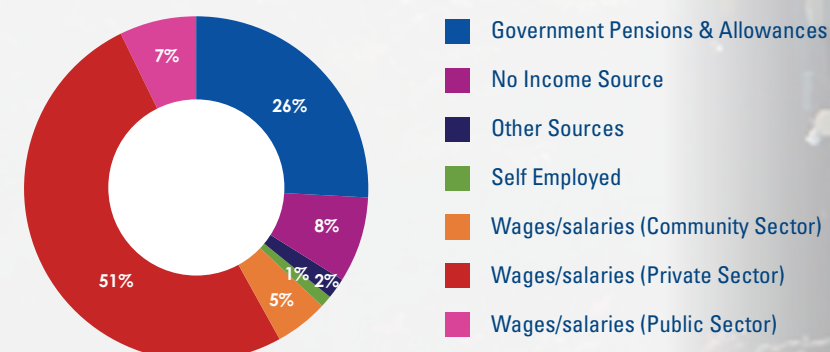
Household Composition



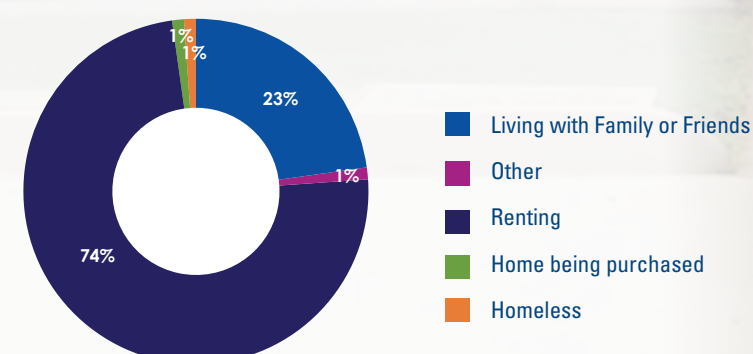
Culturally and Linguistically Diverse Household Members



Occupants' Main Income Source



Prior Living Arrangements



Regulatory Environment

- Australian Charities and Not-For-Profits Commission (ACNC)
- Australian Securities & Investments Commission (ASIC)
- National Regulatory System for Community Housing (NRSCH)
- Northern Territory Licensing Board
- National Rental Affordability Scheme (NRAS) – Approved Participant
- National Disability Insurance Scheme (NDIS) – Approved Provider

Valued Partners

Venture operates an inclusive, multi-provider partnership model with a range of organisations across the disciplines of land provision, construction, project delivery, social/community development, project management and maintenance.

Venture Housing's key stakeholders in 2018-2019 included the NT Government's Department of Local Government, Housing and Community Development; Department of Treasury and Finance; and Department of the Chief Minister; the Department of Infrastructure, Lands and Planning and the Barkly Regional Council.

Venture has valued partnerships with:

- Northern Territory Government's:
 - Department of Local Government, Housing and Community Development
 - Department of Infrastructure, Lands and Planning
 - Department of Territory Families
 - Department of Health
 - Office of the Public Guardian
- Unity Housing Company
- Bank Australia
- Zest Projects Ltd
- T&J (NT) Pty Ltd
- Anglicare NT
- ParaQuadNT
- Uncle Jimmy Thumbs Up! Ltd
- Golden Glow Nursing
- St. Vincent De Paul
- Somerville
- Foodbank NT
- Catholic Care NT

Venture is a member of:

- NT Shelter
- Community Housing Industry Association (CHIA)
- Integrated disability Action Inc (IdA)
- Urban Development Institute of Australia NT (UDIANT)
- National Affordable Housing Providers Ltd (NAHP)
- Real Estate Institute of NT (REINT)
- Northern Territory Council of Social Services (NTCOSS)
- NT Working Women's Centre (NTWWC)
- Palmerston Regional Business Association (PRBA)
- Chamber of Commerce Northern Territory

Venture also regularly engages with tenants to foster the development of stronger, healthier communities.



Venture Housing's Key Strategic Priorities and Objectives 2019 – 2022

1. **Grow Venture's Affordable Housing Portfolio across the Northern Territory**

1.1 Set an aspirational target of 500 properties within three years, while maintaining a focus on customer outcomes, by actively pursuing:

- Housing in areas of demonstrated need
- Pathways to home ownership
- Grass-roots local community participation
- Urban and community renewal
- Support linkages
- Partnership leveraged developments that are sustainable across the housing continuum.

2. **Maintain Venture's Affordable Housing Portfolio across the Northern Territory**

2.1 Deliver the Integrated Asset Management Plan and incorporated Maintenance Plan.

2.2 Maintain the quality of the housing portfolio.

2.3 Develop and deliver a NRAS exit strategy.

2.4 Ensure the housing portfolio meets tenant needs.

3. **Build the financial capacity of the organisation**

3.1 Build the balance sheet and cash flow.

3.2 Creatively leverage the balance sheet.

3.3 Diversify funding streams.

3.4 Ensure efficient and effective use of resources.

4. **Engage and partner with key stakeholders and interest groups**

4.1 Strengthen commercial and strategic partnerships with the NT Government, including the delivery of innovative solutions to the Territory's housing needs.

4.2 Partner and engage with Federal and local governments.

4.3 Partner with the broader not-for-profit sector, businesses, communities and other sectors.

4.4 Engage with tenants, and work to ensure high levels of satisfaction.

4.5 Advocate for appropriate responses to unmet housing needs.

5. **Be responsive to emerging opportunities in the market and develop a diversified business model**

5.1 Analyse and identify emerging market opportunities.

5.2 Develop business models that are responsive to market opportunities.

5.3 Innovate using commercial partnerships which add value.

5.4 Be responsive to government policy and recognize opportunities in the social housing sector.

6. **Build organisational capability**

6.1 Continue adherence to strong governance, risk management and compliance.

6.2 Proactively manage and comply with WHS legislation and obligations.

6.3 Provide robust operational capacity.

6.4 Pursue the most efficient and effective use of resources.

6.5 Pursue Tier 1 registration with the National Regulatory Scheme for Community Housing, as it applies in the NT.

6.6 Provide leadership and innovation of housing models and policy.





VENTURE HOUSING COMPANY

AFFORDABLE HOUSING FOR TERRITORIANS

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