

annual report

2021-22

SEARMS Community Housing
Aboriginal Corporation

*diversification
& delivery*

A decorative graphic element consisting of a tall orange stem topped with a large orange circular pattern of concentric circles and dots. To its left is a shorter yellow stem with a smaller yellow circular pattern. Both are set against a background of dense green ferns.

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The SEARMS logo, featuring a stylized circular emblem with a red background and a teal and white geometric pattern. Below the emblem, the word "SEARMS" is written in a bold, teal, sans-serif font.

Acknowledgment of Country

Walawaani njindiwan - Welcome everyone!*

Recognising Country is essential as we honour and pay respect to the Aboriginal Elders who are the descendants of the Original Custodians; and to the traditions and culture of the People and Land.

SEARMS main office is on the land of the Walbunja Traditional Custodians in Batemans Bay. SEARMS has also established a Ngunnawal Country (Canberra) satellite office and Wodiwodi (Nowra) outreach office.

**Dhurga is the first language of the Walbunja People (NSW far south coast between Wandandian and Wallaga Lake). "Walawaani" means have a safe journey whether you are meeting or parting in the south-east coast Dhurga language.*

WARNING!

Aboriginal and Torres Strait Islander readers are warned that the content of this report may contain images of deceased persons.

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Chairperson's Report 2022

I believe we have done well in meeting the goals as set out in our Strategic Plan and SEARMS will continue to pursue initiatives and prioritise actions that are aligned with its four strategic directions, which are:

1. Strategic planning for growth in the Aboriginal housing sector;
2. Building a productive, sustainable and inclusive business model that values and promotes our Aboriginal and Torres Strait Islander culture, language and identity;
3. Improve the well-being of our tenants, families and Aboriginal and Torres Strait Islander communities; and,
4. Providing leadership in the sector and our communities.

We have progressed from regeneration & resilience in 2020, coming out of the bushfires and pandemic with recovery & renewal in 2021, to focusing on diversification and delivery in 2022.

Highlights for the year:

- Thanks to our CEO Kim and her tenacity, we finally completed the bushfire insurance claim and received a payout of the insurance funds towards the rebuild of properties that were damaged or lost to the devastating fires of 2019/20. Supplemental funds also came from the Aboriginal Community Housing Investment Fund (ACHIF). Mogo Local Aboriginal Land Council was one of the main beneficiaries of the additional funds from ACHIF because of SEARMS advocacy and support, along with Boomerang Meeting Place and Merrimans Local Aboriginal Land Council also receiving top up funds.
- We were successful with the Aboriginal Community Housing Investment Fund (ACHIF) but we have experienced challenges because of delays with development approvals, rising prices for materials and shortage of trades. Some adjustments were made and we commenced the building of secondary dwellings (granny flats) on 9 of our properties.
- Aboriginal Housing Office property management transfers Tranche 1 of 154 properties in the Shoalhaven region was completed. The Board's strategic plan was always to grow and this first

allocation of management transfers of AHO owned properties set us on a path to sustainability. More AHO property management transfers are expected.

- Relocation of our head office to the former Community Centre at 3 Museum Place, Batemans Bay. This was an exhausting and challenging move. We were the successful bidder but some people were affronted and we sustained negative attitudes from some quarters in the community. We intend to rename the "centre" with an Aboriginal name of the Walbunja People. I believe it has lifted the morale and productivity of our people and we are looking to the future with confidence.
- The success in our ongoing compliance of our Tier 3 National Regulatory System for Community Housing Providers NRSCH registration. I commend the CEO and the management for all the work and commitment they have given, the many extra hours and dedication to the task in meeting the standards under NRSCH, is appreciated by the Board.
- We reviewed and updated our Tenant Handbook, Policies and Procedures and Strategic Plan. A feature was a new rental policy for SEARMS owned properties that will allow us to address the urgent repairs and maintenance items as they arise and keep investing in our Aboriginal workforce to improve service delivery.
- A Foundation for Regional and Rural Research (FRRR) with donor partner The Snow Foundation grant allowed SEARMS to engage the Australian National University (ANU) to obtain feedback from stakeholders about SEARMS and its activities. This will inform how best to use our limited resources for more effective and productive stakeholder engagement.



- The CEO Kim Sinclair and myself were very involved in the development of National Aboriginal and Torres Strait Islander Housing Association (NATSIHA) including the Housing Sector Strengthening Plan under Closing the Gap, a Productivity Commission Submission and a Peer Review of the ABS 2021 Aboriginal and Torres Strait Islander housing statistics.
- Community Housing Industry Association CHIA NSW Cadetships. Ilesha Simon was our first Cadet under a new training opportunity under Community Housing Industry Association NSW. Ilesha commenced studying the Certificate IV in Housing and was initially employed for 12-months under a Cadetship. Ilesha excelled and is now a full time Housing Officer employee of SEARMS. Ilesha also received the 2022 Eurobodalla Shire NAIDOC Trainee of the Year.
- Developing a partnership with Katungul Aboriginal Corporation, Murra Mia Aboriginal Corporation and NSW Department of Communities and Justice in regards to establishing and delivering a Core and Cluster model. New core and cluster refuges are for women and children escaping domestic and family violence (DFV). Core and cluster is a crisis accommodation model that moves away from a shared house environment, to having fully independent living quarters with private bathroom and kitchen facilities. It combines the services and supports of a traditional refuge with the independent living facilities of transitional accommodation.

We continue to manage properties for several Local Aboriginal Land Councils and other Aboriginal Housing Corporations/Companies. The head-lease/sub-lease arrangements are challenging and the AHO plans to end the head-lease arrangements next financial year. We will be offering a new Management Agreement with these organisations.

We supported the ongoing business of the National Aboriginal and Torres Strait Islander Housing Association NATSIHA and we continue to be a strong supporter of the Aboriginal Community Housing Industry Association NSW ACHIA.

In reflecting over 2021-2022, it's been a year of ongoing growing pains and risks involved with the growth and property development on one hand plus employment issues, training cadetships, relocation of office, advocacy and promotion of SEARMS to the ACT on the other.

The challenges ahead:

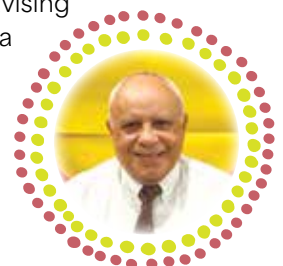
- Continued improvements in our services to our tenants and communities;
- The demands for more Aboriginal Housing; and,
- Rental housing affordability remains elusive for many Aboriginal people, with many families requiring additional supportive services to keep them in a house and out of the homelessness.

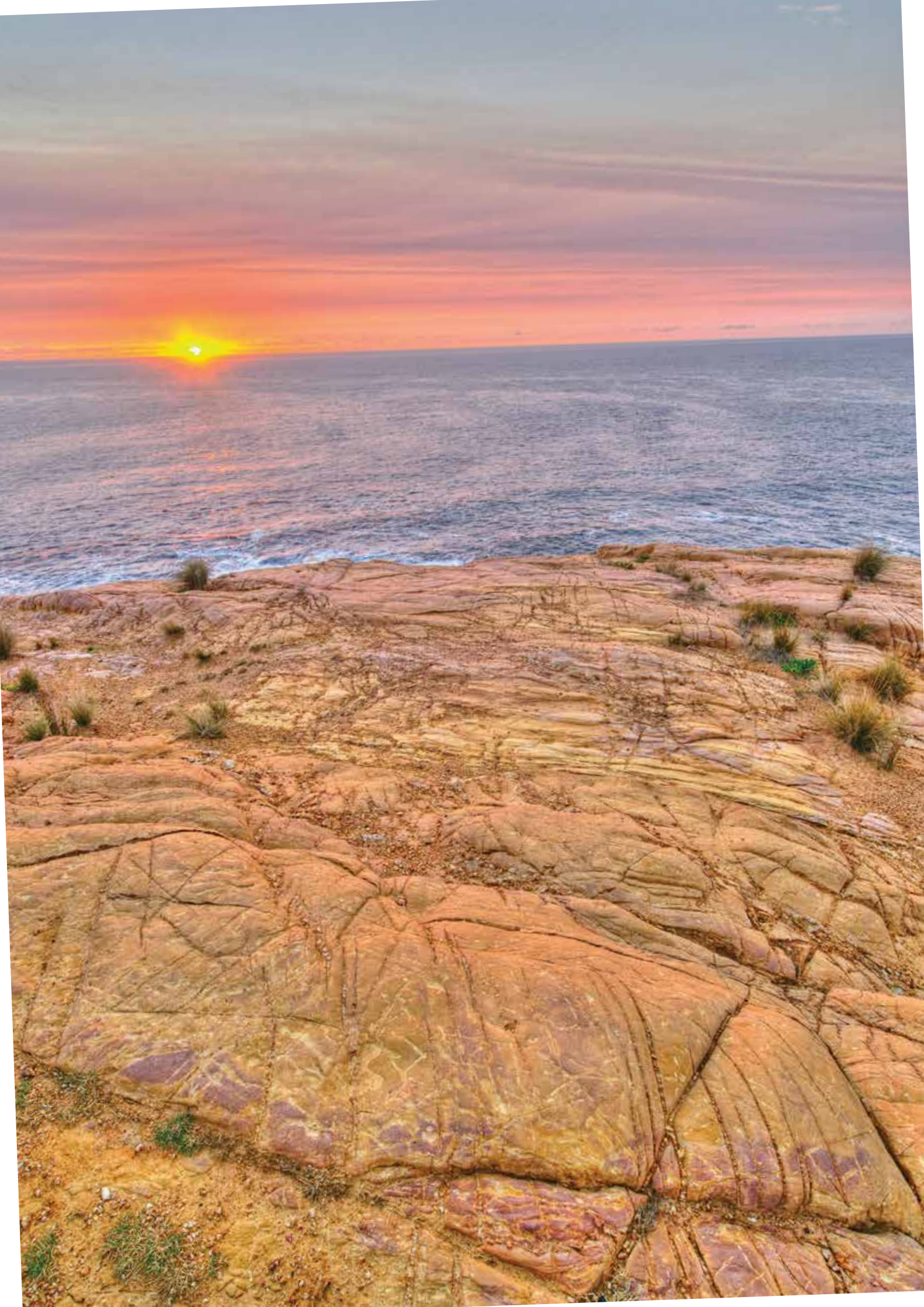
It must be recognised that achievement of sustaining tenancies and meeting the demands for more Housing supply and financial targets are a substantial and difficult challenge which has always been, and continues to be, dependent upon a complex range of factors including:

- Rationalising organisational structure without compromising service standards;
- Securing a minimum portfolio size to cover the above operational costs;
- Maintaining National Regulatory System for Community Housing Providers (NRSCH registration);
- The successful management of the risks involved in a growth strategy;
- Successful early intervention for at-risk households and sourcing funding for seamless case;
- Management services for those households; and,
- Continued embedding of cultural appropriate and informed service policy and processes.

I am thankful for the strength and continuity of the Directors. Thanks to our strong, steadfast and dedicated CEO Kim Sinclair. Kim's leadership and inspiration has forged a team of great Aboriginal Community Housing workers. I thank our people who are in the front line, helping, advising and supporting our people on a daily basis.

Mr Thomas Slockee
Chairperson





CEO's 2022 Year in Review

SEARMS as an Aboriginal Community Housing Provider (ACHP) continues to push against the 'glass ceiling' for Aboriginal Community Controlled Organizations (ACCO's) in order to improve our service offerings to our tenants and in our advocacy for better outcomes for our tenants of Aboriginal housing in our region and Australia.

We remain committed to our four strategic goals set in 2020 of:

1. High quality service
2. Leadership and innovation
3. Growth and diversification
4. Viability and sustainability.

At the annual review of our strategic plan, we reset our focus to 42 activities which included 11 activities carried over and the 12 activities placed on hold from the previous plan.

This year included the roll-out of a number of strategic activities that were signed off the previous financial year:

- **High quality service:** Updating Management Agreements with Aboriginal housing owners including providing housing policy recommendations for a viable portfolio; hosting a further three Cadets under CHIA NSW Cadetship program
- **Leadership and innovation:** Supporting the creation of a National Aboriginal Housing body
- **Growth and diversification:** The Aboriginal Community Housing Innovation Fund (ACHIF) roll-out for delivery of 26 new dwellings by June 2022, and;
- **Viability and sustainability:** The AHO Tranche 1 Property Management Transfers for 153 properties in the Nowra transferring on 31 August 2021.

The Covid-19 impact on our activities continued and compounded as we continued to work in various government lock-downs for the first 6 months of the financial year.

Particularly hard hit was the construction industry, with cost escalations; government shut-downs on site; and staff shortages due to Covid-19 quarantining driving a lot of Builders across the country into Administration.

Meeting ACHIF milestones to budget would be directly impacted - as sourcing Builders who were available to commence and deliver within the timeframes and willing to provide a fixed quote with ongoing monthly cost escalations was very difficult. The pressures on mental and physical health of our tenants and staff have increased as we sought to work around health restrictions, isolation and increased workloads. As such, attracting and retaining staff and providing training and employment for Aboriginal people in our area remains a key focus for the Board and myself.

We were successful in the following new activities:

- Moving our office into the larger Community Centre facility at Batemans Bay;
- Sponsoring a further three new Cadets in the second year of the CHIA NSW 12-month Cadetship program; and
- Building our tenancy and property management activity with the management transfer of 153 AHO properties in the Nowra and surrounding area.

We will continue to invest in our internal capacity building to keep SEARMS firmly on its growth trajectory. This is again reflected in another small deficit of \$11,256 for the financial year. We will continue to seek partnerships and funding in order to formalise wrap-around supports for our tenants.

With respect,

Kim Sinclair
Chief Executive Officer



About SEARMS

SEARMS started as a Co-operative between 6 Aboriginal organisations in 2003, moving to a Company structure under ORIC in 2011. In 2023, we will have been providing tenancy and property management services to Aboriginal tenants and owners for 20 years.

Since operational funding ceased back in 2013 and ongoing subsidies were drastically reduced, it has been a challenge to carefully manage our sustainability to ensure we remain a strong advocate for better housing outcomes for all Aboriginal and Torres Strait Islanders into the future.

Gaining NRSCH registration in January 2020 was key to our strategy to expand and diversify into other housing and related services.

Major changes in the NSW Aboriginal housing sector continue, with the role of the AHO continuing to be in transition delaying a number of outcomes previously set by the AHO in 2015. This included the AHO announcing a vision for ACHPs to manage all AHO properties, and become NRSCH registered by 2022. In 2018, AHO's social housing strategy 'Strong family, strong communities', an option for ACHPs to move to a 'NSW Local Scheme' instead of NRSCH was put on the table. By the end of 2022, it is unclear how many ACHPs achieved either goal.

The AHO's plan to provide financial and capacity support for ACHPs in NSW for recognised Growth Providers has been sporadic and intermittent. SEARMS is one of only a small number of ACHPs who took early action to ensure their future viability under the transformed funding and regulatory systems NSW Government is introducing and has not yet received any funding to ensure capacity building within the organisation (or sector) with ongoing heavy compliance and IT costs with dual reporting to both the AHO and NRSCH Registrar.

SEARMS remains committed to our expansion to the ACT Territory and providing a solution to the absence of a NRSCH registered Aboriginal Community Controlled Community Housing provider to the over 6,000 Aboriginal and Torres Strait Islander who live there.

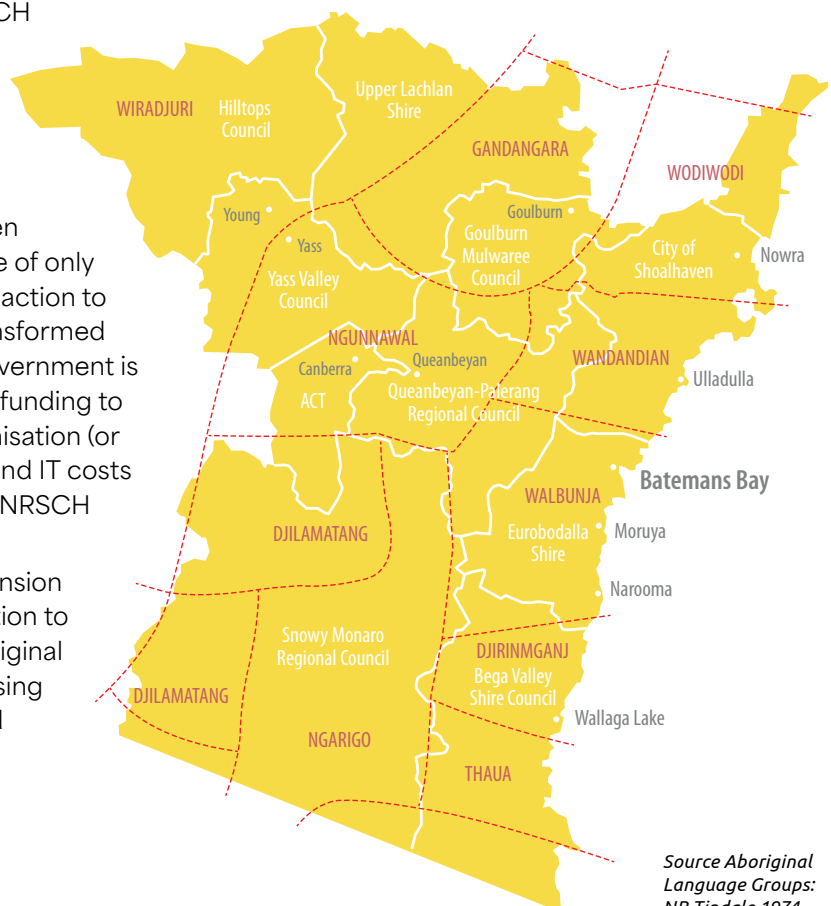
Progressing opportunities there with the ACT Government and other agencies has been slow despite a number of meetings with ACT Ministers and Officials.

SEARMS continues to be a strong advocate for the Aboriginal housing sector and proud supporter/member of the:

- Aboriginal Community Housing Industry Association (ACHIA) NSW; and
- Supporter of the formation of a national Aboriginal housing body.

Where possible, we use and promote Aboriginal employment, in our own organisation and in procurement of contractors and services throughout our activities.

Education and consultation with our stakeholders - from tenants, client organisation boards and members through to local service providers - is key to us being able to meet our respective responsibilities and obligations to ensure culturally appropriate and sustainable housing outcomes.



Source Aboriginal Language Groups: NB Tindale 1974

What We Do

SEARMS provides a housing and tenancy management service to Aboriginal housing owners and the Aboriginal Housing Office (AHO).

We do this as owners and managers of our own housing portfolio and on behalf of the AHO, and other Aboriginal organisations including Local Aboriginal Land Councils (LALCs).

Currently our services include:

- **Tenancy management** - local, social and affordable tenancies
- **Asset management** - repairs and maintenance
- **Housing policy recommendations** - including rent setting and arrears management options for owner organisations
- **Development services** - including project funding applications and management.

It should be noted, that due to low rent settings by a majority of the Owners we manage on behalf of, it is difficult for the Owners to build up funds to pay for repairs and maintenance. As such, SEARMS continues to provide financial information to Owners (and Tenants) about the Fixed Costs for their housing so that they may consider reviewing their rent setting policies.

Additionally, it is a challenge to ensure property care and arrears are kept to a minimum as many Tenants mistakenly assume Owners/SEARMS have access to funding top-ups for their housing portfolios.

While SEARMS is not funded for any housing supports/referrals or brokerage services, a core component of our service delivery is in ensuring our tenants have access to supports that assist them in sustaining their tenancies. We continue to work closely with tenant advocacy provider Murra Mia, other funded specialist housing organisations and locally based health and employment services.

In July 2021, we commenced our development activities with the rebuild of bushfire destroyed homes and new builds in the Batemans Bay and Wallaga Lake areas.

During the 2021-2022 financial year, the following portfolios entered/exited:

- AHO Property Management transfers +153
(September 2021)
- Merrimans LALC -35
(February 2022)

At the end of June 2022, we were managing 361 properties on behalf of 11 Aboriginal Owner Organisations, including ourselves.

Next financial year, another three organisations are due to exit headleases and SEARMS will be applying for more AHO Property Management transfers to primarily, assist with reducing overhead costs per portfolio.



SEARMS Owned/Managed Housing by Portfolio

Owner	Eligibility/Allocation	Rent program	Rent setting (reviewed annually)	# of Properties
Aboriginal Housing Office NSW	NSW Housing Pathways	As per current AHO housing policies	Build & Grow*	213
Aboriginal Housing Office NSW	Employment Related Accommodation	As per AHO ERA policy		6
Batemans Bay LALC	Members only	As per BBLALC housing policies	As per BBLALC housing policies	12
Bodalla Aboriginal Housing Company	Members only	As per BAHC housing policy	As per BAHC housing policy	25
Bodalla LALC	Members only	As per BLALC housing policy	As per BLALC housing policy	4
Boomerang Meeting Place Inc.	As per BMP Policy	As per BMP policy	As per BMP policy	3
Gunangarah Aboriginal Corporation	Members only	As per GAC housing policies	As per GAC housing policies	12
Merrimans LALC	Members only	As per MLALC housing policy	As per MLALC housing policy	35
Mogo LALC	Members only	As per Mogo LALC housing policy	As per Mogo LALC housing policy	20
Ngambri LALC	Members only	As per NLALC housing policies	As per NLALC housing policies	8
Ngunnawal Aboriginal Corporation	Members only	Sub-Leased – As per AHO housing policies	Build & Grow*	10
Wagonga LALC	Members only	As per WLALC housing policies	As per WLALC housing policies	4
SEARMS	As per SEARMS housing policies	As per SEARMS housing policies	As per SEARMS housing policies	43

*AHO Build & Grow Rent Policy replaced by the Aboriginal Community Housing Rent Policy (ACHRP) in July 2022



How We Work

Culture is at the centre of all we do.

We acknowledge the impact of colonisation on our communities resulting in the current disadvantage in health, education and employment outcomes of Aboriginal peoples. We acknowledge that effective engagement to our stakeholders requires regular, sustainable face-to-face forums.

We also acknowledge that many of our tenants and communities have complex health needs due to the disadvantages perpetuated since colonisation and continued through systemic bias. SEARMS underlying service principles are trauma informed which requires specialist training and supervision.

This is also true of our Aboriginal employees as an ACCO SEARMS is committed to increasing our Aboriginal employee percentage. This in turn increases our cost structure so SEARMS continues to advocate for recognition and funding as a specialist housing provider as well as funding for Aboriginal workforce development in the housing sector.

Promoting cultural 'lore' above law is challenging, as mutually obligations in community are oftentimes set aside in favour of the Western point-of-view of self as separate.

We will continue to empower the use of language, culture and identity in our resources, policy and operations. Recognising and understanding the diversity of stories and strong links of our tenants, owner organisations and community to country is the foundation of mutual respect and productive relationship.



Tenant Satisfaction Survey Report

Prepared by Community Housing Industry Association NSW (CHIA NSW) on behalf of SEARMS, this Tenant Survey was sent to tenants across all housing portfolios in November 2021.

The results were a mixed bag, however they provide SEARMS with evidence to invest more into some areas than others in order to improve our services to both our tenants and owners organisations.

Insights from the Survey Report included:

Strengths: Performance for complaints handling is a particular highlight in this set of survey results. At 53% satisfied with how their complaint was handled, this indicator exceeds the CHIA NSW benchmark (49%) and also recorded a 30% point increase from 2016. This is particularly impressive, given that this area of service represents a struggle for community housing providers (as reflected in the industry average).

Opportunities: While the following indicators scored below the CHIA NSW benchmark, improvements were recorded between 2016 and 2021: Response rate, communications, information provision, repairs and maintenance, complaints knowledge, tenants' rights upheld, overall satisfaction, repair quality, and tenant involvement. Internal norms are equally important as industry norms, given the unique profile and needs of tenants managed by different CHPs. These results highlight the positive outcomes of SEARMS's efforts towards service improvement.

Weaknesses: The following indicators scored below the CHIA benchmark and also recorded a decrease between 2016 and 2021: Quality of life improvement, property condition, listening to/acting on tenants' views, and value for money. Where modifiable, these represent important areas of focus for SEARMS.

Threats: One indicator sits above the CHIA NSW benchmark but has recorded a decrease between 2016 and 2021: 85% are satisfied with their neighbourhood as a place to live (compared to 89% in 2016). While there are limits to the extent to which CHPs are able to alter neighbourhood features, SEARMS may consider exploring issues relating to antisocial behaviour, using the Comments Toolkit (supplied separately with this report) as a starting point. Filtering by Portfolio/Suburb may be helpful to identify where issues of antisocial behaviour are frequently reported/commonly occur.





Community Stronger Together

SEARMS Foundation for Rural Regional Renewal for our *Community - Stronger Together* project commenced in October 2020, and after Covid interruptions culminated in a final report to the Board in April 2022.

Associate Professors Ying-Yi Chih and Vinh Lu in the College of Business and Economics and Dr Brett Scholz in the College of Health and Medicine at The ANU interviewed a number of stakeholders. They wanted to understand how to build capability to be self-sustaining, resilient and successful in achieving our strategic objectives through formalising partnerships, adapting to new operating models and strengthening partnerships and communications

with our local community members, community groups and state government bodies.

Stakeholder priorities were:

- (i) Assisting clients in navigating the housing system;
- (ii) Building and maintain a strategic partnership with SEARMS through alignment of core values and goals; and
- (iii) Developing relationships with the Aboriginal and Torres Strait Islander communities through SEARMS partnership.

SEARMS is reviewing grant opportunities to assist it to implement the recommendations from this important piece of work.

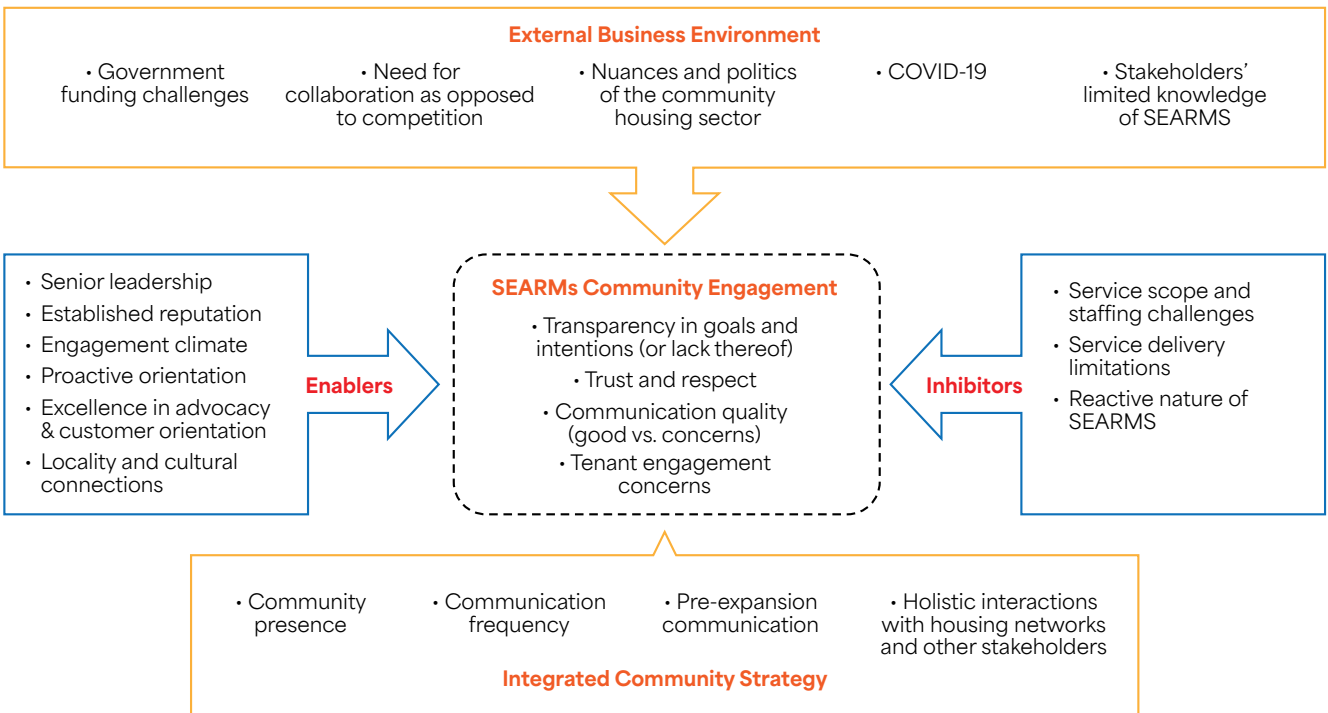
An illustration of the key success drivers of community engagement efforts undertaken by SEARMS:



Australian National University



FRRR
Foundation for Rural Regional Renewal



Governance Structure

Responsibility for governance is through a skills-based board, with members appointed for a two-year term based on their expertise in five key areas:

- Financial acumen
- Strategy and governance
- Property development
- Quality assurance in community housing
- Commercial experience.

The board's **Finance and Audit Committee** assists SEARMS discharge its corporate governance responsibilities to exercise due care, diligence and skill. The **Development Committee** plays a key role in assessing and monitoring the progress of new development projects.

The **Chief Executive Officer** is appointed by the board and is delegated to operationalise and report back on the implementation of board strategy.

Our rolling four-year **Strategic Plan** is updated each year, and a separate and more detailed **Annual Plan** details key targets and performance indicators. Progress on achieving goals in these plans is

reviewed regularly at board meetings to ensure SEARMS remain on target to achieve our desired outcomes.

We measure achieving our key results through:

- Monitoring financial performance against budget
- Maintaining NRSCH accreditation
- Improving the security and quality of housing for our tenants and communities
- Increasing tenant and community satisfaction
- Being an employer of choice for Aboriginal people and being able to attract, retain and develop our staff
- Increasing number of properties managed in our existing regional coverage
- Increasing diversity of housing options in response to local needs
- Being a key influencer in the Aboriginal community housing sector and sharing lessons learnt collectively to grow the sector collectively.

SEARMS's Directors



*Tom Slockee, Chairperson
Member of Finance &
Audit Committee*



*James Allen
Director*



*Roslyn Field
Member of Development
Committee*



*Cheryl Moreton
Member of Finance &
Audit Committee*



*Anne Greenaway
Chair of Finance &
Audit Committee*



*Steve Shanahan
Member of Finance &
Audit Committee*



*Brendan Moyle
Chair of Development
Committee*



*Jason Oakley
Member of Development
Committee*

Our Team

Aboriginal Housing providers face the pressures of a range of tenant and community expectations. This is particularly so in regard to providing wrap-around supports and tenant sustainability against a backdrop of reduced direct government funding. Resilience has been tested with the bushfires, Covid Pandemic and reduced operational funding.

Recruitment, attraction and retention of qualified, experienced Aboriginal staff to our organisation remains a focus, and investing in professional training and development of our team is ongoing.

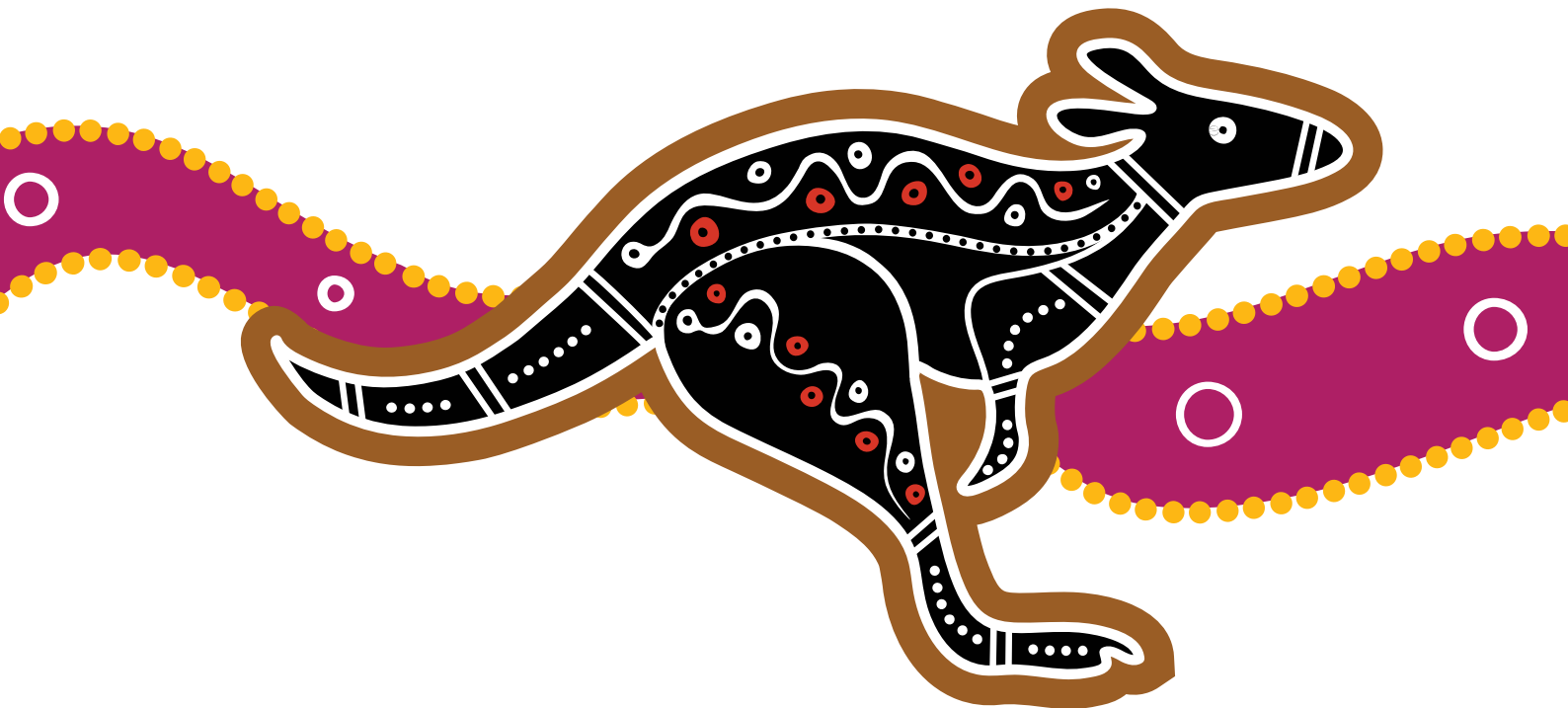
We do this by investing in:

- An Employee Assistance Program;
- Cadets through CHIA NSW Certificate IV Social Housing training program;
- Industry specific training through the Australasian Housing Institute (AHI), Australian Institute of Company
- Directors (AICD) and other key industry training opportunities.

Much of the 2021-22 year was impacted by a number of Pandemic closures and shut downs. It was a particularly challenging year for SEARMS in its service delivery which relies heavily on face-to-face contact with our tenants and Owner organisations.

To assist with keeping communication lines open, SEARMS engaged an external communications support to bolster our Social Media and LinkedIn content.

Staffing has fluctuated over the year with 10 FTE, 2 PTE and 3 Cadets at the end of the financial year and carrying 6 vacancies.



SEARMS's operating area

Aboriginal PEOPLE in SEARMS's operating area

SEARMS's operating area spans nine Local Government Areas (LGAs) in NSW, and the ACT. Across this area there are 26,136 people identifying as Aboriginal out of a total population of 801,637.

As shown in the table, the Shoalhaven and Eurobodalla LGAs have the highest percentage of Aboriginal people compared to total population.

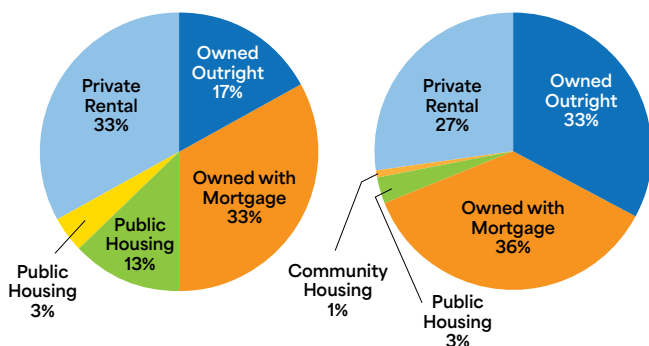
The average figure across NSW is 4.16%. This is an increase of 1.26% compared to the 2016 Census average figure of 2.9%. This may be due to more people discovering their Aboriginal heritage and now identifying as Aboriginal.

Aboriginal housing in our area

As a result of colonisation, and social and economic policies by state and federal governments, Aboriginal people have poorer housing outcomes than non-Aboriginals.

There are 12,667 households in SEARMS's operating area which contain one or more Aboriginal people (classed as 'Aboriginal households' by ABS). The largest numbers of Aboriginal households are in the ACT (4,637), Shoalhaven LGA (3,236), Eurobodalla Shire LGA (1,102), and Queanbeyan-Palerang Regional Council (1,098).

General housing tenure across the nine LGAs and the ACT is shown in the charts below, based on 2021 Census data and excluding 'other landlord type,' 'landlord type not stated' and 'other tenure type.'



Aboriginal and/or Torres Strait Islander population from 2021 Census

Local Government Area (LGA) <i>(ranked by Aboriginal percentage)</i>	Aboriginal population	Aboriginal percentage
City of Shoalhaven	7,067	6.5%
Eurobodalla Shire	2,466	6.1%
Hilltops Council	974	5.1%
Goulburn Mulwaree Council	1,619	5.1%
Bega Valley Shire	1,386	3.9%
Queanbeyan-Palerang Regional Council	2,190	3.5%
Yass Valley Council	552	.2%
Upper Lachlan Council	268	3.1%
Snowy Monaro Regional Council	665	3.1%
Australian Capital Territory	8,949	2.0%
Total for SEARMS areas served	26,136	2.8%

Home ownership levels for non-Aboriginal households are high in SEARMS's operating area, higher than the average across Australia. While 69% of non-Aboriginal households are owner-occupiers, the equivalent figure for Aboriginal households is only 50%. Furthermore, a higher proportion of Aboriginal households are still paying off a mortgage as opposed to owning the property outright.

Aboriginal households are over-represented in private rentals (33% versus 27%) and in social housing (17% versus 4%).



The table (below) shows housing tenure from the 2021 census, with the highest percentages of Aboriginal people in the region living in social housing being in NSW coastal areas and the ACT.

Note that as respondents self-declare their housing tenure in the census, community housing numbers are often under-stated.

The tenure mix of Aboriginal households in SEARMS's operating area is very similar to the average for NSW with 45% owners, 35% private renters and 16% social renters.

Aboriginal owner-occupation is highest in non-coastal areas, led by Upper Lachlan (75%) and Yass Valley (65%). It is lowest in more expensive coastal areas such as Eurobodalla LGA (42%).

Aboriginal disadvantage

While south-eastern NSW is a physically attractive area, popular with holiday makers and second home owners, there are a number of underlying challenges faced by local communities in general and Aboriginal communities in particular. Wage levels are lower outside major cities, there are fewer higher paying jobs, work can be seasonal and transport to work options limited and often expensive.

Aboriginal household housing tenure from 2021 Census

Local Government Area (LGA) <i>(ranked by social housing percentage)</i>	Owners/ mortgage	Private renters	Social renters	Other/Not Stated
Australian Capital Territory	44%	33%	20%	3%
Eurobodalla Shire	42%	34%	20%	5%
City of Shoalhaven	47%	33%	16%	4%
Queanbeyan-Palerang Regional Council	52%	28%	16%	4%
Bega Valley Shire	50%	31%	15%	3%
Goulburn Mulwaree Council	52%	32%	14%	1%
Yass Valley Council	65%	19%	13%	2%
Hilltops Council	52%	33%	6%	8%
Snowy Monaro Regional Council	62%	30%	3%	3%
Upper Lachlan Council	75%	21%	0%	2%
Total	48%	32%	17%	4%
Total for SEARMS areas served	45%	35%	16%	3%



Our Tenants

Resilience of our communities remains low, as access to health services and support options for our tenants continues to be difficult.

The events of the past four years – bushfires, floods and Covid – have highlighted the need for large scale systemic reform to empower Aboriginal and Torres Strait Islanders to truly reduce the gap in all the target areas. Health inequities and higher rates of chronic health conditions have put them at greater risk during these events. Education and Socio-economic participation is always challenging regionally with tenants having to rely on private transport and the costs of car ownership and fuel steadily increasing, outpacing any income increases.

SEARMS welcomes the National Closing the Gap reforms which recommend that Aboriginal Community Controlled Organisations (ACCO's) are best placed to provide services that meet the needs of the community and that housing is now a targeted outcome.

We will continue to advocate 'housing first' principles – safe, secure, appropriate, affordable housing – and models that provide 'wrap-around' supports to address the many systemic disadvantages still active today.



Strategic Plan 2022-25

SEARMS strategic plan is reviewed annually on a rolling five-year forecast.

We aim to be the Aboriginal social housing provider of choice in the areas in which we operate, and to accommodate a growing proportion of the 1,700 households in our area currently living in social housing. SEARMS also believe Aboriginal people deserve more housing choices right across the housing continuum.

Our key strategic goals for 2022 to 2026 remain:

- Deliver **high quality service** to our tenants, partner organisations and communities

- Provide **leadership and innovation** to the Aboriginal community housing sector
- Strengthen organisational viability through **growth and diversification**
- Continue transforming SEARMS into an **efficient and resilient community business**.

We believe housing is the foundation for better social, economic and health outcomes for Aboriginal families and communities. It is essential to move members of our community from poverty to prosperity.

Our key strategic goals are summarised below:

	<i>Strategic Goal 1</i>	<i>Strategic Goal 2</i>	<i>Strategic Goal 3</i>	<i>Strategic Goal 4</i>
WHAT?	Deliver high quality service to our tenants, partner organisations and communities.	Provide leadership and innovation to the Aboriginal community housing sector.	Strengthen organisational viability through growth and diversification.	Continue transforming SEARMS into an efficient and resilient community business.
WHY?	Aboriginal people need and deserve the best. We want to be the housing provider of choice for both tenants and government.	During this period of change, Aboriginal voices must be heard. SEARMS's elders and team need to share knowledge and inspire.	More of our business needs to be contemporary community housing, tailored to the needs of Aboriginal people.	High quality service can only be delivered by top quality staff, supported by excellent business systems working from fit-for-purpose offices.
WHEN?	<ul style="list-style-type: none"> ■ Improve customer service for tenants ■ Work hard to sustain tenancies ■ Engage further with our communities 	<ul style="list-style-type: none"> ■ Communicate change needed in the sector ■ Influence agencies and government ■ Improve approaches to communication 	<ul style="list-style-type: none"> ■ Increase scale through transfers ■ Grow our activities in the ACT ■ Establish strategic partnerships 	<ul style="list-style-type: none"> ■ Strengthen our working culture ■ Build excellent staff feedback approaches ■ Transform our office arrangements

SEARMS plan to continue to grow in scale to achieve critical mass and diversify to complementary activities commenced with the AHO PMT transfer in September 2021.

This helps reduce SEARMS 'subsidy' to our directly managed portfolios. Ultimately, our aim is to ensure we can continue to manage Aboriginal Owner portfolios without the need to provide 'operational subsidies' from our reserves.

As we have grown this year, we are now able to employ more specialist staff, and be better able to deliver quality service from hubs across the large geographic region we serve. Growth is not a goal in itself, rather it is a means to help us achieve our vision.



Our Annual Plan 2021-2022

The Annual Business Plan for 2021-22 set out the activities to be achieved between 1 July, 2021 and 30 June, 2022.

The four Strategic Goals remain the same with 13 sub-goals comprising of 42 activities altogether.

The following table shows where more resources are required to achieve all outcomes this upcoming year.



STRATEGIC GOAL:	Sub Goal 1	Sub Goal 2	Sub Goal 3	Sub Goal 4	Sub Goal 5
High quality Service	Customer service and quality management 50% achieved	Sustaining tenancies 75% achieved	Community engagement and communication 20% achieved		
Leadership and innovation	Sector advocacy 100% achieved	Research 50% achieved			
Growth and diversification	Government opportunities 100% achieved	Housing partnering opportunities 0% achieved	Geographic expansion ACT 30% achieved	Service diversification 50% achieved	Property development 60% achieved
Viability and sustainability	Human and office resources 66% achieved	Information technology 25% achieved	Business resilience 100% achieved		



Our Development Program

SEARMS commenced a development program to deliver 26 new housing options for the area which was funded by various combinations of: insurance settlements, ACHIF funding and Owner contributions.

Fifteen months after the 2019 New Years Eve bushfire events supporting documentation and negotiations with the Insurer were finalised. Local planning changes, trade availability and supply issues to the bushfires, additional severe weather events and the Covid-19 pandemic meant that insurance monies were not sufficient for the rebuilds of the destroyed properties.

SEARMS was able to include these properties in its submission for Aboriginal Community Housing Innovation Funding (ACHIF) in addition to its own redevelopment and development program in early January 2020. Delays due to the pandemic, meant final funding deeds were not completed until late May 2020 with project funds to be expended by June 2022.

The construction industry challenges, coupled with NSW Planning Portal changes in July 2020, impacted heavily on SEARMS, its Principal Contractors and Suppliers leading to lengthy delays in each project.

2021-2022 Development Program update 30 June 2022

SEARMS (on behalf of Mogo LALC)	Park Street, Mogo	Rebuild bushfire destroyed residence	PLUS secondary dwelling	Over time, on budget <i>(Completed Sept 22)</i>
SEARMS (on behalf of Mogo LALC)	Veitch Street, Mogo	Rebuild bushfire destroyed residence	PLUS secondary dwelling	Over time, on budget <i>(Completed Sept 22)</i>
SEARMS	10 x Secondary Dwellings	2 bedroom units on existing SEARMS properties	In consultation with SEARMS tenants	Reduced to 9 dwellings due to DA approval delays and cost escalations
SEARMS (on behalf of Mogo LALC)	Ainslie Parade, Tomakin	Knockdown and rebuild	3 bedroom and 2 bedroom residences	Suspended due to community threats against SEARMS and Principle Contractor
SEARMS (on behalf of Boomerang)	Dhurga Way, Mogo	Rebuild bushfire destroyed residence	PLUS additional 2 bedroom dwelling	Delayed due to DA submission and RFI
SEARMS (on behalf of Merrimans LALC)	Rankins Road, Mogo	Rebuild bushfire destroyed residence	PLUS additional 2 bedroom dwelling	Delayed, DA approved awaiting PC construction update
SEARMS	Golf Links, Batemans Bay	Knockdown of 2 bedroom to build 6 x unit building		Terminated due to cost escalations eclipsing available funds. Remaining funds reallocated/returned to Funder.



SEARMS Aboriginal Corporation
ABN 98 718 757 162

Financial Statements

For the year ended 30 June 2022



Contents

SEARMS Community Housing Aboriginal Corporation
ABN 98 718 757 162

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Director's Declaration

30 June 2022

(a) General information

Principal activities

The principal activity of the Corporation during the financial year was management of the provision of housing to members of the local Aboriginal community.

This was expanded during this financial year to include residential property development activities for itself and other Aboriginal organisations.

Operating Result

SEARMS Community Housing Aboriginal Corporation's operating deficit for the year to 30 June 2022 was \$11,256 compared to a deficit of \$7,716 in the prior financial year.

Directors

The names of the Directors throughout the year and at the date of this report are:

Tom Slookee	Chairperson
Roslyn Field	Director
Anne Greenaway	Director, Chair of Finance and Audit Committee
Cheryl Moreton	Director
Brendan Moyle	Director, Chair of Development Committee
Jim Allen	Director
Jason Oakley	Director
Stephen Shanahan	Director

During the financial year, 6 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Finance Committee		Development Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Tom Slookee	6	6	3	3	4	4
Roslyn Field	6	5	-	-	4	2
Anne Greenaway	6	6	3	3	-	-
Cheryl Moreton	6	6	3	3	-	-
Brendan Moyle	6	4	-	-	4	4
Jim Allen	6	3	-	-	-	-
Jason Oakley	6	5	2	1	4	3
Stephen Shanahan	6	2	3	1	-	-

Management Contracts

No contracts of significance to which the Corporation was a party and in which a member or Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year. At no time during the year was the Corporation a party to any arrangements to enable the members or Directors of the Corporation to

Director's Declaration

30 June 2022

(a) **General information**

Indemnifying Officers or Auditor

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

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Corporation during the period.

Significant events after the balance date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Corporation, the results of those operations or the state of affairs of the Corporation, for the year ended 30 June 2022 that are not adequately disclosed in these financial statements.

Signed in accordance with a resolution of the Board at Batemans Bay, NSW:



Director:



Director:

Dated this26..... day ofOctober..... 2022

SEARMS Community Housing Aboriginal Corporation

ABN 98 718 757 162

Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of SEARMS Community Housing Aboriginal Corporation

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Hales Douglass

Andrew Hare
Partner

Dated this 26th day of October 2022

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

	Note	2022 \$	2020 \$
Income	2	4,103,686	2,756,069
Cost of sales		(2,599,758)	(1,870,161)
Gross profit		1,503,928	885,908
Accounting fees		(17,868)	(5,145)
Advertising		(238)	(100)
Auditors remuneration		(9,100)	(9,500)
Bank charges		(2,548)	(462)
Community Outreach		(17,101)	(608)
Business Development		-	(24,703)
Cleaning, Garden & Waste Removal		(8,008)	(9,151)
Computer expenses		(46,908)	(31,877)
Consultant Fees		(55,111)	(58,810)
Depreciation & Amortisation		(145,062)	(36,997)
Electricity		(4,062)	(3,762)
Insurance		(48,241)	(37,402)
NAIDOC		(1,384)	-
Interest Expense		(29,690)	(5,045)
Legal Expenses		(15,948)	(14,514)
Meeting Expenses		(4,456)	(5,597)
Motor vehicle expenses		(12,886)	(20,665)
HR Support incl Recruitment		(38,327)	(9,163)
Other equipment		(7,703)	(1,556)
Training and Development		(3,486)	(9,115)
Postage, Printing and stationery		(32,245)	(30,914)
Rates		(16,590)	(7,018)
Rent Storage		(13,748)	(8,332)
Rental		(75,830)	(37,406)
Repairs and maintenance		(13,167)	(4,522)
Security Service		(1,336)	(1,258)
Staff Amenities & Recruitment		(4,471)	(5,926)
Staff uniforms		(2,835)	(1,221)
Sundry Expenses		(4,175)	-
Telephone & Internet		(11,576)	(11,802)
Travel		(30,313)	(20,639)
Subscriptions		(9,314)	(10,419)
Wages and Salaries		(831,457)	(469,995)
Profit from continuing operations		(11,256)	(7,716)
Other comprehensive income			
Total comprehensive income for the year		(11,256)	(7,716)

The accompanying notes form part of these financial statements.

Statement of Financial Position

30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	3,697,349	3,233,359
Trade and other receivables	4	860,406	621,595
TOTAL CURRENT ASSETS		4,557,755	3,854,954
NON-CURRENT ASSETS			
Property, plant and equipment	5	16,745,594	14,952,753
TOTAL NON-CURRENT ASSETS		16,745,594	14,952,753
TOTAL ASSETS		21,303,349	18,807,707
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	700,297	529,025
Funds in Trust	7	273,533	328,493
Lease Liability	11	93,234	27,864
Provisions	9	80,294	47,354
Grants in Advance	8	3,924,557	2,081,864
TOTAL CURRENT LIABILITIES		5,071,915	3,014,600
NON-CURRENT LIABILITIES			
Lease Liability	11	476,808	27,226
TOTAL NON-CURRENT LIABILITIES		476,808	27,226
TOTAL LIABILITIES		5,548,723	3,041,826
NET ASSETS		15,754,626	15,765,881
EQUITY			
Reserves	10	5,821,062	5,961,062
Accumulated Funds		9,933,564	9,804,819
TOTAL EQUITY		15,754,626	15,765,881

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2022

	Note	\$
1 July 2021		<u>15,765,881</u>
Operating Surplus/(Deficit)		<u>(11,255)</u>
Balance at 30 June 2022		<u><u>15,754,626</u></u>

	Note	\$
1 July 2020		<u>15,773,597</u>
Operating Surplus/(Deficit)		<u>(7,716)</u>
Balance at 30 June 2021		<u><u>15,765,881</u></u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers & members	5,905,684	2,519,643
Payments to suppliers, employees & members	(3,711,297)	(338,502)
Interest received	63	502
Interest paid	(6,272)	(2,298)
Net cash provided by/(used in) operating activities	<u>16</u> 2,188,178	<u>2,179,345</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(1,724,188)</u>	<u>(41,548)</u>
Net cash used by investing activities	(1,724,188)	(41,548)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	463,990	2,137,797
Cash and cash equivalents at beginning of year	<u>3,233,359</u>	<u>1,095,562</u>
Cash and cash equivalents at end of financial year	<u>3</u> 3,697,349	<u>3,233,359</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards board.

The financial report was authorised for issue by the Directors on the 26 day of October 2022.

(b) Reporting Basis and Convention

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

(c) Adoption of New and Revised Accounting Standards

In the current year, the entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2021. The adoption of these new standards and Interpretations has not resulted in any changes to the Entity's accounting policies that have affected the amounts reported for the current or prior years.

Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(d) Significant Accounting Judgements, Estimates And Assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(e) Compliance with IFRS

As the Entity is a Not-For-Profit entity it is not required to comply with all International Financial Reporting Standards (IFRSs). The financial report is prepared in accordance with Australian Equivalents to International Financial Reporting Standards applicable to Not-For-Profit entities.

(f) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity 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.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(g) Trade and Other Receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the entity will not be able to collect the receivable. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(h) Property Plant & Equipment

Property, Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation charges have been calculated so as to write off the net cost of each asset over its estimated useful life. Additions are depreciated from the date of purchase in the year of acquisition. The estimated useful lives used are:

Motor Vehicles	8 Years
Plant & Equipment	3-10 Years
Office Equipment	3-13 Years
Buildings	40 Years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Corporation substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments in accordance with AASB 16. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Corporation will obtain ownership by the end of the lease term.

(j) Trade and Other Payables

Trade and other payables are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Corporation prior to the end of the financial year that are unpaid and arise when the Corporation becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(k) Provisions and employee benefits

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the value of management's best estimate of the expenditure required to settle the present obligation. As all obligations are expected to be settled within 12 months the balances are not discounted.

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(l) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue is recognised by reference to the stage of completion of a contract or contracts in progress at balance date or at the time of completion of the contract and billing to the customer.

Interest revenue

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.

(m) Grants Received

Government Grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that all conditions will be complied with, and that the grants will be received. Grants are recognised in the income statement over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(n) Recognition & Treatment of sub lease Surpluses

This policy relates to the recognition of income and expenses for properties managed under AHO Sub Leases which are now recognised through Profit & Loss. SEARMS has reviewed its sublease contracts with the Aboriginal Housing Office which leases properties to SEARMS at a peppercorn rent of \$1 per annum. These contracts require SEARMS to perform certain tenancy services and maintain the property assets to certain standards. SEARMS may keep all rents in order to fulfil these requirements and meet all the expenses incurred in such duties, including covering its associated staffing and administration costs. These contracts also state that on expiry or termination of the lease, SEARMS is to return any surplus at the end of the sub-lease to the AHO. As these contracts are ongoing and are not expected to generate surpluses after allowing for repairs and maintenance the balance that may be repayable upon completion of the Sub-Lease will be disclosed as a contingent liability in the Annual Financial Statements for each year.

Based on an analysis performed by SEARMS all property portfolios are operating at a deficit once reasonable direct costs have been allocated to them. As such SEARMS is not recognising any contingent liability as it is not anticipated that any funds will be required to be returned at the completion of the sub-lease or management agreement period.

2 Revenue and Other Income

Revenue from continuing operations	2022	2021
	\$	\$
Revenue		
- AHO Growth Subsidy	191,257	201,300
- Other Grants	164,976	43,245
- Rent Received - Commercial	57,902	25,240
- Management Fees - Property	221,228	201,659
- Management Fees - Project	388,110	-
- Rent Received - Residential	3,133,020	1,558,379
- Gain/(Loss) on Sale of Fixed Assets	(172,500)	-
- Other revenue	1,489	47,876
- External cost recoveries	7,671	218,000
- AHO Private Lease	-	10,440
- AHO ACHIF Funding	(22,000)	76,735
- AHO CHIA Cadet Program	124,004	5,920
- Donations	-	2,000
- Insurance Recoveries	8,467	17,561
- AHO Insurance increase contribution	-	165,413
	4,103,624	2,573,768
Finance income		
- Interest Received	63	502
	63	502
Other Income		
- Job Keeper	-	144,300
- Cash Flow Boost	-	37,500

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2022

2 Revenue and Other Income

Revenue from continuing operations

	2022	2021
	\$	\$
Total Other Income	4,103,687	2,756,070

3 Cash and cash equivalents

	2022	2021
	\$	\$
Operating Account	2,253,926	2,367,961
Rent Account	1,443,423	865,388
Cash on Hand	-	10
	3,697,349	3,233,359

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled as follows:

	2022	2021
	\$	\$
Cash and cash equivalents	3,697,349	3,233,359

4 Trade and other receivables

	2022	2021
	\$	\$
CURRENT		
Trade Debtors	120,156	143,091
Owner Receivables	1,855	8,120
Prepaid Expenses	712,831	462,584
Sundry Receivables	25,564	7,800
Total current trade and other receivables	860,406	621,595

The carrying value of receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2022

5 Property, plant and equipment

	2022	2021
	\$	\$
Land & Buildings		
At cost	14,918,241	15,023,524
Accumulated depreciation	(413,438)	(225,155)
Total Land & Buildings	14,504,803	14,798,369
Capital works in progress (ACHIF)		
At cost	1,527,058	22,000
Total capital works in progress	1,527,058	22,000
Plant and equipment		
At cost	57,941	56,996
Accumulated depreciation	(52,822)	(52,048)
Total plant and equipment	5,119	4,948
Office Equipment		
At cost	348,653	267,353
Accumulated Depreciation	(243,673)	(193,506)
Total Office Equipment	104,980	73,847
Leasehold Improvements		
At cost	59,949	-
Accumulated Depreciation	(1,993)	-
Total leasehold improvements	57,956	-
Right Of Use Asset - Leases		
At cost	663,845	91,889
Accumulated depreciation	(118,167)	(38,300)
Total Right Of Use Asset	545,678	53,589
Total plant and equipment	2,240,791	154,384
Total property, plant and equipment	16,745,594	14,952,753

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2022

6 Trade and other payables

	2022	2021
	\$	\$
Trade Creditors	28,080	51,136
Credit Cards	(7,287)	(916)
GST payable/(refundable)	(189,581)	(67,908)
PAYG Withholding	32,964	27,276
Sundry payables and accrued expenses	15,053	15,903
Superannuation	608	434
Unidentified Deposits	16,988	13,202
Rental Trust Creditors	64,648	18,277
Insurance Premium Funding	738,824	471,621
	<u>700,297</u>	<u>529,025</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

7 Funds in Trust

	2022	2021
	\$	\$
CURRENT		
Batemans Bay LALC	32,220	32,220
Bodalla LALC	23,210	25,253
Mogo LALC	1,322	21,316
Wagonga LALC	420	179
Merrimans LALC	-	8,610
Bodalla Aboriginal Housing Corporation	157,165	113,531
Gunangarah Aboriginal Corporation	49,355	103,171
AHO Funds in Trust ERA	778	502
Boomerang Meeting Place	9,063	21,804
ERA	-	1,907
Total	<u>273,533</u>	<u>328,493</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2022

8 Income in Advance

	2022	2021
	\$	\$
CURRENT		
General	104,556	74,545
ACHIF (SEARMS Owned) Income in Advance	1,119,268	160,492
ACHIF (non SEARMS) Income in Advance	2,548,459	1,687,063
Insurance Settlement Income in Advance	152,274	159,764
	<u>3,924,557</u>	<u>2,081,864</u>

9 Employee Benefits

Current liabilities

Annual Leave	80,294	47,354
	<u>80,294</u>	<u>47,354</u>

(a) Movements in Provision Balances

	2022	2021
	\$	\$
Opening Balance	47,354	30,668
Leave Accrued	70,169	57,688
Leave Taken	(37,229)	(41,002)
Closing Balance	<u>80,294</u>	<u>47,354</u>

10 Reserves

(a)

	2022	2021
	\$	\$
Asset Revaluation Reserve		
Opening Balance	5,961,062	5,961,062
Revaluation	(140,000)	-
Closing Balance	<u>5,821,062</u>	<u>5,961,062</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2022

11 Capital and Leasing Commitments

	2022
(a) Finance Leases	\$
Minimum lease payments:	
- not later than one year	93,234
- between one year and five years	349,620
- later than five years	276,802
Minimum lease payments	<u>719,656</u>
Present value of minimum lease payments	<u>719,656</u>

Finance leases are in place for motor vehicles & the main office building and normally have a term between 3 and 4 years. The Office Lease has two further 3 year options which are included in the commitments above. The leases have terms of renewal but no purchase option or escalation clauses. Renewals are at the option of the entity holding the lease.

12 Financial Risk Management

(a) Introduction

The Corporation's financial instruments comprise receivables, payables and cash and cash equivalents. The main risk arising from the Corporation's financial instruments is liquidity risk. The Corporation does not use derivative instruments to manage risks associated with its financial instruments.

The Directors have overall responsibility for risk management, including risks associated with financial instruments. Risk management policies are established to identify and analyse the risks associated with the Corporation's financial instruments and to monitor the significance of these risks.

This note presents information about the Corporation's exposure to liquidity risk, and its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

(b) Financial Instruments Composition and Maturity Analysis

Liquidity risk is the risk that the Corporation will not be able to fund its obligations as they fall due. The Corporation manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are available to meet normal operating expenses. The tables below reflect an undiscounted contractual maturity analysis for financial assets and liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Less Than 1 year		1 to 5 years	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash & Cash Equivalents	3,697,349	3,233,359	-	-
Trade Debtors	120,156	143,091	-	-

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2022

12 Financial Risk Management

(b) Financial Instruments Composition and Maturity Analysis

	Less Than 1 year		1 to 5 years	
	2022	2021	2022	2021
	\$	\$	\$	\$
Owner Receivables	1,855	8,120	-	-
Sundry Receivables	25,564	7,800	-	-
Trade Creditors	(28,080)	(51,136)	-	-
Visa Card	7,287	916	-	-
GST Payable/(Refundable)	189,581	67,908	-	-
Sundry Payables	(15,053)	(15,903)	-	-
Funds in Trust	(273,533)	(328,493)	-	-
Rental Trust Creditors	(64,648)	(18,277)	-	-
Insurance Premium Funding	(738,824)	(471,621)	-	-
Total	2,921,654	2,575,764	-	-

13 Related Party Transactions

The Board received total remuneration from the Entity of \$21,529 during the year (2020: \$19,755). There were no transactions with related parties, other than those at normal commercial terms and conditions, and other benefits approved by members at the annual general meeting.

Key management personnel have been identified as members of the board for the year ended 30 June 2022 and also the Chief Executive Officer.

	2022	2021
	\$	\$
Short-term benefits	160,512	148,356

14 Remuneration of Auditors

	2022	2021
	\$	\$
Remuneration of the auditor for:		
- auditing the financial statements	9,100	9,500

15 Contingencies

In the opinion of the Board, the Corporation did not have any contingencies or commitments at 30 June 2022 other than those noted in Notes 1(n) & 11 (30 June 2021:None).

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2022

16 Cash Flow Information

(a) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
Operating Surplus	(11,256)	(7,716)
Non-cash flows in net surplus:		
- depreciation	330,803	234,109
- non-cash interest on Finance Leases	23,418	-
- net loss on disposal of property, plant and equipment	172,500	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(238,811)	(261,130)
- increase/(decrease) in trade and other payables	1,878,584	2,197,396
- increase/(decrease) in provisions	32,940	16,686
Cash flow from operations	<u><u>2,188,178</u></u>	<u><u>2,179,345</u></u>

17 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Corporation, the results of those operations or the state of affairs of the Corporation in future financial years.

18 Corporation Details

The registered office and principal place of business of the Corporation is:

SEARMS Community Housing Aboriginal Corporation
 3 Museum Place
 Batemans Bay NSW 2536

The accompanying notes form part of these financial statements.

Director's Declaration

In accordance with a resolution of the Directors of SEARMS Community Housing Aboriginal Corporation, the Directors declare that in their opinion:

1. the financial statements and notes of the Corporation are in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - giving a true and fair view of the corporation's financial position as at 30 June 2022 and of their performance for the year ended on that date; and
 - complying with Accounting Standards in Australia and the *Corporations (Aboriginal and Torres Strait Islander) Regulations 2007* and the *Australian Charities and Not-for-profits Commission Regulation 2013*;and
2. there are reasonable grounds to believe that the corporation will be able to pay its debts as and when they become due and payable.



Director



Director

Dated this26..... day ofOctober..... 2022

Independent Audit Report to the members of SEARMS Community Housing Aboriginal Corporation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SEARMS Community Housing Aboriginal Corporation (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations (Aboriginal and Torres Strait Islanders) Act 2006* and 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 at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations (Aboriginal and Torres Strait Islanders) Regulations 2007* and *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 *Corporations (Aboriginal and Torres Strait Islanders) Act 2006* and *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of 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 in accordance with Australian Accounting Standards and the *Corporations (Aboriginal and Torres Strait Islanders) Act 2006* and *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the the Company's ability to continue as a going concern, disclosing, as applicable, matters related 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.

SEARMS Community Housing Aboriginal Corporation

ABN 98 718 757 162

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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hales Douglass



Andrew Hare
Partner



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