



Aboriginal Housing Office Annual Report 2021-22

Our vision is to ensure every Aboriginal person
in NSW has equal access to and choice in,
affordable housing.





Acknowledgement

We acknowledge the traditional custodians of the lands and waters on which we live and, work and pay our respects to Elder's past, present and emerging.

From time immemorial traditional owners continue to practise laws, customs and languages, and nurture Country through spiritual, cultural knowledge and material connections to land, water and resources.

Through the strength, resilience and pride of Aboriginal people, our cultures, communities and economies continue to grow and thrive.

Where the term 'Aboriginal' is used it refers to both Aboriginal and Torres Strait Islander people. Indigenous is retained when it is part of the title of a report, program or quotation.

Aboriginal Art

Artwork by Saretta Fielding
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Letter of Submission

21 October 2022

The Hon. Anthony Roberts MP
Minister for Planning
Minister for Homes
52 Martin Place
SYDNEY NSW 2000

Dear Minister

Under section 12A of the *Annual Reports (Statutory Bodies) Act 1984*, I have the pleasure in submitting for the information of members this report of the activities of the Aboriginal Housing Office for the year ended 30 June 2022.

Following the tabling of this report in parliament, it will be available for public access from the NSW Government's OpenGov NSW website, www.opengov.nsw.gov.au.

Regards,

Famey Williams
Chief Executive | Aboriginal Housing Office
Department of Planning and Environment

Encl: Aboriginal Housing Office Annual Report 2021-22



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AHO Board Chair **Robynne Quiggin**

The past 12 months has seen the journey to return to normalcy and importantly, the re-connection with Aboriginal communities across NSW. I'm delighted to report that the Aboriginal Housing Office (AHO) has continued to deliver housing outcomes to Aboriginal people across NSW and support communities in challenging times, including the devastating floods in the Northern Rivers.

The AHO has also seen a renewal of leadership with the appointment of Famey Williams, a proud Githabul woman, to the role of Chief Executive. This merit-based appointment was a highly competitive recruitment process and I and the Board look forward to working closely with Famey on the AHO's imperative work in the next year.

The AHO also saw the appointment of the AHO Board's first Elder-in-Residence Beverley Manton, who takes up the position after serving seven years on the AHO Board. This position is a first for the NSW Government and is in recognition of Beverley's long-term service to the AHO and is a sign of respect to an Elder who is recognised across Aboriginal communities and has been involved in providing advice about Indigenous affairs at the State, Federal and international government levels.

With a portfolio of approximately 6,000 homes, the AHO works closely with its partners, including the Regional Aboriginal Housing Committees (RAHCs). This year has seen the strengthening of relationships with the RAHCs who support the Board by drawing on local knowledge to enable planning and delivery of homes.

The Board has been thrilled to return to face-to-face meetings on Country which has nourished our souls and helped to maintain our balance so that we can collaborate closely with the AHO to ensure our communities prosper through access to affordable and culturally appropriate housing.





Chief Executive Famey Williams

I am a proud Githabul woman (Mother's Country), with connections to Gomeroi Country (Father's Country), and am humbled and delighted lead the Aboriginal Housing Office (AHO) as its Chief Executive.

The AHO has seen a strong year of delivery of new homes across NSW, with the completion of 82 new homes through Stimulus funding, and upgrades to 5,281 properties. An outstanding achievement!

The AHO has worked closely with its Aboriginal Community Housing Providers (ACHPs) to utilise \$50 million through the Aboriginal Community Housing Investment Fund, which has created 2,614 jobs of which 780 were Aboriginal tradespeople.

The NSW Government recognised the defining work of the AHO and funded \$149 million over the next four years to focus on Closing the Gap through the delivery of 200 new homes, upgrades to 260 homes and the installation of 4,440 solar panels on new and existing AHO homes.

A further \$67.2 million was awarded to the AHO's Strong Family Strong Communities program, also for the next four years to support Aboriginal people through housing and tenant support services in health, justice, education and employment. Also included in the program is our commitment to extend capacity building for Aboriginal Community Housing Providers.

Following the catastrophic floods in the Northern Rivers earlier in 2022, the AHO received \$70 million from the NSW Government to repair flood impacted homes and construct new homes in 2023 which we will deliver in partnership with 13 ACHP's.

One particular AHO initiative stands out in this past year — the Home Ownership program which has enabled 44 home owners to begin their home ownership journey. For Aboriginal people, owning a home is more than just bricks and mortar. It is a place of certainty, a stable platform from which they can go to work, go to school and care for each other, with lasting and positive intergenerational impacts.

With more than 60% of staff at the AHO identifying as Aboriginal, we are a unique organisation in the NSW Public Service. Through the lived experiences of our Aboriginal staff, the AHO can pivot more adeptly to understanding the needs of our tenants, the work with our partner organisations and deliver culturally appropriate outcomes.

I would like to thank the AHO Board for its continuing conversations that always leave me energised and prepared.

I look forward to leading such a committed and professional organisation, that strives to work respectfully and in partnership with Aboriginal communities and organisations throughout NSW.

It is my pleasure to endorse the Aboriginal Housing Office Annual Report 2020-2021.





Aboriginal Housing Office Board

The AHO is governed by a Board made up entirely of Aboriginal people, which provides advice to the Minister for Planning and Homes on Aboriginal housing issues in NSW.

Ms Suzanne Ingram



Ms Robynne Quiggin
Chairperson



Ms Famey Williams
Chief Executive



Mr Craig Kerlake



Aunty Bev Manton
Elder in Residence



Mr Joshua Gilbert



Mr Steven Adams



Mr Damien Budjara-Barnes



We welcome Steven Adams, proud Kamilaroi man and founding director of the NSW Indigenous Chamber of Commerce, to the AHO Board. Steven has served on numerous Boards, Committees and Ministerial Taskforces over the past 20 years. Steven ensures that Aboriginal perspective and input are included at the highest level of governance and decision making, and his wealth of understanding and working knowledge of State and Federal reforms are a welcome addition to the AHO Board.

This year has seen Neva Collings and Mayrah Sonter complete their term with the AHO Board.

We wish our exiting board members well in their chosen endeavours and thank both members for their guidance and contribution.





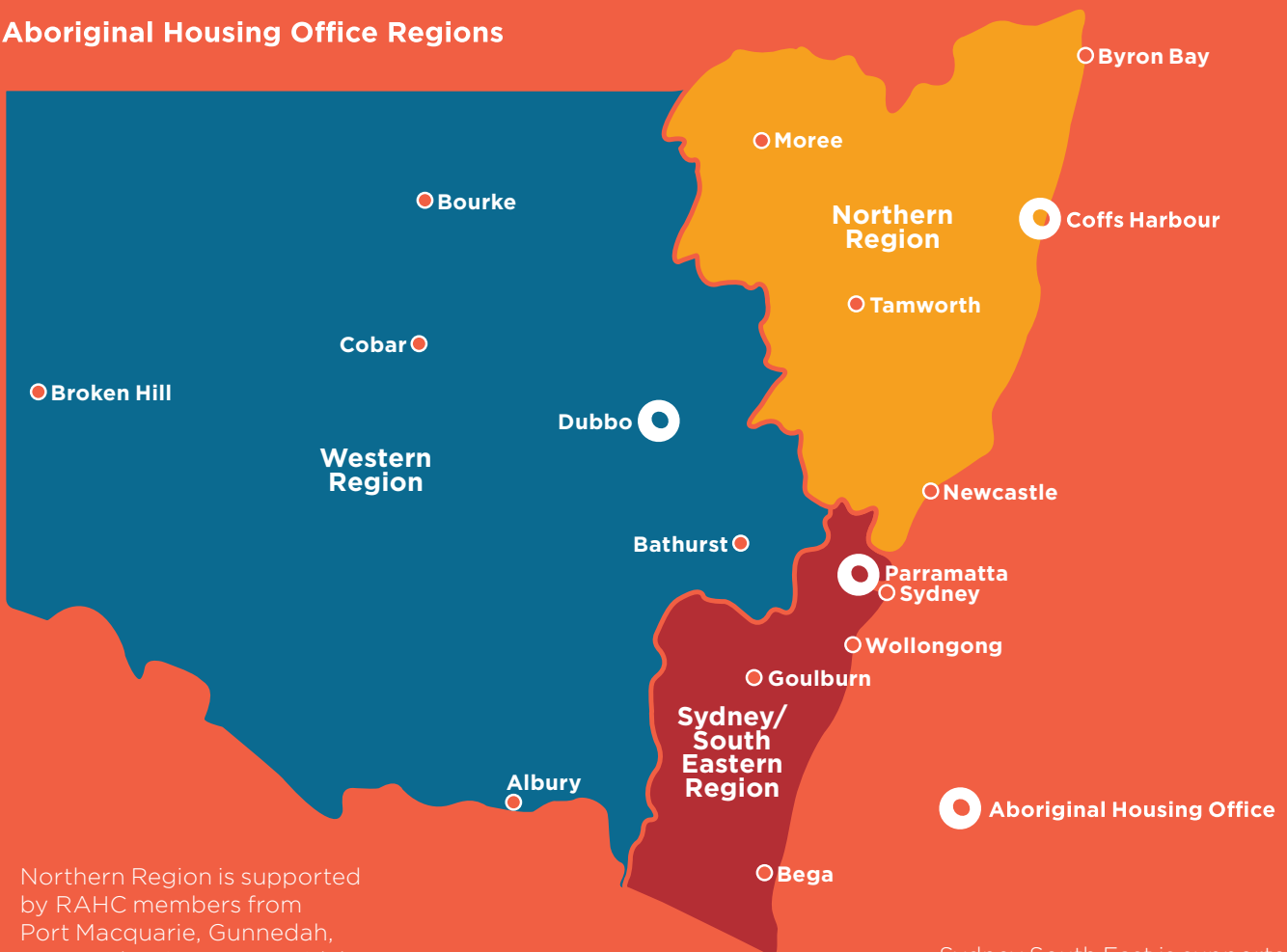
Regional Aboriginal Housing Committees

Each region of the AHO is represented by a Regional Aboriginal Housing Committee (RAHC). These regions include Northern, Sydney/South East and Western. The RAHCs advise the AHO Board on issues associated with housing for Aboriginal people and carry out functions delegated to them by the Board.

The RAHCs support the goals of the AHO Board by:

- drawing on local knowledge
- monitoring program delivery
- providing an effective means for reporting to local Aboriginal communities
- linking with other relevant agencies and
- identifying differing needs between and within regions.

Aboriginal Housing Office Regions



Northern Region is supported by RAHC members from Port Macquarie, Gunnedah, Newcastle, Lismore, Armidale, Central Coast, Port Stephens and Lake Macquarie

Northern Region Regional Aboriginal Housing Committee

- Jane Bender
- Leon Anderson
- Robert Russell
- Roxanne Smith
- Veronica Walford
- Erica Smits
- Shannon Whyte
- Amy Parry

Western Region is supported by RAHC members from Nyngan, Broken Hill, Wagga Wagga, Dubbo and Brewarrina

Western Region Regional Aboriginal Housing Committee

- Cory Paulson
- Lesly Ann Ryan
- Patricia Morris
- Paul Carr
- Verina Crawford

Sydney South East is supported by RAHC members from Batemans Bay, Campbelltown, Redfern and Narooma

Sydney South East Region Regional Aboriginal Housing Committee

- Alison Croall
- Jim Allen
- Mandy Edwards
- Narelle Lyons
- Cheryl Moreton
- Marcus Neal



Aboriginal Housing Office Management Structure



Famey Williams
Chief Executive



Deslin Foster
Director
Policy & Evidence



Loshana Karthikeya
A/Director
Performance
& Finance



Ashley Livingston
A/Director
Property



Kelly Chatfield
A/Director
Housing &
Client Services



Brandon Etto
A/Director
Strategic Support

The AHO is comprised of the following five portfolio areas:

Policy and Evidence: strategic and operational decision making through effective policy, program development, data and analysis, and direct delivery to Aboriginal people, families and communities that enhances their lives

Performance and Finance: delivers comprehensive business partnering, strategic financial management, contract and compliance monitoring and project management oversight for both internal and external stakeholders of AHO

Property: providing culturally appropriate housing, growth and maintenance of AHO's portfolio — including new builds, upgrades and innovative construction methods

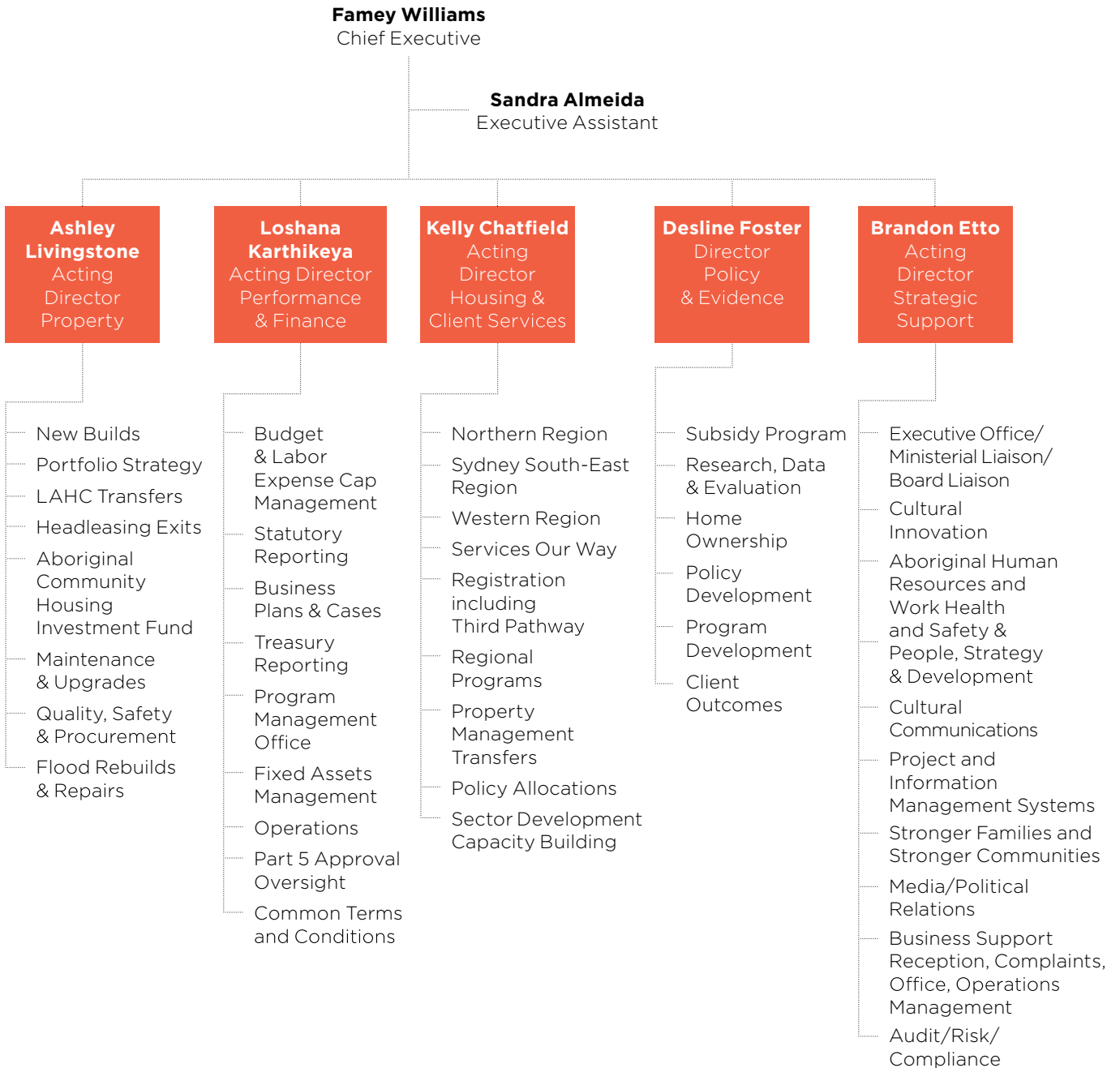
Housing Client Services: day-to-day operations of property and tenancy management to deliver culturally appropriate client experiences and housing solutions to support families and communities

Strategic Support: partnering to facilitate strategic planning, people strategy and development, communications, project and information management, cultural innovation, and executive support to internal and external stakeholders





Organisational Overview



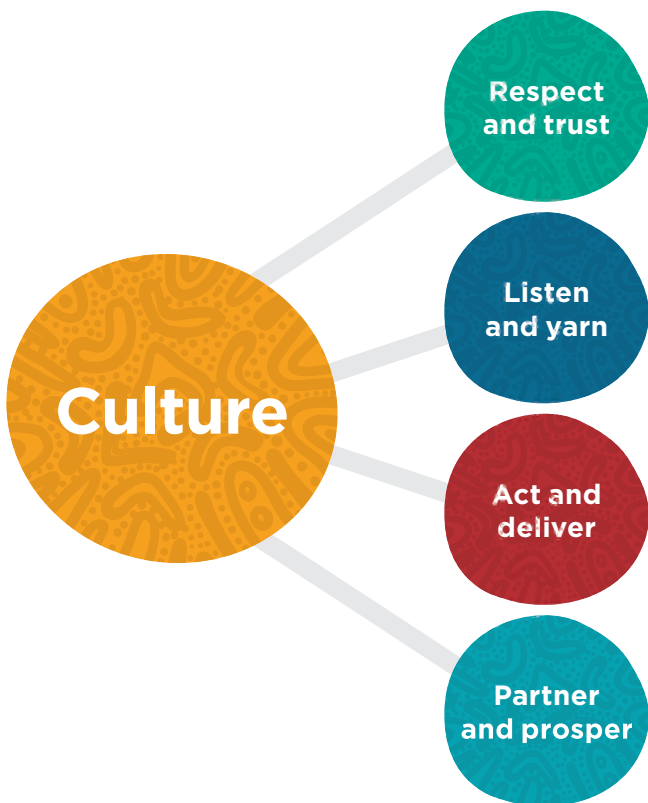


Our Story

The AHO is a statutory body established under the *Aboriginal Housing Act 1998 (NSW)* to ensure that Aboriginal people have access to quality, affordable housing. The AHO delivers housing solely for Aboriginal people and is a key provider of Aboriginal-specific housing services.

Our functions are guided by the principles of keeping culture at the centre, which means working closely with Aboriginal communities to create sustainable and ongoing opportunities for Aboriginal people to ensure they are best placed to benefit from infrastructure, investments and services. The AHO leads with an Aboriginal-led co-design approach so we hear what issues Aboriginal people face and work together to apply solutions.

Aboriginal culture is placed at the centre of all our work; informing not just what we do, but how we do it.



The AHO's main objective is to deliver culturally appropriate housing and other support services for Aboriginal people and families in remote, regional and metropolitan NSW. The AHO manages and co-ordinates a range of annual capital works, upgrades and frontline support services programs, along with developing and implementing financial and resourcing strategies.

As at 30 June 2022, the AHO holds a \$2.8bn property portfolio which is made up of 6,159 properties, including 5,957 homes and 202 vacant lots.

AHO's financial summary for year ended 30 June 2022 was \$165.1 million in re current expenses, \$14.2 million in capital expenditure and combined expenditure of \$269.3 million.

The AHO aims to build a sustainable sector by working in partnership with Aboriginal Community Housing Providers (ACHPs), general community housing providers and government agencies to provide stable housing for Aboriginal people and families. We are delivering more and more culturally specific housing across NSW with larger size homes, granny flats for carers for elders and carers to reduce overcrowding.





Aboriginal Cultural Safety Training

Cultural Safety training is another way in which AHO demonstrates the centring of Aboriginal culture in everything we do. We launched our training program in July 2022 with positive feedback from both Aboriginal employees and contractors as well as non-Aboriginal staff who participated.

For a number of years the AHO has mandated that its staff undertake foundational Aboriginal cultural awareness training as part of their induction and onboarding process. It is critical that all new staff to the AHO are provided with a basic understanding of Aboriginal people, communities and culture and the contemporary issues and challenges so that they can be better informed about the stakeholders whom they work with. Cultural Safety is taking this approach to the next level. Part of this approach includes the delivery of face-to-face training focused specifically on Aboriginal Cultural Safety from a workplace perspective.

AHO Cultural Safety training is focused on what is culturally safe; why does it exist; why is it important; what are the benefits of culturally safe workplaces; what is AHO and the Department of Planning and Environment doing to support cultural safety; how do I identify cultural safety incidences and where to go to for help.

We have deliberately taken a considered approach to understanding and defining what Aboriginal cultural safety looks and feels like at the AHO and we know that this journey will be ongoing.

AHO Strategic Capability Framework

The AHO Strategic Capability Framework (SCF) provides a common language for the knowledge, skills, and behaviours for all staff to model. Characteristics of good leadership are encouraged across the AHO and staff are urged to develop their own growth and others' capabilities. These strategic capabilities help build the organisational culture of the Aboriginal Housing Office.

The SCF is future focused and aligns to our vision, supports our strategy and values, reflects our language and positions our workforce for greater success. The SCF provides our first set of strategic capabilities including accountability, collaboration, cultural engagement and digital literacy.

Employment

When we build in true partnership with Aboriginal people, families and communities, organisations and businesses, every single home produces a ripple effect of investment and growth for local mob.

This year we saw 16 Aboriginal apprentices employed across multiple trades throughout NSW with a further eight being recruited. APIC delivered 317 Aboriginal jobs across NSW with further targets for expenditure to be exceeded in 2022. The Stimulus program created 2,614 jobs with 780 of these jobs going to Aboriginal community members.





Our Strategy

The AHO recognises that secure, affordable housing is an important way to address disadvantage and provides Aboriginal people, families and communities with a place of stability. Aboriginal people are best placed to design and deliver solutions that work for them. Aboriginal people are also best placed to design supports and services that meet their cultural needs. The AHO has invested in a lot of new initiatives over the last year that focus on allowing community to solve local issues. When solutions are identified by Aboriginal people and their cultural needs are met, better outcomes can be achieved. These outcomes may mean different things to different people. They may mean gaining an educational qualification, achieving a financial goal, starting or expanding a family, spending time caring for Country, or gaining an employment promotion. One-size-fits-all mainstream services cannot serve this purpose.

We have had many successes, and we recognise that there is still work to do to emerge through a statewide housing crisis. Through challenges of remoteness, COVID and access to many social and essential services the AHO doubled down and moved forward with Aboriginal people, families and communities to overcome over representation in the homeless population and overcrowding. At the AHO we are confident that by continuing to work alongside Aboriginal communities on their terms, we will deliver significant improvements across these areas and lead government in a new way of thinking.

Strong Family, Strong Communities (SFSC) 2018-2028 is our 10-year strategy to improve the wellbeing of NSW Aboriginal families and communities through housing. Through this strategy the AHO continues to advocate for, work with, and lead the Aboriginal housing sector; ensuring the voices, needs and aspirations of Aboriginal people, families and communities are the drivers of change. The strategy includes both our core business and key programs and is underpinned by our four interconnected pillars.

Housing Solutions



Delivering housing solutions with Aboriginal families based on demand for social and affordable housing.

Client Outcomes



Achieving better outcomes with Aboriginal tenants and clients through partnerships with Aboriginal organisations, human services agencies, and by creating study, work and business opportunities.

Growing the Sector



Strengthening and growing ACHP's through sector investment, regulation and the transfer of housing and property management.

Data and Evidence



Improving data collection, evaluation and analysis to plan and invest in the future.





Pillar 1: Housing Solutions

Delivering housing solutions with Aboriginal families based on demand for social and affordable housing.

Our Focus

Repairs and maintenance

Prioritise repairs and maintenance. Improve the quality of repairs, time taken and communication. Progress overdue housing upgrades.

New supply of properties

Promote the supply of new houses that are culturally appropriate and co-designed with communities. Provide secure housing and a better housing experience to improve the wellbeing of families.

Home Ownership

Scope home ownership models so more Aboriginal families can buy a home.

Asset Management

Implement best practice asset management policies and procedures, so there is quality housing when and where it is needed.

In 2021-22 we built 82 new homes and upgraded a further 5,281 properties as part of the overall capital, maintenance and Stimulus programs.





Stimulus

We were successful in attracting \$212 million of Stimulus investment to counter the economic shock associated with the COVID-19 pandemic. The funding will support the delivery of residential construction, a broad range of associated trades and maintenance upgrades over four years.

Stimulus funds support the local construction industry, as well as a broad range of associated trades, across a range of regions. We have chosen to build many of the homes in areas impacted by the recent floods, bushfires and drought affected areas because this is where the need is greatest.

At the end of June 2022, AHO program spending is \$197.1 million and the program to date has created 2,614 jobs with 780 of these jobs going to Aboriginal community members.

Aboriginal Participation in Construction

The AHO is committed to generating wider economic benefit to Aboriginal communities through procurement. Of the people employed to construct homes, 30% were Aboriginal which exceeded our target of 20%. Of the services and products that the AHO procured, 9% were from businesses owned by Aboriginal people in 2021-22, well above the commonplace targets of 3% and the AHO's target of 5%. We are proud that 37% of all construction contracts were awarded to Aboriginal contractors in 2021/22.





Home ownership

The Aboriginal Home Buyer Saver program offers financial support for Aboriginal people who are ready to take the next step towards home ownership. The program consists of three grants that eligible Aboriginal people can apply for to access a one-off financial boost. The Homeownership team post Covid-19 have been busy delivering tailored information sessions to Aboriginal people, families and communities.

The home ownership program undertook a review to broaden eligibility and the key changes are as follows:

- The AHO Deadly Deposit Grant is now known as the Deadly Deposit Grant
- The AHO Home Buyer Booster Grant now known as the Home Buyer Booster Grant
- The Home Buyer Booster Grant and Deadly Deposit Grant have been extended to all Aboriginal people in NSW who meet the eligibility criteria
- Both the Home Buyer Booster Grant and Deadly Deposit Grant has been extended to existing land owners who are building a home. The Home Buyer Booster Grant is also amended to allow the grant to be used toward administrative fees of lodging a development application. The Deadly Deposit Grant can be used as a first stage/foundational payment on a home build.
- The Home Buyer Booster Grant and Deadly Deposit Grant or AHO Tenancy Plus Grant can be accessed by a new model of shared wealth and buying. This is where friends or families can support applicants in purchasing a home. Key conditions ensures the home is for the tenant. The model we envisage will be accessed by current AHO or Social Housing tenants
- We have expanded the AHO Tenancy Plus Grant to include a higher cap of \$20,000 and implemented a new increment criteria matched against tenure of a tenancy. The eligibility starts at \$1:\$1.25 for tenants in an AHO home for 5-9 years up to \$1:\$2 for tenants in an AHO home for 20 or more years.
- The Home Ownership program supported 44 Aboriginal individuals and families to own their own home this financial year.



Aboriginal Community Housing Investment Fund

The AHO was awarded a further \$20 million in Aboriginal Community Infrastructure Fund (ACHIF) funding for 2022-2024. The ACHIF program focuses on community sector delivered projects, both new supply and upgrades to community owned homes, to deliver improved living conditions and help reduce homelessness and overcrowding issues. The additional funding for the program is also helping to support the construction industry and associated trades across NSW with a focus on local and Aboriginal employment opportunities across all projects.

Repairs and Maintenance

The AHO completed 5,281 refurbishments, providing increased liveability and comfort.

Capital Works

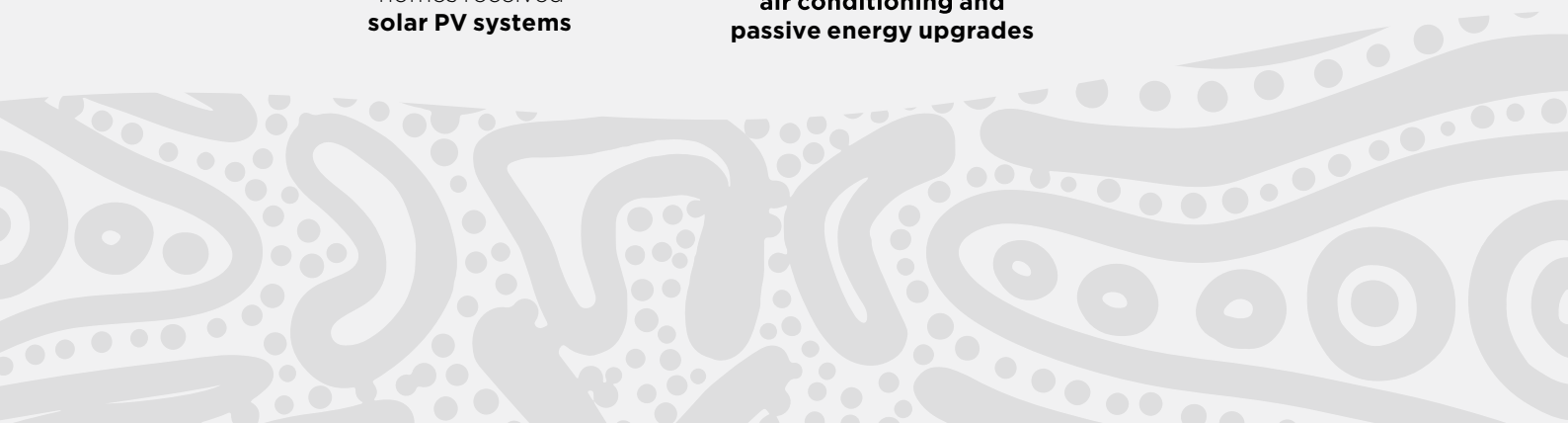
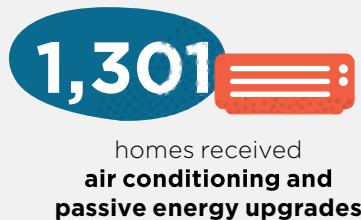
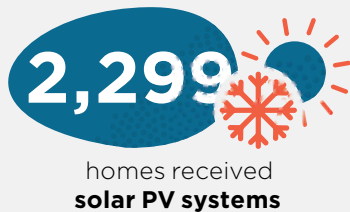
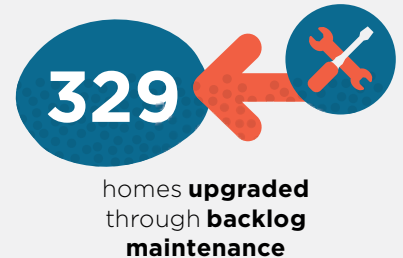
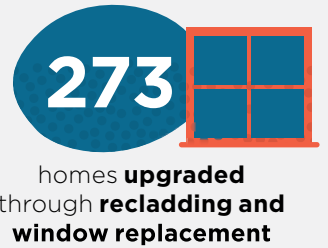
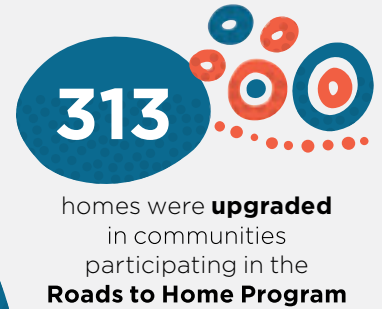
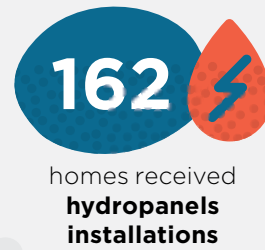
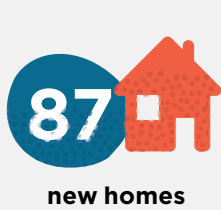
The AHO is building for change. This includes 82 new homes with 20 through the capital works program and the National Partnership Agreement on remote Indigenous Housing (NPARIH) programs. Also included is upgrades and vacant restorations to 517 AHO and Aboriginal Community owned homes.





The Year in Numbers

Delivering housing solutions with Aboriginal families based on demand for social and affordable housing.





Pillar 2: Client Outcomes

Achieving better outcomes with Aboriginal tenants and clients through partnerships with Aboriginal organisations, human service agencies and creating study, work and business opportunities.

Our Focus

A culturally responsive sector

Support culturally appropriate service delivery. Promote cultural awareness and accountability for mainstream providers to better tailor services to Aboriginal families' needs.

Access to housing

Streamline the application process and make it clearer about how housing is allocated.

Homelessness

Improve the availability and appropriateness of accommodation to sustain tenancies.

Services working together

Invest in government and non-government service coordination and collaboration to support tenants to access early intervention services.

Neighbourhood Safety

Focus on whole of community safety, including infrastructure and the environment when buying, building, allocating and managing housing stock.

Stable homes

Support tenants to maintain stable and successful tenancies so they can benefit from study and work.





Tertiary Accommodation Grants

The Tertiary Accommodation Grants program is an initiative under Strong Family Strong Communities (SFSC) which supports Aboriginal and Torres Strait Islander people enrolled in tertiary study with grants of up to \$10,000 per student to offset the cost of living while they study. The grants support students in social housing or housing stress. Grants are available to students enrolled with participating universities and NSW TAFE.

Last financial year the AHO delivered eight Tertiary Accommodation Grants to Aboriginal students studying at TAFE NSW and universities across NSW, helping Aboriginal people realise their education ambitions.

This brings the total number of Aboriginal students supported through the Tertiary Accommodation Grants program to 101 since 2019.

Services Our Way

The Services Our Way (SOW) program is an Aboriginal-led, trauma-informed, culturally appropriate care coordination service for vulnerable Aboriginal people and families delivered across 27 Local Government Areas (LGAs) in NSW.

This financial year NSW Treasury announced funding of \$11.6 million to continue the SOW program for another two years. As a result, we have expanded our program setting up new sites in Dubbo, Coffs Harbour/Clarence Valley and Campbelltown, Narromine and Moree.

Last financial year we supported 445 Aboriginal families. We are proud to say that there are currently 27 staff in Services Our Way, with 24 identifying as Aboriginal.





“My name is Nioka Chapman I am a proud Gamilaroi woman living in Narrabri NSW. I have seven children aged from 1-12 years of age. Life for us at home wasn’t always easy.

I relocated to Narrabri with my children in late 2017 after the house I lived in, and cared for my grandfather, was destroyed by a fire. After spending almost a year living with family and months in the refuge, we managed to secure our first place to call home in 2018. Even though we had a place to call home I still had my struggles...and the Department of Communities and Justice became involved with my family.

I was referred to Services Our Way (SOW) for support with getting things together in our home to make sure the children were in a safe and secure environment. SOW was able to provide me and my family the support we needed to get us ahead in life. It has changed not only mine but my children’s lives for the better in so many ways and as a mum that wants nothing but the best for her children, it’s also given me hope.

We have come so far with the help and support of SOW and I know that upon leaving this program we as a family will be in a better place physically, mentally and emotionally and I can’t wait to see what the future holds for us.”





The Year in Numbers

Achieving better outcomes for Aboriginal tenants and clients through partnerships with Aboriginal organisations, human services agencies, and creating study, work and business opportunities.



8
Tertiary
Accommodation Grants



Services Our Way
expanded into
Dubbo, Coffs Harbour
and Campbelltown



445
of the most
vulnerable Aboriginal
people and families
were supported
by the Services
Our Way program





Pillar 3: Growing the Sector

Strengthening and growing Aboriginal Community Housing Providers (ACHPs) through sector investment, regulation and the transfer of housing and property management.

Our Focus



As at 30 June 2022 AHO has total of 64 providers managing 5,975 properties. Of these 55 ACHPs in NSW managed 2,265 properties and nine Community Housing Providers (CHPs) in NSW managed 3,710 properties, representing 4% of the total social housing stock in NSW.

A strong and viable ACHP sector is critical to delivering on tenant management as identified in the Strong Family Strong Communities strategy. ACHPs build on local knowledges to deliver critical support in their communities and the AHO is building capacity and capability of ACHP's so Aboriginal people, families and communities can thrive.

Three Housing Leads

The AHO also has collaborative partnerships with Aboriginal Community Housing Industry Association (ACHIA) and the NSW Aboriginal Land Council (NSWALC) which continues the work of the Sector Reform Steering Committee, conversations with the sector and progressing the housing priorities set by the NSW Aboriginal housing sector. The partners of this committee continue to co-design and host sector visioning workshops with the broader sector; one held virtually and one held face-to-face in May 2022 in Dubbo. The events were highly successful in determining the priority areas for the sector and considering long-term needs in defining future housing targets, registration and consolidation, and future subsidy arrangements.





National Regulatory System for Community Housing (NRSCH)

As part of strengthening the sector, 35 ACHPs have been supported to attain registration under the NRSCH or NSW Local Scheme (NSWLS), including 10 Local Aboriginal Land Councils.

AHO Recognition of Aboriginal Community Housing Organisations (ACHO) – AHO, ACHIA and NSWALC worked together to develop an alternative pathway for Aboriginal organisations to maintain AHO Registration. Aboriginal Land Councils and Aboriginal Organisations who own a portfolio of housing used for Aboriginal housing purposes can apply to the AHO to be recognised as an ACHO.

Growth Providers

In 2022 the AHO Growth Provider network increased to 29 ACHPs. Growth Providers are suitable ACHPs who are looking to 'grow' and are ready to work in partnership with the AHO. The AHO is committed to encouraging ACHPs to grow and strengthen their capabilities so AHO properties can be managed by organisations with a strong cultural understanding of Aboriginal communities and their needs.

Property Management Transfer

A significant milestone in sector development was marked this year with nine ACHP's being successful through PMT tenders for 1,500 tenant and property management transfers.





The Year in Numbers

Strengthening and growing Aboriginal Community Housing Providers (ACHP) through sector investment, regulation and the transfer of housing and property management.

64 providers managed



AHO properties

9 ACHPs who managed



successful
Sector
Visioning
Workshop



NRSCH or
NSW Local
Scheme
Registrations

55 ACHPs managed



properties



Growth Providers





Pillar 4: Data and Evidence

Improving data collection, analysis and evaluation, and better reporting to plan and investing in the future.

Our Focus



Scope best practice models of tenancy management that are responsive to tenant needs. Support tenants to understand their rights and responsibilities.



Support ACHPs to register for and comply with the National Regulatory System for Community Housing.

Evaluations

In the 2021-22 financial year AHO completed the Strong Family Strong Communities (SFSC) Aboriginal-led co-design evaluation and commenced the SFSC Mid-Point Review, as well as four AHO program evaluations.

Aboriginal-led Co-design Evaluation

The AHO commissioned an evaluation of the co-design processes undertaken with the two SFSC Leading Community Demonstration Sites (LCDS) and two SFSC Client Experience Initiatives (CEIs) to understand how the co-design process was well rolled out and to identify the practical elements involved in co-designing with Aboriginal groups.

Findings were overwhelmingly positive, showing that AHO's three-party Aboriginal-led co-design model involving Aboriginal Community Controlled Organisations, Aboriginal Business Consultancies and AHO was an effective and culturally appropriate way of working as it championed self-determination, flexibility, and investment in the strengths of local Aboriginal Communities. The positive feedback from our Aboriginal stakeholders led the evaluators to recommend that AHO share learnings of this effective co-design approach with other government agencies and stakeholders. The evaluation has been submitted to the NSW Treasury Evidence Bank.

Strong Family Strong Communities Mid-Point Review

AHO is four years into the SFSC Strategy and in alignment with our commitments to improve data and evidence, Research and Analysis commissioned an independent Mid-Point Review of the strategy in May 2022 to ensure it is on track to deliver and gather early insights to support the roll out of SFSC phase 2. The Review is currently ongoing and due for completion in December 2022. A summary report will be published on AHO's website.

Services Our Way Evaluation commenced in 2022 and is due for completion in early 2023. This evaluation will demonstrate how well the program is working and the outcomes that it achieves for its clients.

Gunida Gunyah Transitional Housing Pilot Evaluation commenced in May 2022 to understand program reach and effectiveness of service delivery.

Sustaining Aboriginal Tenancies Pilot Evaluation commenced in December 2021 to determine if the program has been implemented as intended, and how it can best be rolled out to other locations.

Aboriginal Home Buyer Saver Program Evaluation commenced in January 2022 to understand implementation effectiveness and gather insights for future policy and program planning.



The Aboriginal Wellbeing Framework

In addition to the evaluation work in partnership with the Department Communities and Justice, AHO is working to develop an Aboriginal Wellbeing Framework that will establish new housing outcome measures that better represent Aboriginal wellbeing priorities. The Framework is being led by the Interplay Project, and in the 2021-22 FY had delivered Phase 1, which included a preliminary stakeholder discussion, a literature review and an approved ethics application.

Continued Work

The Aboriginal Research and Knowledge Advisory Group that was established in 2021 continues, with the next meeting scheduled for February 2023.

Research and Analysis has continued to build on its Data Visualisation Program established in 2021 with updates on the SOW program, New Supply, Wrap-around Support and AHO-owned housing interactive visual dashboards completed and updated throughout the year.

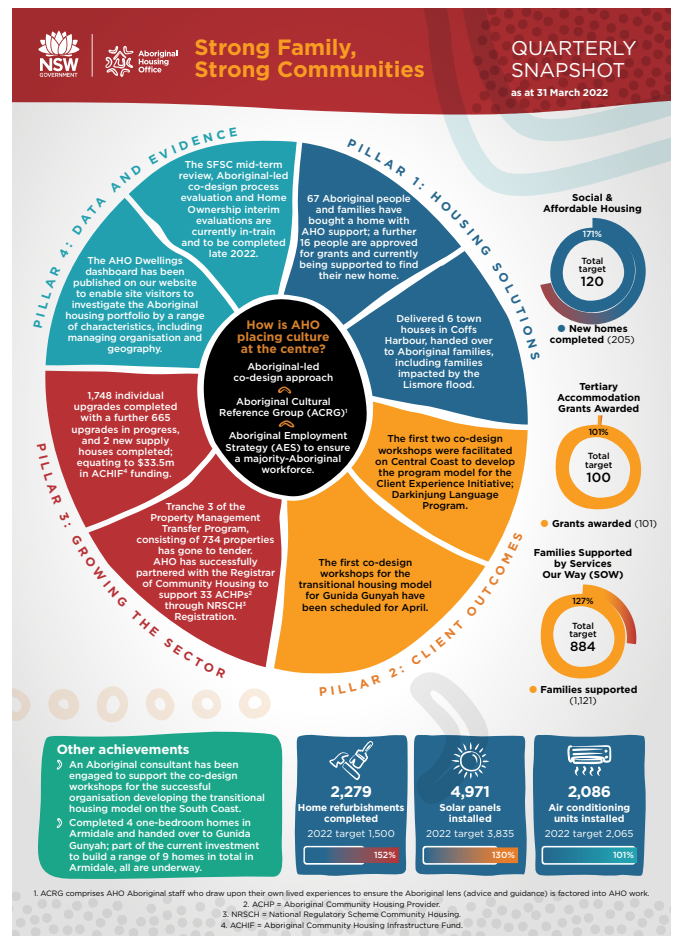
Embedding data capture to evidence up delivery and achievement of outcomes.

Aboriginal research intern program.

Broader Work

Beyond the direct work under the SFSC strategy, the AHO has a clear role in advocating for Aboriginal people and the Aboriginal housing sector.

The AHO continues to work towards better outcomes for Aboriginal people and communities, as demonstrated by our involvement in the Closing the Gap Data Office Level Working Groups and ongoing data support we provide to ACHPs and other stakeholders.



Strong Family, Strong Communities Dashboard





The Year in Numbers

Improving data collection, analysis and evaluation, and better reporting to plan and invest in the future.

SFSC Aboriginal-led co-design evaluation with



Leading Community Demonstration Sites



Sustaining
Aboriginal tenancies



Strong Family
Strong
Communities
Mid Point Review



Home Buyer Saver
program evaluation



Services Our Way
evaluation





Disaster Response — responding to floods

The AHO has led with the guiding principles of “keep our mob safe” in our approach to addressing the impacts of the devastating floods in the Northern Rivers floods in regional NSW. We have prioritised the wellbeing of our staff, tenants and communities over bricks and mortar.

The AHO was agile in its response to the NSW Aboriginal community in dire need through our AHO Flood Recovery & Emergency Support Grants. One off grants of \$5,000 provide immediate financial support for ACHPs who own or manage properties. This program was created in response to Aboriginal community owned properties that were made uninhabitable by the floods.

The funds were made available for any registered ACHP in a declared disaster areas and can be used for temporary accommodation, waste removal and clean-up, repairs and maintenance costs and administration and replenishment of items for tenants.

The grant application closed on 22 April 2022 to allow providers additional time to submit applications and the AHO is continuing to support those most significantly impacted to process their grant applications.

The AHO successfully sought \$43 million funding in flood recovery funding, via a three-year proposal, focusing on the severely flood and storm affected region of the Northern Rivers and the mid North Coast of NSW. This was included in the \$70 million allocated from the NSW flood response for Aboriginal housing.

The proposal focuses on repairs to AHO and community owned properties across the region, and the offer of new supply options within the impacted areas. ‘Community owned’ being those owned by LALC’s and ACHP’s

A number of Aboriginal communities were significantly affected by the recent flood events in the mid North Coast. There was no funding pathway for these community organisations to seek financial support to repair/rebuild community owned homes.

Whilst AHO homes were impacted the Aboriginal community owned sector were the most severely affected.





Research and Development

To achieve the best possible outcomes for Aboriginal people, families and communities across NSW, the AHO's work is founded on evidence-based decision making.

Guided by principles of self-determination and self-management for Aboriginal people, the AHO works to enhance data collection, evaluation and analysis. We ensure that our planning is robust and resources are targeted where they are needed most.

The AHO promotes a culture of research that is relevant to Aboriginal people and communities, and serves their best interests.

Key functions of our research and analysis work include:

- **Research:** needs analysis, exploratory research, surveys, modelling and forecasting to inform service planning and delivery
- **Evaluation:** identification of program outcomes to facilitate the shift of the NSW Government towards outcomes budgeting, development of data capture tools and systems and conducting and commissioning evaluations
- **Data Analysis:** provision and analysis of reliable and valid statistics to meet the immediate data needs of the AHO.

As a data custodian for Aboriginal community housing, AHO plays a principal ongoing role in disseminating and interpreting data and providing advice on Aboriginal housing in NSW.

Throughout 2021-22, Research and Analysis participated in seven NSW-government and three national research and evaluation advisory groups and managed an estimated 300 data requests and research advisements including:

- Productivity Commission's Report on Government Services — Indigenous Community Housing and State-Owned and Managed Indigenous Housing (SOMIH)
- National Agreement on Closing the Gap — NSW Jurisdictional Implementation Plan — Outcome 9 (Housing)
- Human Services Data Set (HSDS), Linked Data Asset (LinDA) and the National Disability Data Set data linkage projects
- National Social Housing Survey (NSHS) Technical Working Group — member
- National Housing and Homelessness Data Working Group (HHDWG) — member
- National Community Housing Data Improvement Plan Working Group — member.

The AHO provides annual Indigenous community housing data to the Australian Government, as well as supporting the Department of Communities and Justice in the submission and provision of state-owned and managed Aboriginal housing data. This data is published yearly in the Report on Government Services, and provides information on the equity, effectiveness and efficiency of government services in Australia.

Under Closing the Gap, the AHO is the state lead for Outcome 9 — Aboriginal and Torres Strait Islander people secure appropriate, affordable housing that is aligned with their priorities and need; and Target 9 — by 2031, an increase in the proportion of Aboriginal and Torres Strait Islander people living in appropriately sized (not overcrowded) housing to 88%. The AHO is able to provide high quality data and research expertise to support our commitments under Closing the Gap.





Workforce Statistics

Number of AHO employees by employment category by year

Category	2021-2022 Headcount as at 30 June 2022
Ongoing	58
Temporary	38
Senior Executives	6
Casual	N/A
Others – Graduate	1
Total	103

Source: AHO establishment.

In accordance with the Government Sector Employee Act, all Senior Executive employees are now subject to common Public Service Senior Executive (PSSE) employment contracts. Where staff are performing higher duties to fill a PSSE position and are not already a PSSE employee, these numbers are not included in this table as Senior Executive employees as they are still covered by their substantive conditions of employment while receiving a notional monetary value equivalent to a Senior Executive position.

Workforce Diversity Data

Trends in the representation of workforce diversity groups

Workforce diversity groups (percent)	Benchmark	2021-22
Women	50%	60%
Aboriginal Torres Strait Islander people	3.3%	63.1%
People whose first language spoken as a child was not English	23.2%	4
People with a disability	5.6%	2
People with a disability requiring work-related adjustment	N/A	2

Source: NSW Public Service Commission Workforce Profile – Diversity Data 2021

Note: All Multicultural Plan and Disability Inclusion Action Plan initiatives for the AHO now fall under the Department of Planning, Industry and Environment and will be inclusively reported in the DPE Annual Report



Disability Inclusion Action Plans

The Disability Inclusion Act 2014 (DIA) formalises Australia's commitment to the United Nations Convention on the Rights of Persons with Disabilities and requires the creation of two departmental plans:

- the NSW Disability Inclusion Plan (DIP) and the
- Disability Inclusion Action Plan (DIAP).

The AHO is committed to making the workplace accessible and inclusive to all abilities so people feel safe to bring their 'whole self' to work and to increase the number of Aboriginal and non-Aboriginal people with disability employed and retained in the AHO.

The AHO's Disability Inclusion Action plan includes:

1. Disability awareness — recognise and promote the diversity and abilities of employees, and potential employees, with disability, through inclusive organisational culture.
2. Accessible workplace and inclusive culture — prepare the organisation on an ongoing basis to accept and accommodate employees with a disability.
3. Employment and development opportunities — support the development of employees with disability in a way that leads to ongoing employment, enhanced performance, professional development and career progression.

The AHO's Disability Inclusion Plan aligns with National Disability Strategy through its commitment to removing barriers so that people with a disability can meaningfully participate and enjoy an inclusive community and with the Department of Planning and Environment's Disability Inclusion Action Plan 2019-23.

Our approach is guided by these principles and this plan has been developed around the four key outcome areas in the NSW Disability Inclusion Plan:

- liveable communities
- inclusive employment
- attitudes and behaviours
- systems and processes.





Numbers and Remuneration of Senior Executives

In this section, the definition of Senior Executive is in accordance with the GSE Act. Former Senior Executive Service (SES) and Senior Officers have transitioned to a four-band structure, with remuneration determined in accordance with the NSW Public Service Senior Executive Remuneration Management Framework. This definition significantly broadens the classification of Senior Executive by including Senior Officers and employees acting in a senior executive role or in a higher band at the end of the reporting year.

Number of Public Service Senior Executives employed in each band at the AHO

PSSE Band	2021-2022	
	Female	Male
1 (Director)	3	2
2 (Executive Director/Chief Executive)	1	0
Total	4	2

Source: AHO establishment.
Band 3 Remuneration based on minimum for range.

Average remuneration of Public Service Senior Executives employed in each band

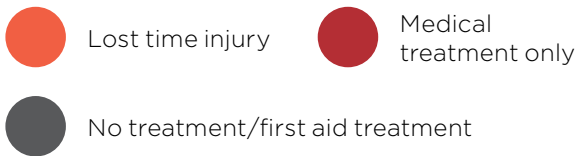
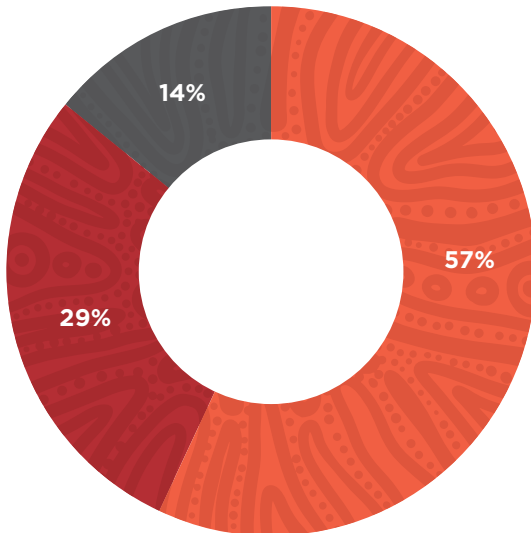
PSSE Band	2021-2022	
	Remuneration (\$)	Range(\$)
1 (Director)	\$233,671.40	\$226,617-\$244,253
2 (Executive Director/Chief Executive)	\$281,175.50	\$248,851-\$313,500

Source: AHO establishment.

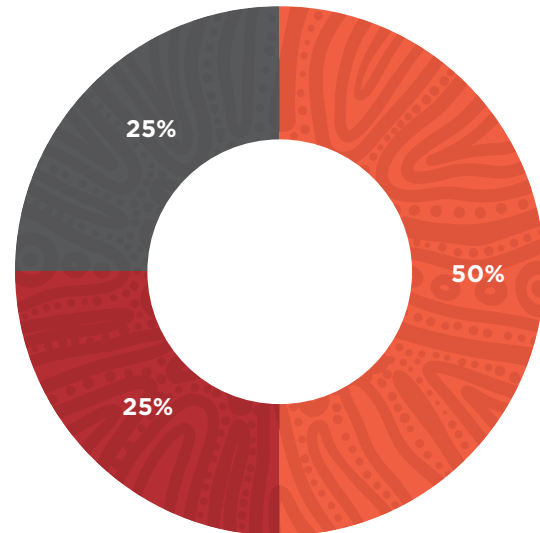


Work Health and Safety Data

Injuries



Mechanism



Lost time frequency* **6.33**

Average lost time rate^ **4.00**

Lost time severity rate~ **25.31**

Lost time incident rate# **1.05**

No of lost time incidents° **1**

*The number of lost time incidents per 1,000,000 hours worked

#The number of lost time incidents per 100 employees

^The number days lost divided by the number of lost time injuries

~The number of days lost per 1,000,000 hours worked

°The number of incidents that resulted in the employee losing time.

Workplace incidents and Mechanism data source: Icare insurance for NSW as at 5 July 2022. Distribution of injuries reported to the Work Health and Safety Team in 2020-21.



Financial Summary and Budgets

2021-22 Financial Summary

Category	2021-22 Actual (\$m)	2021-22 Budget (\$m)
Revenue		
Rent and other charges	52.3	57.5
Grants and contributions		
Covid-19 Economic Response Stimulus	123.5	123.5
National Housing and Homelessness Agreement (NHHA)	30.6	30.6
State Social Housing	4.6	4.6
National Partnership Agreement on Remote Indigenous Housing (NPARIH)	0.6	13.5
Economic Recovery	5.0	0.0
Grants from Infrastructure NSW (INSW)	27.4	0.0
Strong Family, Strong Communities	8.3	9.8
Services Our Way	4.1	8.7
Other grants and contribution	3.5	2.4
Other income	8.5	8.3
Total revenue	268.4	258.9
Expenses		
Property repairs, maintenance and utilities	32.2	26.1
Property council rates, tenancy management, maintenance service and property insurance	25.1	25.4
Grants and subsidies	51.1	70.7
Personnel service costs	11.8	11.6
Other operating expense	4.7	16.1
Depreciation and amortisation	24.5	23.8
Corporate service fee to Department of Communities and Justice	2.4	1.9
Services Our Way	5.1	8.7
Strong Family, Strong Communities	8.3	9.8
Total expenses	165.2	194.1
Net result	103.2	64.8
Capital Expenditure		
New supply	56.3	52.8
Capital upgrades	47.9	48.0

Aboriginal Housing Office 2022-23 expenditure categories

	2022-23 Budget (\$m)
Revenue	243.4
Expenses	196.2
Net budget result	47.2



Funds Granted to Non-government Community Organisations

The Aboriginal Housing Office funds and delivers Aboriginal social and affordable housing assistance through the National Partnership Agreement on Remote Indigenous Housing, the National Affordable Housing Agreement and the Aboriginal Housing Office's own rental income and capital works program, to deliver new housing and upgrade existing housing,

repair and maintain dwellings for the Aboriginal Community Housing sector and improve the quality of housing available to Aboriginal people, provide policy advice to the Minister for Social Housing and reform, and strengthen the Aboriginal Community Housing sector.

Grants and subsidies

Grants and subsidies to NGOs as at 30 June 2022

Name of recipient organisation	Amount (excl GST) \$
Aboriginal Community Housing Limited	120,000
Awabakal Limited	577,178
Barriekneal Housing & Community Limited	2,469,770
Bogan Aboriginal Corporation	28,050
Browns Flat Aboriginal Corporation	56,100
Bundjalung Tribal Society Limited	46,450
Bungree Aboriginal Association	866,450
Bunjum Aboriginal Corporation	28,150
Community Housing Limited	7,542
Cooramah Housing & Enterprise Aboriginal Corporation	28,050
Homes North Community Housing	18,024
Jagun Aged And Community Care Limited	299,693
Link Wentworth Housing Limited	20,488
Many Rivers Regional Housing Management Services Aboriginal Corporation	4,843,399
MLAHMC Limited	1,971,007
Moych Aboriginal Corporation	23,100
Murdi Paaki Regional Housing Corporation	5,549,429
Ngalawi Housing Co-Operative Limited	24,900
Ngemba Housing Cooperative Ltd	203,000
NSWALC Housing Limited	1,375,000
SEARMS Aboriginal Corporation	2,457,024
Tharawal Housing Aboriginal Corporation	40,313
Twofold Aboriginal Corporation	1,069,888
Wahgunyah (Housing) Aboriginal Corporation	36,995
Woomera Aboriginal Corporation	33,975



Payment of Accounts

Aged Analysis at the end of each quarter

Measure	Sep-21	Dec-21	Mar-22	Jun-22
All Suppliers				
Current not yet due (\$)	4,784,786	1,641,304	1,743,359	676,704
Overdue 1-30 days (\$)	126,073	0	0	0
Overdue 31-60 days (\$)	0	0	0	0
Overdue 61-90 days (\$)	0	0	0	0
Overdue 91 days and over (\$)	0	0	0	0
Small Business Suppliers				
Current not yet due (\$)	723,369	606,233	167,821	86,175
Overdue 1-30 days (\$)	126,073	0	0	0
Overdue 31-60 days (\$)	0	0	0	0
Overdue 61-90 days (\$)	0	0	0	0
Overdue 91 days and over (\$)	0	0	0	0



Aged Analysis at the end of each quarter

Measure	Unit	Sep-21	Dec-21	Mar-22	Jun-22
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All Suppliers

Accounts due for payment	Number	882	818	942	1,123
Accounts paid on time	Number	857	802	934	1,110
Accounts paid on time (based on number of accounts)	Percent	97.2	98.0	99.2	98.8
Accounts due for payment	\$	16,668,217	16,931,054	25,615,570	37,128,206
Accounts paid on time	\$	16,339,454	16,584,666	25,510,522	36,890,455
Accounts paid on time (based on \$)	Percent	98.0	98.0	99.6	99.4
Payments for interest on overdue accounts	Number	-	-	-	-
Interest paid on overdue accounts	\$	-	-	-	-

Small Business Suppliers

Accounts due for payment	Number	267	255	278	415
Accounts paid on time	Number	247	239	273	403
Accounts paid on time (based on number of accounts)	Percent	92.5	93.7	98.2	97.1
Accounts due for payment	\$	8,663,801	6,457,119	8,592,820	12,009,605
Accounts paid on time	\$	8,335,067	6,110,731	8,497,937	11,781,755
Accounts paid on time (based on \$)	Percent	96.2	94.6	98.9	98.1
Payments for interest on overdue accounts	Number	-	-	-	-
Interest paid on overdue accounts	\$	-	-	-	-



Risk Management and Insurance Activities

The Aboriginal Housing Office (AHO) operates under the Department of Planning and Environment (DPE) Fraud and Corruption Framework.

AHO has identified and monitors its key fraud and corruption prevention strategies and controls.

Audit & Risk Committees

The AHO Audit and Risk Committee (ARC) is established within the Homes, Property & Development (HPD) Group DPE. The ARC monitors, reviews and provides oversight on AHO's governance processes, risk management, control frameworks, annual financial statements and internal audit charter.

Members of the ARC Committee

Carol Holley, Chairperson
Alan Zammit AM, Member
Peter Scarlett, Member

A local ARC is also established with meetings aligned to DPE HPD ARC requirements.

Insurance activities

AHO's insurance policies in respect of the 2021-2022 financial year are provided through the NSW Treasury Managed Fund Scheme of self-insurance for Government's agencies. Provided below.

Aboriginal Housing Office insurance activities

The Aboriginal Housing Office's insurance policies for the 2021-22 financial year are provided through the NSW Treasury Managed Fund (TMF) Scheme of self-insurance for government agencies. Insurance risk exposure covered through TMF includes property, liability, motor vehicle and workers compensation.

Summary of claims paid by the TMF during 2021-22

Category	Policy #	Number of claims	Sum of net incurred cost (1)	Sum of amount paid (2)	Sum of latest estimate (3)	Sum of amount recovered (4)
General Liability	MF100834	17	\$59,818.38	\$28,818.38	\$31,000.00	\$-
Motor vehicles	MF100786	2	\$25,067.41	\$25,066.40	\$1.01	\$-
Property Offices	MF700378	2	\$525,002.00	\$-	\$525,002.00	\$-
Leased Properties	MF100788	4	\$993,196.20	\$393,193.20	\$600,003.00	\$-
Miscellaneous	WC900774	5	\$39,086.68	\$12,940.13	\$26,146.55	\$-
Total		30	\$1,642,170.67	\$460,018.11	\$1,182,152.56	\$-

Notes

Numbered columns:

- Sum of net incurred cost: Total estimate on the claim at the time the claim is submitted to icare (initial reserve raised by Gallagher Bassett)
- Sum of amount paid: Amount paid on the claim to date
- Reserve balance: Current outstanding estimate on the claim
- Sum of amount recovered from third party: Amount recovered from third party on the claim to date



Internal Audit and Risk Management Policy Attestation

Attestation to be found in Appendix 2.

Action under the Privacy and Personal Information Protection Act 1998 and Statistics

In 2020–21, the AHO did not conduct any internal reviews under the PPIP Act and did not receive any internal review applications made under the PPIP Act.

Disclosure of controlled entities

The Dunghutti Aboriginal Elders Tribal Council Trust (The Trust) is a NSW Government entity controlled by the State of New South Wales, which is the ultimate parent. The Trust is a not-for-profit entity (as profit is not its principal objective) and has no cash generating units.

The Trust was established on 22 October 2001 and is controlled by the AHO.

The AHO, as the Trustee, holds the legal title of the land and building assets of \$5.7 million (2020: \$5.4 million) at the Old Burnt Bridge area in South Kempsey in northern NSW. The assets are held on trust for the beneficiaries.

Please refer to page 89 for the audited financial statements of the Trust.

Disclosure of subsidiaries

- The AHO does not have any subsidiaries during the year ended 30 June 2021 and as at the report date.

Consultants—expenditure

- Nil

Land Disposal

There were no sales of \$5 million or more in 2020–2021 other than by tender or public auction.

There were no family or business connections between any of the parties involved in property sales.

Promotion

- Nil

Investment performance if debt is greater than \$20m

- Nil

Liability management performance

- N/A

Liability management performance

- N/A

Exemptions from reporting requirements

- Nil

Implementation of price determination, if subject to IPART price determination

- Nil

Legal change and significant judicial decisions

In July 2022, orders were made by the Supreme Court in the matter of *Aboriginal Housing Office v Mabel Mary Jacky* [2022] NSWSC916. His Honour declared that the trust known as the “Dunghutti Aboriginal Elders Tribal Council Trust,” the terms of which are contained in a trust deed dated 22 October 2001 as between the Dunghutti Aboriginal Elders Tribal Council (in liquidation) as settlor, the Aboriginal Housing Office as trustee and the Aboriginal and Torres Commission (now succeeded by the Commonwealth of Australia) is not a charitable trust.

The decision is important as it will allow the AHO, as trustee, to continue its strategic direction to subdivide the land at Old Burnt Bridge in Kempsey for redistribution to the local community beneficiaries, in accordance with the terms of the trust and subject to further court approval.

Dunghutti Aboriginal Elders Tribal Council Trust — Financial statements for the year ended 30 June 2022.

GIPA Act Requests

This information is captured within the Annual Report for the Department of Planning and Environment.



Consumer Response (Complaints and Compliments)

AHO responds to requests for information and accepts feedback and complaints about all aspects of its business. We seek to respond to complaints in a timely manner and handle all complaints in a fair, transparent and professional way.

During 2021-2022, the AHO responded to 2,713 enquiries from Aboriginal people relating to housing, tenancy and asset management matters. This is an increase of 34.5% from the previous year and is a direct result of improvements made to the AHO client interaction and complaints system to better capture data regarding client enquiries.

The AHO has developed a purpose-built client interaction and complaints system as part of its property management system, Ngamuru (*Nam-a-roo*). Ngamuru is the AHO's client interaction and complaints system. Currently, AHO Ngamuru feedback categories do not align with Feedback Assist categories. Information regarding AHO complaints are detailed below.

Type of feedback	2021-22 (number)	2021-22 (%)
Complaint	361	13%
Dispute	23	1%
Feedback	43	2%
Interaction	1121	41%
Service Request	1165	43%
Total feedback	2713	100%

AHO staff resolved 63.5 per cent of all these enquiries within 22 days or less, and 78 per cent of the total number of cases were resolved in 40 days or less.

Multicultural Policies and Services Program

- This information is captured within the Annual Report for the Department of Planning and Planning.

Additional matters for inclusion in annual reports

- Nil

Cyber security policy attestation

- DPE statement explicitly includes AHO.
- Attachment A

Public Interest Disclosures

- Under the *Public Interest Disclosures Act 1994*, each public authority is required to prepare an annual report on their obligations under this Act. This information for the AHO is captured in the Department of Planning and Environment Annual Report 2021-22, as all public interest disclosures are managed centrally by the Department.
- The Department has provided personnel services in 2021-22 to the AHO.



Appendix 1: Cyber Security Policy Attestation



Appendix 10 Cyber security policy compliance attestation statement 2021-2022

Cyber Security Annual Attestation Statement for the 2021-2022 Financial Year for the Department of Planning and Environment

I, Michael Cassel, am committed to ensuring that the cyber security defences of the Department of Planning and Environment will continue to be strengthened.

During the 2021-2022 financial year, the Department of Planning and Environment has completed independent audits of its Cyber Security Uplift Program, cyber security controls, and the department's maturity against the NSW Cyber Security Policy. These audits identified both positive progress and opportunities for improvement, consistent with the evolving cyber security threat landscape.

The Department of Planning and Environment has a Cyber Security Strategy in place to ensure continuous improvement and management of cyber security governance, risk, and resilience. Risks to the information and systems of DPE are continually assessed and managed through ongoing cyber security projects and business-as-usual initiatives.

The Department of Planning and Environment has a cyber security response plan that has been exercised during the 2021-2022 financial year. The plan will continue to be reviewed and tested to maintain its currency and effectiveness.

The Department of Planning and Environment's Digital Information Office has maintained compliance with the international security standard, *ISO 27001 Information Technology - Security techniques - Information security management systems*, as certified by an Accredited Third Party (BSI) during the 2021/2022 financial year (Certificate Number: IS 645082).

The Department will continue to harden its technology environments and increase awareness of cyber security and privacy risks for all staff.

This attestation covers the following departments and agencies:

- Department of Planning and Environment
- Aboriginal Housing Office
- Biodiversity Conservation Trust
- Boundaries Commission
- Cape Byron Reserve Trust
- Coffs Coast Regional Park Trust Board
- Dumaresq-Barwon Border Rivers Commission
- Environmental Trust
- Heritage Council NSW
- Heritage Division
- Lands Administration Ministerial Corporation
- Local Government Grants Commission
- Local Government Remuneration Tribunal
- National Trust of Australia
- National Parks under Part 4A
- NSW Land and Housing Corporation
- Office of Strategic Lands (Planning Ministerial Corporation) (Corporation Sole)
- Regional Planning Panels (Northern, Southern, Western Hunter and Central Coast)
- Sydney District Planning Panels (Eastern City, North, South, Central City, West)



Appendix 10 Cyber security policy compliance attestation statement 2021-2022

- Threatened Species Scientific Committee
- Water Administration Ministerial Corporation

Michael Cassel
Secretary
NSW Department of Planning and Environment

Date: *5 October 2022*



Appendix 2: Internal Audit and Risk Management Attestation

Internal Audit and Risk Management Attestation Statement for the 2021-2022 Financial Year for the Aboriginal Housing Office

I, Michael Cassel, Secretary, am of the opinion that the Aboriginal Housing Office has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements

Risk Management Framework

- | | | |
|-----|---|------------------|
| 1.1 | The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency. | Compliant |
| 1.2 | The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018. | Compliant |

Internal Audit Function

- | | | |
|-----|--|------------------|
| 2.1 | The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose. | Compliant |
| 2.2 | The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice for Internal Auditing. | Compliant |
| 2.3 | The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'. | Compliant |

Audit and Risk Committee

- | | | |
|-----|---|------------------|
| 3.1 | The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | Compliant |
| 3.2 | The Accountable Authority shall ensure that the Audit and Risk Committee has a Charter that is consistent with the 'model charter'. | Compliant |

Membership



The independent chair and members of the collaborative Audit and Risk Committee are:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Carol Holley	30/03/2020	29/03/2023
Independent Member	Peter Scarlett	30/03/2020	29/03/2023
Independent Member	Alan Zammit	30/03/2020	29/03/2023

Shared Arrangements

I, Michael Cassel, Secretary advise that the Aboriginal Housing Office has entered into an approved shared arrangement comprising the following:

- Land and Housing Corporation
- Aboriginal Housing Office and
- Teacher Housing Authority.

The resources shared include the Audit and Risk Committee, the Chief Audit Executive and the internal audit function. The shared Audit and Risk Committee is a collaborative shared Audit and Risk Committee

A handwritten signature in blue ink, appearing to read 'M. Cassel', positioned above a horizontal line.

Michael Cassel

Secretary

Date: 18/8/22

Agency Contact:
Suzette Gay
Director Audit
02 9289 6912



Appendix 3: Audited Financial Statements 2021-22



INDEPENDENT AUDITOR'S REPORT

Aboriginal House Office

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Aboriginal House Office (the Office), which comprise the Statement by the Chief Executive, the Consolidated Statement of Comprehensive Income for the year ended 30 June 2022, the Consolidated Statement of Financial Position as at 30 June 2022, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information of the Office and the consolidated entity. The consolidated entity comprises the Office and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the financial position, financial performance and cash flows of the Office and the consolidated entity

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Office and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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



Chief Executive's Responsibilities for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the GSF Act, GSF Regulation and Treasurer's Directions. The Chief Executive's responsibility also includes such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive is responsible for assessing the ability of the Office and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Office or the consolidated entity carried out their activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Min Lee
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

13 October 2022
SYDNEY



Aboriginal Housing Office

Consolidated Financial Statements

For the year ended 30 June 2022



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ABORIGINAL HOUSING OFFICE

STATEMENT BY THE CHIEF EXECUTIVE

For and on behalf of the ABORIGINAL HOUSING OFFICE

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018*, I state that in my opinion:

1. the accompanying consolidated financial statements and notes thereto present fairly the financial position of the reporting entity (AHO), being the Aboriginal Housing Office and its controlled entity as at 30 June 2022 and its financial performance and cash flows for the year then ended; and
2. the accompanying consolidated financial statements and notes thereto have been prepared in accordance with the Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the *Government Sector Finance Act 2018*, the Government Sector Finance Regulation 2018 and Directions issued by the Treasurer.

A handwritten signature in blue ink, appearing to read 'A Williams'.

Chief Executive
Aboriginal Housing Office

12 October 2022



Aboriginal Housing Office

Consolidated statement of comprehensive income for the year ended 30 June 2022

	Notes	PARENT			CONSOLIDATED		
		Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000
Expenses excluding losses							
Personnel services	2(a)	16,740	19,345	15,768	16,740	19,345	15,768
Operating expenses	2(b)	67,390	72,383	65,093	68,068	72,383	65,654
Depreciation	2(c)	24,392	23,779	21,569	24,481	23,779	21,647
Grants and subsidies	2(d)	53,022	71,275	27,933	53,022	71,275	27,933
Finance costs	2(e)	13	-	4	13	-	4
Total expenses excluding losses		161,557	186,782	130,367	162,324	186,782	131,006
Revenue							
Rent and other tenant charges	3(a)	52,301	57,515	55,507	52,301	57,515	55,507
Grants and contributions	3(b)	207,591	193,110	113,805	207,591	193,110	113,805
Other income	3(c)	8,546	8,314	14,243	8,546	8,314	15,243
Total Revenue		268,438	258,939	183,555	268,438	258,939	184,555
Losses on disposal	4	(2,584)	(6,814)	(3,342)	(2,584)	(6,814)	(3,342)
(Impairment losses)/Reversal of impairment on financial assets	5	(333)	(553)	251	(333)	(553)	251
Net result		103,964	64,790	50,097	103,197	64,790	50,458
Other comprehensive income							
<i>Items that will not be reclassified to net result in subsequent periods</i>							
Changes in revaluation surplus of property, plant and equipment	8	450,708	88,388	70,150	451,563	88,388	70,518
Actuarial gains on superannuation liability		2,170	-	1,575	2,170	-	1,575
Total other comprehensive income		452,878	88,388	71,725	453,733	88,388	72,093
TOTAL COMPREHENSIVE INCOME		556,842	153,178	121,822	556,930	153,178	122,551

The accompanying notes form part of these financial statements.



Aboriginal Housing Office

Consolidated statement of financial position as at 30 June 2022

	Notes	PARENT			CONSOLIDATED		
		Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000
ASSETS							
Current Assets							
Cash and cash equivalents	6	26,612	4,346	3,479	26,612	4,346	3,479
Receivables	7	7,292	2,450	6,909	5,565	2,450	6,348
Total Current Assets		33,904	6,796	10,388	32,177	6,796	9,827
Non-Current Assets							
Property, plant and equipment							
Land and buildings	8	2,754,320	2,416,780	2,249,917	2,761,246	2,416,780	2,255,589
Plant and equipment	8	582	875	436	582	875	436
Capital work in progress	8	62,040	22,039	41,931	62,040	22,039	41,931
Leasehold Improvement	8	215	-	-	215	-	-
Total property, plant and equipment		2,817,157	2,439,694	2,292,284	2,824,083	2,439,694	2,297,956
Right of Use Assets	9(a)	164	-	-	164	-	-
Total Non-Current Assets		2,817,321	2,439,694	2,292,284	2,824,247	2,439,694	2,297,956
Total Assets		2,851,225	2,446,490	2,302,672	2,856,424	2,446,490	2,307,783
LIABILITIES							
Current Liabilities							
Payables	11	27,935	30,712	36,391	26,935	30,712	35,391
Borrowings	9(b)	74	-	-	74	-	-
Total Current Liabilities		28,009	30,712	36,391	27,009	30,712	35,391
Non-Current Liabilities							
Borrowings	9(b)	93	-	-	93	-	-
Provisions	12	213	213	213	213	213	213
Total Non-Current Liabilities		306	213	213	306	213	213
Total Liabilities		28,315	30,925	36,604	27,315	30,925	35,604
Net Assets		2,822,910	2,415,565	2,266,068	2,829,109	2,415,565	2,272,179
EQUITY							
Asset Revaluation Reserve	1(e)(i)	1,617,977	1,258,889	1,171,656	1,624,898	1,258,889	1,177,722
Accumulated funds	1(e)(ii)	1,204,933	1,156,676	1,094,412	1,204,211	1,156,676	1,094,457
Total Equity		2,822,910	2,415,565	2,266,068	2,829,109	2,415,565	2,272,179

The accompanying notes form part of these financial statements



Aboriginal Housing Office

Consolidated Statement of Changes in Equity for the year ended 30 June 2022

2022 PARENT	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total \$'000
Balance as at 1 July 2021		1,094,412	1,171,656	2,266,068
Net result for the year		103,964	-	103,964
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	8	-	450,708	450,708
Actuarial gains on superannuation liability		2,170	-	2,170
Total other comprehensive income		2,170	450,708	452,878
Total comprehensive income for the year		106,134	450,708	556,842
Transfer between equity items				
Transfer arising from disposals of property plant and equipment		4,387	(4,387)	-
Balance at 30 June 2022		1,204,933	1,617,977	2,822,910

2022 CONSOLIDATED	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total \$'000
Balance as at 1 July 2021		1,094,457	1,177,722	2,272,179
Net result for the year		103,197	-	103,197
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	8	-	451,563	451,563
Actuarial gains on superannuation liability		2,170	-	2,170
Total other comprehensive income		2,170	451,563	453,733
Total comprehensive income for the year		105,367	451,563	556,930
Transfer between equity items				
Transfer arising from disposals of property plant and equipment		4,387	(4,387)	-
Balance at 30 June 2022		1,204,211	1,624,898	2,829,109



Aboriginal Housing Office

Consolidated Statement of Changes in Equity for the year ended 30 June 2022

2021 PARENT	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total \$'000
Balance as at 1 July 2020		1,039,970	1,104,276	2,144,246
Net result for the year		50,097	-	50,097
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	8	-	70,150	70,150
Actuarial gains on superannuation liability		1,575	-	1,575
Total other comprehensive income		1,575	70,150	71,725
Total comprehensive income for the year		51,672	70,150	121,822
Transfer between equity items				
Transfer arising from disposals of property plant and equipment		2,770	(2,770)	-
Balance at 30 June 2021		1,094,412	1,171,656	2,266,068

2021 CONSOLIDATED	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total \$'000
Balance as at 1 July 2020		1,039,654	1,109,974	2,149,628
Net result for the year		50,458	-	50,458
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	8	-	70,518	70,518
Actuarial gains on superannuation liability		1,575	-	1,575
Total other comprehensive income		1,575	70,518	72,093
Total comprehensive income for the year		52,033	70,518	122,551
Transfer between equity items				
Transfer arising from disposals of property plant and equipment		2,770	(2,770)	-
Balance at 30 June 2021		1,094,457	1,177,722	2,272,179



Aboriginal Housing Office

Consolidated Statement of Cash Flows for the year ended 30 June 2022

	Notes	PARENT			CONSOLIDATED		
		Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Personnel services		(16,507)	(19,345)	(15,298)	(16,507)	(19,345)	(15,298)
Suppliers for goods and services		(68,354)	(70,268)	(64,609)	(68,354)	(70,268)	(64,609)
Grants and subsidies		(53,022)	(71,275)	(25,736)	(53,022)	(71,275)	(25,736)
Total payments		(137,883)	(160,888)	(105,643)	(137,883)	(160,888)	(105,643)
Receipts							
Rent and other tenant charges		54,632	57,515	55,542	54,632	57,515	55,542
Grants and contributions		207,591	193,110	110,156	207,591	193,110	110,156
Insurance Income		2,056	8,312	4,547	2,056	8,312	4,547
Other Income		3,082	974	4,456	3,082	974	4,456
Total receipts		267,361	259,911	174,701	267,361	259,911	174,701
NET CASH FLOWS FROM OPERATING ACTIVITIES	15	129,478	99,023	69,058	129,478	99,023	69,058
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale of property, plant and equipment, net of disposal costs		6,066	3,221	469	6,066	3,221	469
Purchases of property, plant and equipment		(112,289)	(100,675)	(75,867)	(112,289)	(100,675)	(75,867)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(106,223)	(97,454)	(75,398)	(106,223)	(97,454)	(75,398)
CASH FLOWS FROM FINANCING ACTIVITIES							
Payment of principal portion of lease liabilities	9(b)	(122)	-	(334)	(122)	-	(334)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(122)	-	(334)	(122)	-	(334)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		23,133	1,569	(6,674)	23,133	1,569	(6,674)
Opening cash and cash equivalents		3,479	2,777	10,153	3,479	2,777	10,153
CLOSING CASH AND CASH EQUIVALENTS	6	26,612	4,346	3,479	26,612	4,346	3,479

The accompanying notes form part of these financial statements.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022

1. Summary of significant accounting policies

(a) The Reporting Entity

The Aboriginal Housing Office (AHO) is a statutory authority established in 1998 pursuant to the Aboriginal Housing Act 1998. AHO as a reporting entity, comprises the parent entity and the controlled entity, the Dughutti Aboriginal Elders Tribal Council Trust (Trust). In the process of preparing the consolidated financial statements for the economic entity consisting of AHO and the Trust, all inter-entity transactions and balances have been eliminated and like transactions and other events are accounted for using uniform accounting policies.

AHO is responsible for planning and administering the policies, programs and asset base for Aboriginal public housing in New South Wales. This includes resource allocation, sector wide policy, strategic planning and monitoring outcomes and performance in the Aboriginal public housing sector.

AHO is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. AHO is a not-for-profit entity for financial reporting purposes (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

AHO is within the cluster of the Department of Planning and Environment (DPE) and is not a controlled entity.

The consolidated financial statements for the year ended 30 June 2022 have been authorised for issue by the Chief Executive Officer on 12 October 2022.

(b) Basis of Preparation

AHO's consolidated financial statements are general purpose financial statements, which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of *Government Sector Finance Act 2018* (GSF Act); and
- Treasurer's Directions issued under the Act.

Property, plant and equipment are measured using the fair value basis. Other financial statement items are prepared under the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations made by management are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is AHO's presentation and functional currency.

(c) Statement of compliance

The consolidated financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of GST, except that:

- the amount of GST incurred by AHO as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the consolidated Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO are classified as operating cash flows.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

1. Summary of significant accounting policies (continued)

(e) Superannuation on annual leave loading

The AHO has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: *Finance Sector Union of Australia v Commonwealth Bank of Australia* [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods as new information comes to light on this matter.

(f) Equity and reserves

(i) Asset Revaluation reserve

The revaluation surplus is used to record increments and decrements on the revaluation of property, plant and equipment. This accords with AHO's policy on the revaluation of property, plant and equipment as discussed in Note 8.

(ii) Accumulated funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

(g) Equity transfer

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by Australian Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the fair value of the assets and liabilities to the transferee entity.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible asset has been recognised at (amortised) cost by the transferor because there is no active market, AHO recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, AHO does not recognise that asset.

(h) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the consolidated financial statements.

(i) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2021-2022

The accounting policies applied in 2021-2022 are consistent with those of the previous financial year.

Several other amendments are interpretations applied for the first time in FY2021-22, but do not have an impact on the consolidated financial statements of AHO.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

1. Summary of significant accounting policies (continued)

(i) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective:

- AASB 17 Insurance Contracts
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Tier 2 and Other Australian Accounting Standards
- AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AHO's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the consolidated financial statements or significantly impact the disclosures in relation to AHO upon adoption.

(j) Changes in accounting estimates

(i) Impact of COVID-19 on Financial Reporting for 2021-22

There have been no material changes in accounting estimates as there has been no evidence to suggest that there is a significant impact of COVID-19 on AHO for the current financial year. Please refer to subsequent notes for further information on the assessments of the impact, where applicable.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

2. Expenses excluding losses

(a) Personnel services

	<u>PARENT</u>		<u>CONSOLIDATED</u>	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Salaries and wages (including annual leave)	14,557	13,542	14,557	13,542
Superannuation - defined contribution plans	1,060	966	1,060	966
Superannuation - defined benefit plans	146	98	146	98
Long service leave	163	426	163	426
Workers' compensation insurance	143	111	143	111
Payroll tax and fringe benefit tax	650	606	650	606
Other	21	19	21	19
Fee for personnel services	<u>16,740</u>	<u>15,768</u>	<u>16,740</u>	<u>15,768</u>

AHO's personnel services fee includes a component of 2022: \$0.142m (2021: \$0.094m) for the actuarial superannuation liability.

Recognition and measurement

Personnel services and payable for personnel services

AHO does not have any employees. Personnel services to AHO are provided and charged by DPE. DPE also assume the Annual Leave, Long Service Leave and superannuation provisions of employees providing Personnel services to AHO. These charges include:

(i) Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits*. AHO has assessed based on AHO's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

(ii) Long service leave and superannuation

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service.

Expected future payments are discounted using Commonwealth government bond rate of 3.66% (2021: 1.50%) at the reporting date.

- Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. In the case of AHO, this refers specifically to benefits provided to employees through superannuation schemes. Superannuation schemes are classified as either defined contribution or defined benefit.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

2. Expenses excluding losses (continued)

(a) Personnel services (continued)

(ii) Long service leave and superannuation (continued)

- Defined contribution superannuation schemes

AHO contributes to the First State Superannuation Scheme, a defined contribution scheme in the NSW public sector, as well as other private schemes to a lesser extent. Contributions to these schemes are recognised as an expense in net result as incurred. The liability recognised at the reporting date represents the contributions to be paid to these schemes in the following month.

- Defined benefit superannuation schemes

AHO contributes to three defined benefit superannuation schemes in the NSW public sector Pooled Fund. These are: State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS) and State Authorities Non-Contributory Superannuation Scheme (SANCS).

AHO's net obligation in respect of these schemes is calculated separately for each scheme by estimating the amount of the future benefit that employees have earned in return for their service in the current and prior reporting periods. That benefit is discounted to determine its present value, and the fair value of any scheme assets is deducted.

The discount rate is the yield at the reporting date on Government bonds that have maturity dates approximating to the terms of AHO's obligations. Calculations are performed by the Pooled Fund's actuary using the projected unit credit method and they are advised to individual agencies for recognition and disclosure purposes in their financial statements.

Where the present value of the defined benefit obligation in respect of a scheme exceeds the fair value of the scheme's assets, a liability for the difference is recognised in the statement of financial position. Where the fair value of a scheme's assets exceeds the present value of the scheme's defined benefit obligation, an asset is recognised in the consolidated statement of financial position.

Any superannuation asset recognised is limited to the total of any unrecognised past service and the present value of any economic benefits that may be available in the form of refunds from the schemes or reductions in future contributions to the schemes, as advised by the Pooled Fund's actuary.

Re-measurements of the net defined benefit liability or asset are recognised in other comprehensive income (directly through accumulated funds) in the reporting period in which they occur. Such re-measurements include actuarial gains or losses, the return on plan assets (excluding amounts included in net interest on the defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the defined benefit liability or asset).

(iii) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

2. Expenses excluding losses (continued)

(b) Operating expenses

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Building maintenance and utilities expense	37,816	38,644	38,431	38,766
Other contractors	10,180	9,654	10,235	10,016
Fee for services rendered ⁽ⁱⁱ⁾	7,533	7,689	7,533	7,689
Insurance	4,498	3,275	4,498	3,275
Business services fee ⁽ⁱ⁾	3,358	2,698	3,358	2,698
Product for clients	1,057	688	1,057	688
Training and development expense	530	602	530	611
Travelling, removal and subsistence	523	414	523	437
Data processing services	495	259	495	259
Rent and accommodation expense	156	249	156	249
Advertising and promotions	386	238	386	238
Auditor's remuneration - audit of the financial report	87	107	95	115
Motor vehicle leasing costs	50	84	50	84
Motor vehicle expenses	47	25	47	26
Other	674	467	674	503
	67,390	65,093	68,068	65,654

⁽ⁱ⁾ This mainly relates to expenses charged to AHO by Department of Communities and Justice (DCJ) and DPE for the business services fees of \$3.36m (2021: \$2.47m). Note that in FY2020/21 there was also a service fee recognised amounting to \$0.2m for our rent free arrangement with DPE for usage of the office space at 4PSQ from March 2021 to June 2021. A corresponding Volunteer Service revenue of \$0.2m was recognised in Note 3(b) for the rent free arrangement in accordance with AASB 1058. There were no rent free arrangements for FY2021/22. Please refer to Note 20(b) for further details.

⁽ⁱⁱ⁾ This relates to expenses charged to AHO by DCJ for tenancy management services, as well as by Land and Housing Corporation (LAHC) for contract administration, professional and technical advice, repairs and maintenance and related reporting services. Please refer to Note 20(b) for further details.

Recognition and Measurement

Maintenance expense

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

2. Expenses excluding losses (continued)

(b) Operating expenses (continued)

Recognition and Measurement (continued)

Insurance

AHO's insurance activities relating to its operations and property portfolio are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. AHO are self-insured against property and liability damage (fire damage, vehicle impact and tempest) less than \$250,000 on their property portfolio. Based on past experience and research, this option is considered to be the most economical.

Lease expense

AHO recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term. i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

(c) Depreciation

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	24,093	21,108	24,182	21,186
Right-of-use assets	116	332	116	332
Leasehold improvements	42	107	42	107
Plant and equipment	141	22	141	22
	24,392	21,569	24,481	21,647

(d) Grants and subsidies

The COVID-19 Economic Response Stimulus Program and Commonwealth National Partnership Agreement on Remote Indigenous Housing (NPARIH) provides funds towards the repair and maintenance of Aboriginal community housing and the support of the Aboriginal Community Housing Providers (ACHP).

The expenditure below relates to recurrent expenditure provided to the ACHPs.

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
National Partnership Agreement on Remote Indigenous Housing (NPARIH)	815	1,295	815	1,295
Stimulus Program - Grant payment for Aboriginal Community Upgrades	44,510	18,268	44,510	18,268
Asset transfer to LAHC (Non-cash)	-	2,197	-	2,197
Other grants	7,697	6,173	7,697	6,173
	53,022	27,933	53,022	27,933



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

2. Expenses excluding losses (continued)

(e) Finance Costs

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest expense from lease liabilities	13	4	13	4
	13	4	13	4

Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

3. Revenue

Recognition and Measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

(a) Rent and other tenant charges

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Market rental	76,429	81,927	76,429	81,927
Rental rebates	(26,805)	(29,324)	(26,805)	(29,324)
	49,624	52,603	49,624	52,603
Tenant charges	2,677	2,904	2,677	2,904
	52,301	55,507	52,301	55,507

Recognition and Measurement

Rent is charged one week in advance and recognised as revenue on an accrual basis, on a straight-line basis over the lease term.

AHO charges rent for tenants, subject to individual limitations. Tenants, however, are only charged an amount equivalent to a pre-determined percentage of their household income. The difference between the market rent and the amount tenants are charged is referred to as a rental rebate. Estimated market rent and other tenant related charges, net of estimated rental rebates, are recognised and reported in the Statement of Comprehensive Income as Rent and other tenant charges.

Management has assessed the COVID-19 situation and noted that there were no evidence to suggest AHO's rental income would be materially impacted. Management will continue to monitor any changes to the market conditions after 30 June 2022.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

3. Revenue (continued)

(b) Grants and contributions

	<u>PARENT</u>		<u>CONSOLIDATED</u>	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Grants without sufficiently specific performance obligations				
State Social Housing	4,599	4,487	4,599	4,487
National Housing and Homelessness Agreement (NHHA)	30,611	29,864	30,611	29,864
National Partnership Agreement on Remote Indigenous Housing (NPARIH)	635	5,207	635	5,207
Covid-19 Economic Response Stimulus Grant	123,463	57,284	123,463	57,284
Economic Recovery Grant	5,000	-	5,000	-
Grants from Infrastructure NSW (INSW)	27,444	-	27,444	-
Strong Family, Strong Communities	8,343	6,121	8,343	6,121
Services Our Way	4,128	3,296	4,128	3,296
Other Grants	3,085	1,983	3,085	1,983
Capital Donation - Asset Transfer from LAHC (Non-cash)	-	3,415	-	3,415
Volunteer Services (Non-cash)	-	234	-	234
Grants with sufficiently specific performance obligations				
Grants from DPE	283	1,914	283	1,914
	<u>207,591</u>	<u>113,805</u>	<u>207,591</u>	<u>113,805</u>

Grants are received through NSW Treasury from the Commonwealth Government under the National Partnership Agreement on Remote Indigenous Housing (NPARIH) and National Housing and Homelessness Agreement (NHHA). Additional contribution is also received from the State Government under State Social Housing. These funds are used mainly for the purpose of New Supply and Capital Upgrades of AHO homes.

As part of an economic response to the COVID-19 situation, a stimulus and economic recovery grant was approved for AHO to maintain social housing infrastructure through addressing critical asset condition needs and support employment in the construction/trade industry. In 2021/22, a total funding of \$128m was derived from grants from DPE and DCJ. Stimulus and economic recovery spending relating to the grant provided to AHO are reflected across Note 2(b) - *Operating Expenses (\$2.9m)*, Note 2(d) - *Stimulus Program - Grant payment for Aboriginal Community Upgrades (\$44.5m)*, and Note 8 - *Additions (\$79.2m)*.

Grants from INSW of \$27.4m (2021: \$nil) was recognised during the year as part of a MoU for the Redfern-Waterloo Authority Affordable Housing Contributions Plan.

Grants from DPE included \$0.3m (2021: \$1.9m) of funding received from DPE. The funding forms part of a Memorandum of Understanding (MoU) for AHO's solar project which is accounted for under AASB 15, whereby revenue is only recognised when specific performance obligations have been satisfied.

Recognition and Measurement

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by AHO is recognised when AHO satisfies its obligations under the transfer. AHO satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income, because this most closely reflects the progress to completion.

Revenue from grants with sufficiently specific performance obligations is recognised when AHO satisfies a performance obligation by transferring the promised goods. Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied. Income from grants without sufficiently specific performance obligations is recognised when AHO obtains control over the granted assets (e.g. cash).



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

3. Revenue (continued)

(b) Grants and contributions (continued)

Receipt of volunteer services is recognised when and only when the fair value of those services can be reliably determined and the services would have been purchased if not donated. Volunteer services are measured at fair value.

(c) Other income

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Assets recognised for the first time	3,405	5,130	3,405	5,130
Insurance Income	2,056	4,547	2,056	4,547
Small-Scale Technological Certificates Revenue	2,418	2,778	2,418	2,778
Other Income	667	1,788	667	2,788
	8,546	14,243	8,546	15,243

AHO received Ministerial approval to transfer ownership of government-owned properties purchased under the Housing Aboriginal Communities Program (HACP) to AHO-registered Aboriginal Community Housing Providers (ACHPs). AHO invited Expressions of Interest from AHO-registered ACHPs that believed that they met the requirements for transfer of title of HACP properties. As part of HACP and the title rectification program, a total of 11 properties and 3 vacant lands were recognised for the first time at \$3.4m (2021: \$5.1m).

The following were also recognised during the year:

- (i) \$2.1m insurance income received for properties lost through fire or structural damage.
- (ii) \$2.4m from the sale of Small-Scale Technology Certificate (STC) at a fixed price as part of AHO's solar project.

Recognition and Measurement

Income from assets recognised for the first time is recorded when it has been determined that AHO:

- (i) have ownership over these properties; and
- (ii) could now demonstrate control given the confirmation that these properties will not be transferred and there are valid management agreements in place;

These properties are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 21-09) and Treasurer's Direction *Valuation of Physical Non-Current Assets at Fair Value* (TD21-05). TD21-05 and TPP21-09 adopt fair value in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment. Consequently, the income recognised would be equal to the fair value of the properties.

Insurance income is recorded upon receipt of cash.

STC income is accounted for under AASB 15, whereby AHO recognises revenue from the sale of the STCs at a point in time when the STCs are generated in compliance with the regulatory requirements and sold.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

4. Losses on disposal

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Proceeds from disposal	6,102	479	6,102	479
Disposal costs	(36)	(10)	(36)	(10)
Carrying amount of assets disposed - Note 8	<u>(7,418)</u>	<u>(2,097)</u>	<u>(7,418)</u>	<u>(2,097)</u>
Net Loss on disposal of property	<u>(1,352)</u>	<u>(1,628)</u>	<u>(1,352)</u>	<u>(1,628)</u>
Loss on transfers/demolitions and retirements				
Written down value of assets demolished - Note 8	(1,232)	(1,472)	(1,232)	(1,472)
Written down value of assets written-off - Note 8	-	(242)	-	(242)
	<u>(1,232)</u>	<u>(1,714)</u>	<u>(1,232)</u>	<u>(1,714)</u>
	<u>(2,584)</u>	<u>(3,342)</u>	<u>(2,584)</u>	<u>(3,342)</u>

Recognition and Measurement

Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by AHO from time-to-time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting policies and events giving rise to impairment losses are disclosed in Note 8.

5. (Increase in)/Reversal of impairment losses on financial assets

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
(Increase in)/Reversal of allowance for impairment of receivables - refer Note 7	(333)	251	(333)	251
	<u>(333)</u>	<u>251</u>	<u>(333)</u>	<u>251</u>

6. Current assets - cash and cash equivalents

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	<u>26,612</u>	<u>3,479</u>	<u>26,612</u>	<u>3,479</u>
	<u>26,612</u>	<u>3,479</u>	<u>26,612</u>	<u>3,479</u>

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and cash at bank. There is an amount of \$213,289 for 2022 (2021: \$213,289) which relates to restricted cash held for purchase of replacement properties for the ACHPs.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of financial year to the statement of cash flows as follows:

Cash and cash equivalents (as per Statement of Financial Position)	<u>26,612</u>	<u>3,479</u>	<u>26,612</u>	<u>3,479</u>
Closing cash and cash equivalents (as per Statement of Cash Flows)	<u>26,612</u>	<u>3,479</u>	<u>26,612</u>	<u>3,479</u>



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

6. Current assets – cash and cash equivalents (continued)

Refer to Note 16 for details regarding credit risk and market risk arising from financial instruments.

7. Current assets – receivables

	PARENT		CONSOLIDATED	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Rental debtors	4,530	4,642	4,530	4,642
Sundry debtors	336	1,206	336	1,206
Receivables from Trust	1,727	561	-	-
Receivables from DCJ	65	34	65	34
Receivables from DPE	4	318	4	318
Receivables from LAHC	2,205	1,860	2,205	1,860
Less: Allowance for expected credit losses*	<u>(2,828)</u>	<u>(2,921)</u>	<u>(2,828)</u>	<u>(2,921)</u>
	<u>6,039</u>	<u>5,700</u>	<u>4,312</u>	<u>5,139</u>
Prepayments - Other	515	995	515	995
GST receivable (net)	738	214	738	214
Total receivables	<u>7,292</u>	<u>6,909</u>	<u>5,565</u>	<u>6,348</u>

***Movement in the allowance for expected credit losses**

Balance at beginning of the period	(2,921)	(3,404)	(2,921)	(3,404)
Amounts written off during the year	426	232	426	232
(Increase)/Decrease in allowance recognised in net result	<u>(333)</u>	<u>251</u>	<u>(333)</u>	<u>251</u>
Balance at end of the period	<u>(2,828)</u>	<u>(2,921)</u>	<u>(2,828)</u>	<u>(2,921)</u>

Details regarding credit risk of receivables that are either past due or impaired are disclosed in Note 16.

Recognition and measurement

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

AHO holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

AHO recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that AHO expects to receive, discounted at the original effective interest rate.

For trade receivables, AHO applies a simplified approach in calculating ECLs. AHO recognises a loss allowance based on lifetime ECLs at each reporting date. AHO has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

Management has assessed the COVID-19 situation and noted that there is limited evidence to suggest that AHO's receivables balances would be impacted. Rental debtors have not been materially impacted based on assessment of recent rental arrears, while the impact on the remaining receivables balances is expected to be minimal as these are held with other government agencies. As approximately 10% of tenants do not rely on Commonwealth transfer payments and may



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

7. Current assets – receivables (continued)

be impacted by loss of income due to the COVID-19 induced economic conditions, the ECL was increased accordingly. Management will continue to monitor any changes to the market conditions after 30 June 2022.

8. Non-current assets – property, plant and equipment

2022 PARENT	Land and Buildings				Capital Work in Progress	Total
	Tenanted*	Not Tenanted	Plant and Equipment	Leasehold Improvement		
	\$'000	\$'000	\$'000	\$'000		
At 1 July 2021 - fair value						
Gross carrying amount	2,235,622	14,436	458	-	41,931	2,292,447
Accumulated depreciation and impairment	(141)	-	(22)	-	-	(163)
Net Carrying Amount	2,235,481	14,436	436	-	41,931	2,292,284
At 30 June 2022 - fair value						
Gross carrying amount	2,737,898	16,602	745	257	62,040	2,817,542
Accumulated depreciation and impairment	(180)	-	(163)	(42)	-	(385)
Net Carrying Amount	2,737,718	16,602	582	215	62,040	2,817,157

*This relates to properties where AHO is the lessor under operating leases (social housing).

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

2022 PARENT	Land and Buildings				Capital Work in Progress	Total
	Tenanted*	Not Tenanted	Plant and Equipment	Leasehold Improvement		
	\$'000	\$'000	\$'000	\$'000		
Period ended 30 June 2022						
Net Carrying Amount at start of year	2,235,481	14,436	436	-	41,931	2,292,284
Additions	47,463	-	287	257	55,679	103,686
Assets recognised for the first time (Note 3(c))	3,235	170	-	-	-	3,405
Transfers from work in progress	37,299	(1,729)	-	-	(35,570)	-
Disposals (Note 4)	(7,063)	(355)	-	-	-	(7,418)
Demolition (Note 4)	(1,232)	-	-	-	-	(1,232)
Net revaluation increment	446,628	4,080	-	-	-	450,708
Depreciation expense (Note 2(c))	(24,093)	-	(141)	(42)	-	(24,276)
Net Carrying Amount at end of year	2,737,718	16,602	582	215	62,040	2,817,157



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

8. Non-current assets – property, plant and equipment (continued)

2021 PARENT

	Land and Buildings				Capital	Total \$'000
	Tenanted* \$'000	Not Tenanted \$'000	Plant and Equipment \$'000	Leasehold Improvement \$'000	Work in Progress \$'000	
At 1 July 2020 - fair value						
Gross carrying amount	2,120,409	17,780	64	690	21,361	2,160,304
Accumulated depreciation and impairment	(121)	-	(19)	(521)	-	(661)
Net Carrying Amount	2,120,288	17,780	45	169	21,361	2,159,643
At 30 June 2021 - fair value						
Gross carrying amount	2,235,622	14,436	458	-	41,931	2,292,447
Accumulated depreciation and impairment	(141)	-	(22)	-	-	(163)
Net Carrying Amount	2,235,481	14,436	436	-	41,931	2,292,284

*This relates to properties where AHO is the lessor under operating leases (social housing).

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below:

2021 PARENT

	Land and Buildings				Capital	Total \$'000
	Tenanted* \$'000	Not Tenanted \$'000	Plant and Equipment \$'000	Leasehold improvement	Work in Progress \$'000	
Period ended 30 June 2021						
Net Carrying Amount at start of year	2,120,288	17,780	45	169	21,361	2,159,643
Additions	34,805	-	413	-	45,973	81,191
Non-cash property transfers to LAHC (Note 2(d))	(1,483)	(714)	-	-	-	(2,197)
Non-cash property transfers from LAHC (Note 3(b))	3,355	60	-	-	-	3,415
Assets recognised for the first time (Note 3(c))	5,130	-	-	-	-	5,130
Transfers from work in progress	28,720	(3,317)	-	-	(25,403)	-
Disposals (Note 4)	(2,097)	-	-	-	-	(2,097)
Write-off (Note 4)	(180)	-	-	(62)	-	(242)
Demolition (Note 4)	(1,472)	-	-	-	-	(1,472)
Net revaluation increment	69,523	627	-	-	-	70,150
Depreciation expense (Note 2(c))	(21,108)	-	(22)	(107)	-	(21,237)
Net Carrying Amount at end of year	2,235,481	14,436	436	-	41,931	2,292,284



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

8. Non-current assets – property, plant and equipment (continued)

2022 CONSOLIDATED	Land and Buildings				Capital	Total
	Tenanted*	Not Tenanted	Plant and Equipment	Leasehold Improvement	Work in Progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 July 2021 - fair value						
Gross carrying amount	2,239,860	15,870	458	-	41,931	2,298,119
Accumulated depreciation and impairment	(141)	-	(22)	-	-	(163)
Net Carrying Amount	2,239,719	15,870	436	-	41,931	2,297,956
At 30 June 2022 - fair value						
Gross carrying amount	2,743,390	18,036	745	257	62,040	2,824,468
Accumulated depreciation and impairment	(180)	-	(163)	(42)	-	(385)
Net Carrying Amount	2,743,210	18,036	582	215	62,040	2,824,083

*This relates to properties where AHO is the lessor under operating leases (social housing).

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

2022 CONSOLIDATED	Land and Buildings				Capital	Total
	Tenanted*	Not Tenanted	Plant and Equipment	Leasehold improvement	Work in Progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Period ended 30 June 2022						
Net Carrying Amount at start of year	2,239,719	15,870	436	-	41,931	2,297,956
Additions	47,951	-	287	257	55,679	104,174
Assets recognised for the first time (Note 3(c))	3,235	170	-	-	-	3,405
Transfers from work in progress	37,299	(1,729)	-	-	(35,570)	-
Disposals (Note 4)	(7,063)	(355)	-	-	-	(7,418)
Demolition (Note 4)	(1,232)	-	-	-	-	(1,232)
Net revaluation increment	447,483	4,080	-	-	-	451,563
Depreciation expense (Note 2(c))	(24,182)	-	(141)	(42)	-	(24,365)
Net Carrying Amount at end of year	2,743,210	18,036	582	215	62,040	2,824,083



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

8. Non-current assets – property, plant and equipment (continued)

2021 CONSOLIDATED

	Land and Buildings				Capital	Total
	Tenanted*	Not Tenanted	Plant and Equipment	Leasehold Improvement	Work in Progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 July 2020 - fair value						
Gross carrying amount	2,124,437	19,134	64	690	21,361	2,165,686
Accumulated depreciation and impairment	(121)	-	(19)	(521)	-	(661)
Net Carrying Amount	2,124,316	19,134	45	169	21,361	2,165,025
At 30 June 2021 - fair value						
Gross carrying amount	2,239,860	15,870	458	-	41,931	2,298,119
Accumulated depreciation and impairment	(141)	-	(22)	-	-	(163)
Net Carrying Amount	2,239,719	15,870	436	-	41,931	2,297,956

*This relates to properties where AHO is the lessor under operating leases (social housing).

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below:

2021 CONSOLIDATED

	Land and Buildings				Capital	Total
	Tenanted*	Not Tenanted	Plant and Equipment	Leasehold improvement	Work in Progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Period ended 30 June 2021						
Net Carrying Amount at start of year	2,124,316	19,134	45	169	21,361	2,165,025
Additions	34,805	-	413	-	45,973	81,191
Non-cash property transfers to LAHC (Note 2(d))	(1,483)	(714)	-	-	-	(2,197)
Non-cash property transfers from LAHC (Note 3(b))	3,355	60	-	-	-	3,415
Assets recognised for the first time (Note 3(c))	5,130	-	-	-	-	5,130
Transfers from work in progress	28,720	(3,317)	-	-	(25,403)	-
Disposals (Note 4)	(2,097)	-	-	-	-	(2,097)
Write-off (Note 4)	(180)	-	-	(62)	-	(242)
Demolition (Note 4)	(1,472)	-	-	-	-	(1,472)
Net revaluation increment	69,811	707	-	-	-	70,518
Depreciation expense (Note 2(c))	(21,186)	-	(22)	(107)	-	(21,315)
Net Carrying Amount at end of year	2,239,719	15,870	436	-	41,931	2,297,956



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

8. Non-current assets – property, plant and equipment (continued)

Recognition and measurement

(i) Capitalisation threshold

Property, plant and equipment, including leasehold improvements costing \$5,000 and above are capitalised, if it is probable that future economic benefits will flow to AHO and the cost of the asset can be reliably measured. Grouped assets forming part of a network costing more than \$5,000 are capitalised.

(ii) Recognition and measurement

The cost method of accounting is used in the initial recording of all asset acquisitions controlled by AHO. Property, plant and equipment are subsequently revalued at fair value less accumulated depreciation and impairment.

Cost includes expenditures that are directly attributable to the acquisition of the asset, such as cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition or construction, or where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards. The present value of the expected cost of dismantling and removing an asset and restoring the site on which they are located is included in the cost of an asset, to the extent that it is recognised as a liability. AHO recognises a liability when it has a legal and constructive obligation to restore the asset.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is price that would be received to sell an asset in an orderly transaction between market participants at measurement date. Where the payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent that is, the deferred payment amount is effectively discounted at an asset-specific rate.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, with the net amount being recognised within the Statement of comprehensive income.

(iii) Subsequent costs

a) Major inspection costs

The cost of performing major inspections is capitalised as an addition to the asset, when the recognition criteria is satisfied.

b) Repairs and maintenance

AHO expenses the cost of routine repairs and maintenance necessarily incurred to maintain its property portfolio at pre-determined standards, except where they relate to replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

A percentage of repairs and maintenance on properties costing in aggregate more than \$10,000 are capitalised. Individual repairs and maintenance costing more than \$5,000 are capitalised.

Value of unpaid repairs and maintenance at reporting date is accrued. AHO estimates this accrual by applying a pre-determined percentage of the value of works orders issued to maintenance contractors. The pre-determined percentage is assessed every year depending on the status of the works orders as at reporting date.

c) Capital improvements

AHO incurs costs necessary to bring older dwellings within its property portfolio to the benchmark condition. When the work undertaken results in the improved dwellings exceeding the original standard of the dwellings, the costs incurred are capitalised.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

8. Non-current assets – property, plant and equipment (continued)

Recognition and measurement (continued)

(iv) Revaluation

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 21-09). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 10 for further information regarding fair value.

AHO revalue its lands and buildings annually to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the reporting date.

For non-specialised assets with short useful lives, these are measured at depreciated historical cost as an approximation of fair value. AHO has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets using income or market approach the accumulated depreciation of an asset at the revaluation date is eliminated against the asset's gross carrying amount. The resulting net balance in the asset account is increased or decreased to bring the asset's value to fair value.

Revaluation increments are credited directly to revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result. The remaining balance is directly credited to the revaluation reserve.

Revaluation decrements relating to an asset class is first offset against the existing credit balance in the revaluation reserve for that asset class. The remaining balance is recognised as an expense in the net result reported in the Statement of Comprehensive Income.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not against assets that belong to a different asset class.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation reserve in respect of that asset is transferred to accumulated funds.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

8. Non-current assets – property, plant and equipment (continued)

Recognition and measurement (continued)

(v) Depreciation

Property, plant and equipment, other than land is depreciated on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life. All material identifiable components of assets are depreciated separately over their useful lives. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end. AHO undertakes ongoing maintenance and upgrades in order to maintain properties at a certain standard.

The depreciation rates are as follows:

	2022 % Rate	2021 % Rate
Property		
Building	2	2
Plant & Equipment		
Office furniture and fittings	33	33
Office equipment	14	14
Computer equipment	25	25
Motor vehicles	16	-

Leasehold improvements are amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter.

(vi) Leases

Right-of-Use Assets acquired by lessees

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. AHO has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained in Note 9.

(vii) Transfer of Assets

On a regular basis, the NSW Land and Housing Corporation (LAHC) transfers properties (including legal title) to AHO to assist in meeting Aboriginal housing needs. AHO also transfers properties to LAHC, such as when the relevant properties no longer meet the requirements of Aboriginal households. AHO and LAHC regularly undertake a reconciliation of the value of property transfers in and out (quantity and dollar values).

AHO records as revenue the value of properties transferred from LAHC and records as an expense the value of properties transferred to LAHC.

(viii) Impairment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

AHO assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, AHO estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

8. Non-current assets – property, plant and equipment (continued)

Recognition and measurement (continued)

(viii) Impairment (continued)

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

(ix) Trust's assets

The assets owned by the Trust, upon consolidation, form part of AHO's consolidated financial statements. As part of a Community consultation and mediation process with the beneficiaries of the Trust to decide on the future of these assets, AHO, as the Trustee of the Trust, has the intention to transfer the assets to the beneficiaries. This intention has been ratified by the AHO Board and approved by the Chief Executive, as well as published to the Community. However, the assets will not be derecognised as at the end of 30 June 2022 as:

- the assets are still titled to AHO as the Trustee (and to the Trust) and,
- the decision has not been approved by Treasurer and Minister and,
- AHO does not have acceptance of the beneficiaries for the transfer as at the date of the consolidated Financial Statements.

As a result, AHO will continue recognising the assets until such time the transfer process has been completed.

9. Leases

AHO leases various offices for operational use. Lease contracts are typically made for fixed periods of 5 to 6 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. AHO does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by AHO and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

AHO has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new.

During the current financial year, AHO has entered into a new lease for a regional office in Dubbo, effective 1 August 2021 and this was initially recognised under AASB 16. However, this was derecognised by 30 June 2022 due to a change in office accommodation agreements as explained below.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

9. Leases (continued)

During the financial year ended 30 June 2022, AHO has accepted the changes in the office accommodation with Property NSW (PNSW). The main change is the introduction of the “substitution right” clause for PNSW to relocate the entity during the term of the agreement. The clause provides PNSW with a substantive substitution right. Therefore, these agreements are no longer accounted for as a lease within the scope of AASB 16. The office accommodation agreement with PNSW is no longer accounted for as a lease from 30 June 2022. This involves judgment that the “substitution right” clause in the agreement provides PNSW with a substantive substitution right. Management has made judgment that PNSW can obtain benefits from exercising the substitution right when it achieves office accommodation efficiency at the whole-of-government level and/or its other service objectives. It is also considered practical for PNSW to exercise the substitution right due to the general nature of the relevant office accommodation. The corresponding right of use assets and lease liabilities were derecognised on 30 June 2022, the effective date of the new clause. The net impact of the de-recognition was recognised in “Other Income” (refer to Note 3(c)). From 1 July 2022, the accommodation charges will be recognised as expenses when incurred over the agreement duration.

(a) Right-of-use assets under leases

The following tables present right-of-use assets that do not meet the definition of investment property.

PARENT/CONSOLIDATED	Buildings	Motor Vehicles	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2021	-	-	-
Additions	466	222	688
Depreciation expense	(58)	(58)	(116)
Lease modification revaluation	(408)	-	(408)
Balance at 30 June 2022	-	164	164

PARENT/CONSOLIDATED	Buildings	Motor Vehicles	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2020	518	-	518
Additions	-	-	-
Depreciation expense	(332)	-	(332)
Lease modification revaluation	(186)	-	(186)
Balance at 30 June 2021	-	-	-

(b) Lease liabilities

The following table presents liabilities under leases:

PARENT/CONSOLIDATED	Total
	\$'000
Balance at 1 July 2021	-
Addition	688
Lease modification revaluation	(412)
Interest expenses	13
Payments	(122)
Balance at 30 June 2022	167
Balance at 1 July 2020	627
Lease modification revaluation	(297)
Interest expenses	4
Payments	(334)
Balance at 30 June 2021	-



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

9. Leases (continued)

(b) Lease liabilities

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current lease liability	74	-	74	-
Non-current lease liability	<u>93</u>	<u>-</u>	<u>93</u>	<u>-</u>
	<u>167</u>	<u>-</u>	<u>167</u>	<u>-</u>

(c) Right-of-use expenses under leases

The following amounts were recognised in the statement of comprehensive income for the current and prior periods:

	2022	2021
	\$'000	\$'000
Gain on modification of leases	(3)	(110)
Depreciation expense of right-of-use assets	116	332
Interest expense on lease liabilities	<u>13</u>	<u>4</u>
Total amount recognised in the statement of comprehensive income	<u>126</u>	<u>226</u>

AHO had total cash outflows for leases of \$0.122m in FY2021-22 (\$0.334m in FY2020-21).

Recognition and measurement

AHO assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. AHO recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

AHO recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets (50 years for office buildings).

As the lease terms for AHO's right-of-use assets is usually 5 years which is shorter than the useful lives of the assets, these assets are depreciated over the lease term.

If ownership of the leased asset transfers to AHO at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. AHO assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, AHO estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

9. Leases (continued)

Recognition and measurement (continued)

i. Right-of-use assets (Continued)

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

ii. Lease liabilities

At the commencement date of the lease, AHO recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by AHO; and
- payments of penalties for terminating the lease, if the lease term reflects AHO exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for AHO's leases, the lessee's incremental borrowing rate is used, being the rate that AHO would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The only borrowing that AHO has relates to lease liabilities. Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

iii. Short-term leases and leases of low-value assets

AHO applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term. AHO does not have such leases as at 30 June 2022.

iv. Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable AHO to further its objectives is same as normal right-of-use assets. They are measured at cost, subject to impairment. AHO does not have such leases as at 30 June 2022.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

10. Fair value measurement of non-financial assets

(a) Fair value hierarchy

2022	Notes	Level 1	Level 2	Level 3	Total
PARENT		\$'000	\$'000	\$'000	fair value
Property, plant and equipment					\$'000
Land and buildings	8	-	-	2,754,320	2,754,320
		-	-	2,754,320	2,754,320
2022					
CONSOLIDATED					
Property, plant and equipment					
Land and buildings	8	-	-	2,761,246	2,761,246
		-	-	2,761,246	2,761,246

There were no transfers between Level 1 or 2 during the period.

2021	Notes	Level 1	Level 2	Level 3	Total
PARENT		\$'000	\$'000	\$'000	fair value
Property, plant and equipment					\$'000
Land and buildings	8	-	-	2,249,917	2,249,917
		-	-	2,249,917	2,249,917
2021					
CONSOLIDATED					
Property, plant and equipment					
Land and buildings	8	-	-	2,255,589	2,255,589
		-	-	2,255,589	2,255,589

There were no transfers between Level 1 or 2 during the period.

Recognition and measurement

Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

10. Fair value measurement of non-financial assets (continued)

(a) Fair value hierarchy (continued)

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, AHO categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets / liabilities that AHO can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

AHO recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(b) Valuation techniques, inputs and processes

Fair values are determined by applying an annual rolling benchmark valuation approach whereby a third of the benchmark properties are valued by accredited property valuers with reference to market sales comparisons to calculate a market movement index. The market movement index is applied to the remaining two-thirds of the benchmark properties. This has the advantage of engaging an independent assessment annually. All benchmark properties are grouped within thirteen geographical reporting regions. The median value increase in each geographical group is then applied to the entire property portfolio. Adjustments to each property are made for any significant different characteristic from benchmark properties. The rolling benchmark valuation process is calculated annually as at 31 December. As such, an uplift market movement factor is provided from a registered valuer for the six months period ended 30 June 2022.

The uplift/(downward) market movement for the six months ended 30 June 2022 is nil. This methodology involves a physical independent valuation each year of one-third of the benchmark properties.

COVID-19 has created uncertainty in all sectors of the State's economy including the housing market. At the time of preparing these financial statements, there has been no indication of a negative financial impact, if any, on AHO's property, plant and equipment as at 30 June 2022. AHO's residential property portfolio's fair value is determined by the market approach, primarily comparable recent market sales. Management has made enquiries of external parties and has not been made aware of any evidence of a material change in residential property values as a result of COVID-19 that would result in an adjustment to fair value as at 30 June 2022. Management will continue to monitor any changes to the market conditions after 30 June 2022.

Significant inputs

- Market sales comparison approach utilising recent sales of comparable properties.
- Adjustments for any different attributes to benchmark properties- number of bedrooms, street appeal, aspect, dwelling size, yard size, internal condition and car accommodation, land size and zoning restrictions
- Where a single title exists over multiple properties, a block title adjustment is made to reflect the required costs for sub-division.
- Market movement for six months ended 30 June.

Inter-relationship between significant inputs and fair value measurement

- Higher (lower) market sales values reflect higher (lower) valuations.
- Better / (lesser) attributes for location, condition, size, aspect and street appeal over benchmark properties result in higher / (lower) valuation.
- Depending on the complexity of the conversion to single title, valuations are reduced by conversion costs.
- Higher / (lower) six monthly uplift market movement will result in higher / (lower) valuation.

Due to the extent of extrapolation and calculations for block title adjustments and uplift factors, management considers that an overall type 3 input level is appropriate.

(c) Reconciliation of Level 3 fair value measurements

Please refer to Note 8 for a reconciliation of the Level 3 fair value measurements for land & buildings.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

11. Current liabilities – payables

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Payable for personnel services - inter-agency	11,922	13,854	11,922	13,854
Creditors - trade	8,226	5,530	8,226	5,530
Creditors - sundry	2,392	2,572	2,392	2,572
Payable to the Dunghutti Trust	1,000	1,000	-	-
Accrued operating expenditure	3,917	4,842	3,917	4,842
Accrued capital expenditure - LAHC	31	4,528	31	4,528
Accrued capital expenditure - DPE	-	170	-	170
Accrued capital expenditure - Others	447	3,895	447	3,895
	<u>27,935</u>	<u>36,391</u>	<u>26,935</u>	<u>35,391</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are included in Note 16.

Recognition and measurement

Trade and other payables

These represent liabilities for goods and services provided to AHO and other amounts. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. However, short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Subsequent to initial recognition, trade and other payables are measured at amortised cost using the effective interest method.

Gains and losses are recognised in the net result when the liabilities are de-recognised as well as through the amortisation process.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

12. Non-current liabilities – provisions

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Property replacement cost	213	213	213	213
Total Provisions	213	213	213	213

Reconciliation

A reconciliation of the provision movements for the current year is set out below:

2022 PARENT	Property replacement \$'000	Restoration \$'000	Total \$'000
Carrying amount at beginning of the financial year	213	-	213
Additional provision recognised	-	-	-
Provision settled	-	-	-
Unwinding/Change in the discount rate	-	-	-
Carrying amount at the end of the financial year	213	-	213
2022 CONSOLIDATED	Property replacement \$'000	Restoration \$'000	Total \$'000
Carrying amount at beginning of the financial year	213	-	213
Additional provision recognised	-	-	-
Provision settled	-	-	-
Unwinding/Change in the discount rate	-	-	-
Carrying amount at the end of the financial year	213	-	213



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

12. Non-current liabilities – provisions (continued)

Reconciliation

A reconciliation of the provision movements for the previous year is set out below:

2021 PARENT	Property replacement \$'000	Restoration \$'000	Total \$'000
Carrying amount at beginning of the financial year	213	325	538
Additional provision recognised	-	9	9
Provision settled	-	(334)	(334)
Unwinding/Change in the discount rate	-	-	-
Carrying amount at the end of the financial year	<u>213</u>	<u>-</u>	<u>213</u>

2021 CONSOLIDATED	Property replacement \$'000	Restoration \$'000	Total \$'000
Carrying amount at beginning of the financial year	213	325	538
Additional provision recognised	-	9	9
Provision settled	-	(334)	(334)
Unwinding/Change in the discount rate	-	-	-
Carrying amount at the end of the financial year	<u>213</u>	<u>-</u>	<u>213</u>

Recognition and measurement

Provisions

AHO has no employees and therefore has no employee related provisions.

A provision is recognised if, as a result of a past event, AHO has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

Restoration costs provision is the present value of AHO's obligation to make-good leased premises at the reporting date. The assumed settlement is based on contractual lease term. The amount and timing of each estimate is reassessed annually. Provision for property replacements cost relates to AHO's obligation to purchase suitable replacement properties for the ACHPs. This amount is reassessed on an annual basis.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

13. Commitments for expenditure

Capital commitments

Aggregate capital expenditure contracted for the purpose of providing housing for Aboriginal people at balance date and not provided for:

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Within one year	31,019	42,006	31,019	42,006
Later than one and not later than five years	-	-	-	-
Total (including GST)	31,019	42,006	31,019	42,006

A majority of the Capital Commitments relates to AHO's COVID-19 Economic Response Stimulus and Economic Recovery Programs that are currently in progress.

14. Contingent Liabilities and Contingent Assets

There were 3 properties that AHO does not have definitive control over as at 30 June 2022 (2021 - 7 properties). As a result, they will not be recognised until such time as full control is established. The value of these properties is \$0.67m. (2021 - \$2.54m).

There were no contingent liabilities for AHO as at 30 June 2022 (2021 - \$Nil).

15. Reconciliation of cash flows from operating activities to net result

	PARENT		CONSOLIDATED	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Net cash from operating activities	129,478	69,058	129,478	69,058
Losses on disposal, demolitions and write-offs	(2,584)	(3,342)	(2,584)	(3,342)
Depreciation	(24,392)	(21,569)	(24,481)	(21,647)
Assets recognised for the first time	3,405	5,130	3,405	5,130
Non-cash transfer from LAHC	-	3,415	-	3,415
Non-cash transfer to LAHC	-	(2,197)	-	(2,197)
Actuarial loss on superannuation liability	(142)	(94)	(142)	(94)
Volunteer service income - rent free arrangement with DPE	-	234	-	234
Volunteer service expense - rent free arrangement with DPE	-	(234)	-	(234)
Gain on lease modification	3	110	3	110
Finance costs	(13)	(4)	(13)	(4)
Decrease/(Increase) in allowance for impairment	(333)	251	(333)	251
Increase / (decrease) in receivables	232	2,636	(446)	2,075
Decrease / (increase) in provisions	-	325	-	325
Decrease / (increase) in payables	(1,690)	(3,622)	(1,690)	(2,622)
Net result	103,964	50,097	103,197	50,458



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

16. Financial instruments

AHO's principal financial instruments are outlined below. These financial instruments arise directly from AHO's operations or are required to finance AHO's operations. AHO does not enter into or trade financial instruments for speculative purposes. AHO does not use financial derivatives. AHO's main risks arising from financial instruments are outlined below, together with AHO's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial statements.

The Secretary has the overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by AHO, to set risk limits and controls and to monitor risks. AHO works closely with DPE and participates in the DPE risk management process to manage these risks. Compliance with policies is reviewed by AHO on a continuous basis.

(a) *Financial instrument categories for consolidated entity*

Financial Assets	Note	Category	2022	2021
Class:			\$'000	\$'000
Cash and cash equivalents	6	Amortised Cost	26,612	3,479
Receivables (1)	7	Amortised Cost Loans and Receivables	4,312	5,139
Total financial assets			30,924	8,618
<hr/>				
Payables (2)	11	Financial liabilities measured at amortised cost	26,935	35,391
Borrowings	9	Financial liabilities measured at amortised cost	167	-
Total financial liabilities			27,102	35,391

(1) Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

(2) Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

AHO determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

16. Financial Instruments (continued)

(a) Financial instrument categories for consolidated entity (continued)

De-recognition of financial assets and liabilities

(i) Financial assets

Financial assets are de-recognised when the contractual rights to the cash flows from the financial assets expire; or when AHO transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- a) AHO has transferred substantially all the risks and rewards of the asset; or
- b) AHO has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When AHO has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where AHO has neither transferred nor retained substantially all the risks and rewards or transferred control, financial assets are recognised only to the extent of AHO's continuing involvement in the asset. In that case, AHO also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that AHO has retained.

(ii) Financial liabilities

Financial liabilities are de-recognised when the obligations specified in the contracts expire, are discharged or cancelled.

(b) Credit risk

Credit risk arises when there is a possibility of AHO's debtors defaulting on their contractual obligations, resulting in a financial loss to AHO. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of AHO, including cash and receivables. No collateral is held by AHO. AHO has not granted any financial guarantees.

AHO considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, AHO may also consider a financial asset to be in default when internal or external information indicates that AHO is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by AHO.

Cash and cash equivalents

Cash comprises cash on hand and bank balances with Westpac Banking Corporation. Interest is earned on daily bank balances. Any interest income earned is pooled centrally and retained by NSW Treasury.

Accounting policy for impairment of trade debtors and other financial assets

Receivables - trade debtors

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

AHO applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

16. Financial Instruments (continued)

(b) Credit risk (continued)

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. AHO has identified the GDP, the unemployment rate and the Commonwealth government welfare transfer payments regime to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade debtors was determined as follows:

	30 June 2022					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	-	-	100%	67%	67%	
Estimated total gross carrying amount at default	-	-	3	3	4,188	4,194
Expected credit loss			3	2	2,823	2,828

	30 June 2021					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	-	-	67%	50%	67%	
Estimated total gross carrying amount at default	-	-	3	4	4,337	4,344
Expected credit loss	-	-	2	2	2,917	2,921

Note: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the "total" will not reconcile to the receivables total in Note 7.

(c) Liquidity risk

Liquidity risk is the risk that AHO will be unable to meet its payment obligations when they fall due. AHO continuously manages risk through monitoring future cash flows and commitments maturities. No assets have been pledged as collateral. AHO's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. NSW TC 11/12 allows the Minister to award interest for late payment. No interest for late payment was made during the 2022 year (2021: \$Nil).



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

16. Financial Instruments (continued)

(c) Liquidity risk (continued)

The table below summarises the maturity profile of AHO's consolidated entities' financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

At 30 June 2022	Interest rate exposure		Maturity dates		
	Nominal Amount		Between 1 and 5 years	> 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Payable for personnel services	11,922	11,922	-	-	11,922
Creditors and accrual expenses	15,013	15,013	-	-	15,013
Borrowings	167	74	93	-	167
Total	27,102	27,009	93	-	27,102

At 30 June 2021	Interest rate exposure		Maturity dates		
	Nominal Amount		Between 1 and 5 years	> 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Payable for personnel services	13,854	13,854	-	-	13,854
Creditors and accrual expenses	21,537	21,537	-	-	21,537
Total	35,391	35,391	-	-	35,391

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which AHO can be required to pay.

AHO has access to the following line of credit with Westpac:

	2022	2021
	\$'000	\$'000
Tape Negotiation Authority	20,000	20,000

This facility authorises the bank to debit AHO's operating bank account up to the above limit when processing the electronic payroll and accounts payables.

	2022	2021
	\$'000	\$'000
AHO has access to the following credit card facility with Citibank	700	500

This facility was approved under the Government Sector Finance Act 2018 by the Treasurer on 17 Nov 2021 as a maximum limit for AHO's corporate credit cards.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

16. Financial Instruments (continued)

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. AHO's exposures to market risk are primarily through interest rate risk on cash and cash equivalents. AHO has no exposure to foreign currency risk and does not trade in derivatives of any nature.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change of +/- 1 per cent is used, consistent with current trends in interest rates. This basis will be reviewed annually and amended where there is a structural change in the level of interest volatility. AHO's parent and consolidated entities' exposure to interest rate risk is set out below.

30 June 2022	-1%		+1%		
	Carrying amount	Net Result	Equity	Net Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	26,612	(266)	(266)	266	266
Total increase/(decrease)		(266)	(266)	266	266

30 June 2021	-1%		+1%		
	Carrying amount	Net Result	Equity	Net Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	3,479	(35)	(35)	35	35
Total increase/(decrease)		(35)	(35)	35	35

(e) Fair Value compared to carrying amount

The carrying values of financial assets less any impairment provision and financial liabilities are a reasonable approximation of their fair value due to their short term nature.

17. Budget review

Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual consolidated amounts disclosed on the primary consolidated financial statements are explained below.

Net Cost of Services (NCOS) (equivalent to Net result)

The Net Cost of Services (NCOS) was \$103.2m in surplus against the approved budget of \$64.8m.

The major variances to budget for revenue were:

Rent and other tenant charges are lower than budget by \$5.2m due to the Property Management Transfer (PMT) program during the year, which involves the transfer of management of AHO properties to the Aboriginal Community Housing Providers (ACHPs). Due to the transfer, rental income is now received by the ACHPs and no longer paid to the AHO.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

17. Budget review (Continued)

Grant revenue is higher than budget by \$14.5m mainly due to \$27.4m of grant received from Infrastructure NSW (INSW) during the year as part of the Redfern Waterloo Contribution Plan, which was offset by the NPARIH Program grant funding which was lower than budget by \$12.9m. The NPARIH program experienced delay due to the COVID-19 pandemic, major flood events during the year, and pause in exits from Build and Grow agreements with Local Aboriginal Land Councils (LALC's). This work will continue to be carried out over the next 1-2 years as LALCs resume direct responsibility for their property and tenancy management, with the AHO to provide assistance at exit on property condition. As this is Commonwealth funding, all NPARIH Community Upgrades and administrative support funds have been approved for carry-over into future years, with no funds lost.

The major variances to budget for expenditures were:

Personnel services and operating expenses were below budget by \$2.6m and \$4.3m respectively, primarily due to carry-forwards relating to the Strong Family, Strong Communities and Services Our Way programs. The COVID-19 pandemic and the floods during the year impacted the delivery of these programs and the carry-forwards ensured that no funding was lost.

NPARIH Program grant expense was below budget by \$12.7m as a result of the carry-forward mentioned in the revenue section above.

Assets and Liabilities

The major variances to budget were:

AHO's cash position as at year end is higher than budget by \$22.3m mainly due to grant revenue received from INSW as mentioned above.

Property, plant and equipment was higher than budget by \$384.4m due to a higher than expected revaluation increment for the property portfolio which reflects the rise in property prices across NSW during the financial year. This is in addition to \$3.4m of properties recognised for the first time during the year.

Receivables was higher than budget by \$3.1m mainly due to timing of cash receipt from rental debtors.

Payables was lower than budget by \$3.8m mainly due to payments made for completed work milestones for our Stimulus program.

Asset Revaluation Reserve was higher than budget by \$366.0m as a result of a higher than expected \$451.6m revaluation increment for our property portfolio as mentioned above.

Cash Flows

As mentioned above, AHO's cash position as at year end is higher than budget by \$22.3m mainly due to grant revenue received from INSW.

18. Program group statement

AHO operates and reports in one program group. The Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position show the program group information of AHO.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

19. Defined benefit superannuation plans

DPE

	SASS		SANCS		SSS		Total	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Member Numbers								
Contributors	-	-	-	-	-	-	-	-
Pensioners	-	-	-	-	7	7	7	7
Superannuation Position	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued liability	-	-	(10)	(11)	10,899	13,372	10,889	13,361
Estimated reserve account balance	(1)	(1)	(58)	(60)	(3,379)	(3,822)	(3,438)	(3,883)
Net liability recognised in statement of financial position	(1)	(1)	(68)	(71)	7,520	9,550	7,451	9,478

Details of the schemes and key assumptions on the actuarial assessments of the above superannuation position are disclosed in the financial statements of DPE as employer of these employees.

DPE provides personnel services to AHO as AHO does not have employees.

20. Related party disclosures

A related party is a person or entity that is related to AHO that is preparing consolidated financial statements. AHO is a cluster agency of DPE. As AHO is a statutory authority 100% controlled by the NSW Government, AHO is a related party of all NSW Government controlled agencies and State Owned Corporations.

(a) Key management personnel

In accordance with AASB 124 *Related Parties* disclosures, Key Management Personnel 'KMP' are those having authority and responsibility for planning, directing and controlling the activities of the entity including whether executive or otherwise.

The Minister, the Secretary of DPE and Chief Executive of the Aboriginal Housing Office have been identified as the KMP of AHO.

Key management personnel compensation

Ministers are compensated by NSW Legislature and AHO is not obligated to reimburse the Legislature. Ministerial compensation has been centrally compiled by Treasury and Department of Premier and Cabinet for distribution to agencies for inclusion in their financial statements. AHO is not aware of any non-monetary benefits provided by AHO to the Minister. The Secretary is remunerated by DPE as the principal department of the cluster and therefore compensation for the Secretary is also excluded from the table below.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

20. Related party disclosures (continued)

AHO's key management personnel compensation is as follows:

	2022	2021
	\$'000	\$'000
Short-term employee benefits:	381	443
Post-employment benefits	-	-
Total remuneration	381	443

The above compensation disclosures are based on actual payments made to KMP during the year.

KMP Related party information

There were no other related party transactions that occurred during the year with KMP or close family members of KMP.

(b) Other related party transactions

Cluster agencies

AHO does not have any employees. Personnel services to AHO are provided and charged by DPE. These intercompany personnel services costs are disclosed in Note 2 (a) and Note 11.

A management agreement exists between AHO and LAHC whereby LAHC provides contract administration and repairs and maintenance. During the period to 30 June 2022, AHO incurred \$2.16m (2021: \$2.45m) as management fees and this amount is disclosed in Note 2 (b) Fee for services rendered.

A management agreement exists between AHO, DPE and DCJ, whereby DCJ provides tenancy and other housing assistance services. During the period to 30 June 2022, AHO incurred \$5.37m (2021: \$5.24m) as management fees to DPE and this amount is disclosed in Note 2 (b) Fee for services rendered.

A management agreement exists between AHO, DPE and DCJ whereby finance, human resources, and information technology and business services are provided to AHO. During the period to 30 June 2022, AHO incurred \$3.36m (2021: \$2.47m) as management fees to DPE and this amount is disclosed in Note 2 (b) Business Services fee.

In prior year, AHO had recognised non-cash grant expense to LAHC of \$2.2m for assets transferred to LAHC. This was disclosed in Note 2 (d) Grants and subsidies.

AHO had recognised grant revenue from DPE of \$80.0m, which includes \$73.2m from Stimulus program, \$4.1m from Service Our Way program, \$2.4m from cash buffer grant, and \$0.3m from OEH grant. These amounts are disclosed in Note 3 (b) Grants and contributions.

AHO had recognised grant revenue from DCJ of \$99.4m, which includes \$50.3m from Stimulus program, \$30.6m from NHHA program, \$8.3m from SFSC program, \$5.0m from Economic Recovery program, \$4.6m from State Social Housing program, and \$0.6m from NPARIH program. These amounts are disclosed in Note 3 (b) Grants and contributions.

AHO had recognised grant revenue from INSW of \$27.4m for the Redfern-Waterloo Authority Affordable Housing Contributions Plan. This amount is disclosed in Note 3 (b) Grants and contributions.

In prior year, AHO had recognised non-cash grant revenue from LAHC of \$3.4m for assets transferred from LAHC as capital donation. This was disclosed in Note 3 (b) Grants and contributions.

In prior year, AHO had recognised a volunteer service revenue from DPE (non-cash) of \$0.23m for our rent free arrangement with DPE in relation to the usage of the office space at 4PSQ from March 2021 to June 2021. This was disclosed in Note 3 (b) Grants and contributions.

Other government agencies

AHO transacts with other government entities in the normal course of business at arm's length.



Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2022
(Continued)

20. Related party disclosures (continued)

Transaction with the Trust

There was no related party transactions with the Trust during the year.

Balance with related parties

The aggregate value of the outstanding related party balances with AHO are as follows:-

	2022	2021
	\$'000	\$'000
Receivables from:		
DPE (Note 7)	4	318
DCJ (Note 7)	65	34
LAHC (Note 7)	2,205	1,860
The Trust (Note 7)	1,727	561
Total	4,001	2,773
 Payables for personnel services to:		
DPE (Note 11)	11,922	13,854
Total	11,922	13,854
 Accrued capital expenditure to:		
DPE (Note 11)	-	170
LAHC (Note 11)	31	4,528
Total	31	4,698
 Payable to:		
The Trust (Note 11)	1,000	1,000
Total	1,000	1,000

21. Events after the reporting period

There were no other events subsequent to balance date which would significantly affect the disclosures of these financial statements.



Appendix 4: Audited Trust Financial Statements 2021-22

Dunghutti Aboriginal Elders Tribal Council Trust

Financial statements for the year ended

30 June 2022



Dunghutti Aboriginal Elders Tribal Council Trust

Financial statements For the year ended 30 June 2022

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Dunghutti Aboriginal Elders Tribal Council Trust

Statement by Trustee

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018*, I state that in my opinion:

1. the accompanying financial statements and notes thereto present fairly the financial position of the Dunghutti Aboriginal Elders Tribal Council Trust as at 30 June 2022 and its financial performance and cash flows for the year then ended; and
2. have been prepared in accordance with the Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the *Government Sector Finance Act 2018*, the *Government Sector Finance Regulation 2018* and Directions issued by the Treasurer.

A handwritten signature in blue ink that reads "A Williams".

Chief Executive

For and on behalf of
Aboriginal Housing Office,
Trustee

12 October 2022



Dunghutti Aboriginal Elders Tribal Council Trust

Statement of Comprehensive Income For the year ended 30 June 2022

	Notes	2022 (\$)	2021 (\$)
<u>Expenses</u>			
Repairs and maintenance	2	533,643	75,180
Professional fees	3	54,636	361,949
Utilities		82,274	47,570
Depreciation	6	88,659	78,240
Travel		413	22,388
Others		7,685	53,782
Total Expenses		767,310	639,109
 <u>Revenue</u>			
Other income	4	-	1,000,000
Total Revenue		-	1,000,000
 Net (deficit)/surplus		 (767,310)	 360,891
 Other comprehensive income			
<i>Items that will not be reclassified to net result in subsequent periods</i>			
Changes in revaluation reserve	6	855,437	368,242
Total other comprehensive income		855,437	368,242
 Total comprehensive income		 88,127	 729,133

The accompanying notes form part of the financial statements.



Dunghutti Aboriginal Elders Tribal Council Trust

Statement of Financial Position For the year ended 30 June 2022

	Notes	2022 (\$)	2021 (\$)
<u>Assets</u>			
Current assets			
Receivables from Aboriginal Housing Office	5	1,000,000	1,000,000
Total current assets		1,000,000	1,000,000
Non-current assets			
Land and buildings	6	6,926,000	5,672,002
Total non-current assets		6,926,000	5,672,002
Total assets		7,926,000	6,672,002
<u>Liabilities</u>			
Current liabilities			
Payable to Aboriginal Housing Office	7	1,726,740	560,869
Total current liabilities		1,726,740	560,869
Total liabilities		1,726,740	560,869
Net assets		6,199,260	6,111,133
<u>Equity</u>			
Asset revaluation reserve		6,436,312	5,580,875
Accumulated funds		(237,052)	530,258
Total equity		6,199,260	6,111,133

The accompanying notes form part of the financial statements.



Dunghutti Aboriginal Elders Tribal Council Trust

Statement of Changes in Equity For the year ended 30 June 2022

2022	Notes	Accumulated Funds (\$)	Asset Revaluation Reserve (\$)	Total (\$)
Balance at 1 July 2021		530,258	5,580,875	6,111,133
Net deficit for the year		(767,310)	-	(767,310)
<u>Other comprehensive income:</u>				
Net increase in fair value of land and buildings	6	-	855,437	855,437
Total other comprehensive income		-	855,437	855,437
Total comprehensive income for the year		(767,310)	855,437	88,127
Balance at 30 June 2022		(237,052)	6,436,312	6,199,260
<u>Other comprehensive income:</u>				
Net increase in fair value of land and buildings	6	-	368,242	368,242
Total other comprehensive income		-	368,242	368,242
Total comprehensive income for the year		360,891	368,242	729,133
Balance at 30 June 2021		530,258	5,580,875	6,111,133



Dunghutti Aboriginal Elders Tribal Council Trust

Statement of Cash Flows For the year ended 30 June 2022

	Notes	2022 (\$)	2021 (\$)
<u>Cash flows from operating activities</u>			
Net cash flows from operating activities	13	-	-
<u>Cash flows from investing activities</u>			
Net cash flows from investing activities		-	-
<u>Cash flows from financing activities</u>			
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Opening Cash and cash equivalents		-	-
Closing Cash and cash equivalents		-	-

Note: There are no cash flows since no separate bank account is maintained for the Dunghutti Aboriginal Elders Tribal Council Trust (the Trust).



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

1. Summary of significant accounting policies

(a) Reporting Entity

The Dunghutti Aboriginal Elders Tribal Council Trust (The Trust) is a NSW government entity controlled by the State of New South Wales, which is the ultimate parent. The Trust is a not-for-profit entity (as profit is not its principal objective) and has no cash generating units.

The Trust was established on 22 October 2001 and is controlled by the Aboriginal Housing Office (AHO) with the objective of providing Aboriginal and Torres Strait Islander people access to quality and affordable housing.

AHO, as the Trustee, holds the legal title of the land and building assets of \$6.9 million (2021: \$5.7 million) at the Old Burnt Bridge area in South Kempsey in northern New South Wales. The assets are held on trust for the beneficiaries.

These financial statements for the year ended 30 June 2022 have been authorised for issue by the Trustee on 12 October 2022.

(b) Basis of preparation

The Trust's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of *Government Sector Finance Act 2018* (GSF Act); and
- Treasurer's Directions issued under the GSF Act

Land and Buildings are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management made are disclosed in the relevant notes to the financial statements.

All amounts rounded to the nearest dollar and are expressed in Australian currency, which is the Trust's presentation and functional currency.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Accounting for goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the:

- amount of GST incurred by the Trust as a purchaser is not recoverable from the Australian Taxation Office (ATO) and is therefore recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

1. Summary of significant accounting policies (Continued)

(e) Superannuation on annual leave loading

The Trust has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods as new information comes to light on this matter.

(f) Equity and Reserve

(i) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Trust's policy on the revaluation of land and buildings.

(ii) Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

(g) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

(h) Changes in accounting policies, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2021-2022

The accounting policies applied in 2021-2022 are consistent with those of the previous financial year.

Several other amendments are interpretations apply for the first time in FY2021-22, but do not have an impact on the financial statements of the Trust.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

1. Summary of significant accounting policies (Continued)

(h) Changes in accounting policies, including new or revised Australian Accounting Standards (Continued)

(ii) NSW public sector entities are not permitted to early adopt new Australian accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards and interpretations have not been applied and are not yet effective.

- AASB 17 Insurance Contracts
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Tier 2 and Other Australian Accounting Standards
- AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

The Trust's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Trust.

(i) Impact of COVID-19 on Financial Reporting for 2021-22

There have been no material changes in accounting estimates as there has been no evidence to suggest that there is a significant impact of COVID-19 on AHO for the current financial year. Please refer to subsequent notes for further information on the assessments of the impact, where applicable.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

2. Repairs and Maintenance

	2022	2021
	(\$)	(\$)
Repair and maintenance	533,643	75,180

Day-to-day servicing costs or recurrent repairs and maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

These costs were incurred by the AHO as the Trustees on behalf of the Beneficiaries of the Trust. There were capital improvements of \$487,220 for the current year (2021: nil) as per Note 6.

3. Professional Fees

	2022	2021
	(\$)	(\$)
Professional Fees	54,636	361,949

The AHO as the Trustee of the Trust have been working closely with the community on the future of the properties held by the Trust. This has included use of mediation and legal services. Professional fees are recognised as incurred.

4. Other Income

	2022	2021
	(\$)	(\$)
Commonwealth payment (i)	-	1,000,000
Other Income	-	1,000,000

(i) In FY2021, a one-off payment of \$1 million was received from the Commonwealth to support the subdivision and transfer of the Trust assets to the beneficiaries of the Trust.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

5. Current Assets - Receivables

	2022	2021
	(\$)	(\$)
Receivables from Aboriginal Housing Office (i)	1,000,000	1,000,000
Total receivables	1,000,000	1,000,000

- (i) The receivable balance of \$1m in FY2022 (2021: \$1m) relates to the same Commonwealth grant that was received by AHO as the Trustee in FY2021, disclosed in Note 4(i). As the Trust does not hold any bank account, the grant amount is currently being held in AHO's bank account as the Trustee.

6. Non-Current Assets – Land and buildings

	Land & Buildings
	(\$)
2022	
At 1 July 2021 – fair value	
Gross carrying amount	5,672,002
Accumulated depreciation and impairment	-
Net Carrying Amount	5,672,002
At 30 June 2022 – fair value	
Gross carrying Amount	6,926,000
Accumulated depreciation and impairment	-
Net Carrying Amount	6,926,000

Reconciliations

Reconciliations of the carrying amounts of land and buildings at the beginning and end of the reporting period are set out below:

	Land & Buildings
	(\$)
2022	
Period ended 30 June 2022	
Net carrying amount at start of year	5,672,002
Capital improvement	487,220
Net revaluation increment	855,437
Depreciation expense	(88,659)
Net carrying amount at end of year	6,926,000



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

6. Non-Current Assets – Land and buildings (Continued)

	Land & Buildings (\$)
2021	
At 1 July 2020 – fair value	
Gross carrying amount	5,382,000
Accumulated depreciation and impairment	-
Net Carrying Amount	5,382,000
At 30 June 2021 – fair value	
Gross carrying Amount	5,672,002
Accumulated depreciation and impairment	-
Net Carrying Amount	5,672,002

Reconciliations of the carrying amounts of land and buildings at the beginning and end of the reporting period are set out below:

	Land & Buildings (\$)
2021	
Period ended 30 June 2021	
Net carrying amount at start of year	5,382,000
Capital improvement	-
Net revaluation increment	368,242
Depreciation expense	(78,240)
Net carrying amount at end of year	5,672,002

AHO, as the Trustee of the Trust, has the objective to transfer the assets owned by the Trust to the beneficiaries of the Trust. This intention has been ratified by the AHO Board and approved by the Chief Executive, as well as published to the Community. However, the assets will not be derecognised as at the end of 30 June 2022 as:

- the assets are still titled to AHO as the Trustee (and to the Trust) and,
- the decision has not been approved by the Treasurer and Minister and,
- AHO does not have acceptance of the beneficiaries for the transfer as at the date of the Financial Statements.

As a result, the Trust will continue recognising the assets until such time the transfer process has been completed.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

6. Non-Current Assets – Land and buildings (Continued)

Recognition and Measurement

(i) *Capitalisation thresholds*

Property, plant and equipment, costing \$5,000 and above are capitalised, if it is probable that future economic benefits will flow to the Trust and the cost of the asset can be reliably measured. Grouped assets forming part of a network costing more than \$5,000 are capitalised.

(ii) *Recognition and measurement*

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting standards. The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date. Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit. Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, with the net amount being recognised within the Statement of Comprehensive Income.

(iii) *Subsequent costs*

a) Major inspection costs

The cost of performing major inspections for faults is capitalised as an addition to the asset, when the recognition criteria is satisfied.

b) Repairs and maintenance

The Trust expenses the cost of routine repairs and maintenance necessarily incurred to maintain its property portfolio at pre-determined standards, except where they relate to replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Repairs and maintenance that are deemed to improve the useful life of the properties are capitalised.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

6. Non-current Assets – Land and Buildings (Continued)

c) Capital improvements

The Trust incurs costs necessary to bring older dwellings within its property portfolio to the benchmark condition. When the work undertaken results in the improved dwellings exceeding the original standard of the dwellings, the costs incurred are capitalised.

(iv) *Revaluation of land and buildings*

Physical non-current assets are valued in accordance with the *Valuation of Physical Non-Current Assets at Fair Value* Policy and Guidelines Paper (TPP21-09) and Treasurer's Direction *Valuation of Physical Non-Current Assets at Fair Value* (TD21-05). TD21-05 and TPP21-09 adopt fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment*.

Land and buildings are measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of land and buildings are based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. The Trust revalues land and buildings annually to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the reporting date.

When revaluing non-current assets using income or market approach the accumulated depreciation of an asset at the revaluation date is eliminated against the asset's gross carrying amount. The resulting net balance in the asset account is increased or decreased to bring the asset's value to fair value. Revaluation increments are credited directly to revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result. The remaining balance is directly credited to the revaluation reserve.

Revaluation decrements relating to an asset class is first offset against the existing credit balance in the revaluation reserve for that asset class. The remaining balance is recognised as an expense in the net result reported in the Statement of Comprehensive Income. As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not against assets that belong to a different asset class. Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation reserve in respect of that asset is transferred to accumulated funds.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

6. Non-current Assets – Land and Buildings (Continued)

Recognition and Measurement (Continued)

(v) Depreciation

Buildings are depreciated on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end. The Trust undertakes ongoing maintenance and upgrading in order to maintain properties at a certain standard.

The depreciation rates are as follows:

	2022	2021
	% Rate	% Rate
Property building	2	2

(vi) Impairment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

The Trust assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Trust estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

7. Current Liabilities - Payables

	2022 (\$)	2021 (\$)
Payable to Aboriginal Housing Office (i)	1,726,740	560,869
Total payables	1,726,740	560,869

The payable balance of \$1.7m in FY2022 (2021: \$0.6m) relates to expenses paid on behalf for the Trust by the AHO.

8. Fair value measurement of non-financial assets

(a) Fair value hierarchy

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total fair value (\$)
2022				
Land and Buildings	-	-	6,926,000	6,926,000
Total	-	-	6,926,000	6,926,000

There were no transfers between Level 1 or 2 during the period.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total fair value (\$)
2021				
Land and Buildings	-	-	5,672,002	5,672,002
Total	-	-	5,672,002	5,672,002

There were no transfers between Level 1 or 2 during the period.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

8. Fair value measurement of non-financial assets (Continued)

Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The Trust adopts the fair value hierarchy disclosure approach of AHO, the parent entity. A number of the parent entity's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the parent entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- * Level 1 - quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- * Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- * Level 3 – inputs that are not based on observable market data (unobservable inputs).

All the Land and buildings of the Trust are classified as Level 3. There were no transfers between Level 1 or 2 during the period.

(b) Valuation techniques, inputs and processes

Fair values are determined by applying an annual rolling benchmark valuation approach whereby a third of the benchmark properties are valued by accredited property valuers with reference to market sales comparisons to calculate a market movement index. The market movement index is applied to the remaining two-thirds of the benchmark properties. All benchmark properties are grouped within thirteen geographical reporting regions. The median value increase in each geographical group is then applied to the entire property portfolio. Adjustments to each property are made for any significant different characteristic from benchmark properties. The rolling benchmark valuation process is calculated annually as at 31 December. As such, an uplift market movement factor is provided from a registered valuer for the six months period ended 30 June. The uplift market movement for the six months ended 30 June 2022 is nil.

This methodology involves a physical independent valuation each year of one-third of the benchmark properties. This has the advantage of engaging an independent assessment annually.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

8. Fair value measurement of non-financial assets (Continued)

(b) Valuation techniques, inputs and processes (Continued)

COVID-19 has created uncertainty in all sectors of the State's economy including the housing market. At the time of preparing these financial statements, there has been no evidence of a material negative financial impact, if any, on the Trust's property, plant and equipment as at 30 June 2022. The Trust's residential property portfolio's fair value is determined by the market approach, primarily comparable recent market sales. Management has made enquires of external parties and has not been made aware of any evidence of a material change in residential property values as a result of COVID-19 that would result in an adjustment to fair value as at 30 June 2022. The Trust will continue to monitor any changes to the market conditions after 30 June 2022.

Significant inputs

- (i) Market sales comparison approach utilising recent sales of comparable properties.
- (ii) Adjustments for any different attributes to benchmark properties- number of bedrooms, street appeal, aspect, dwelling size, yard size, internal condition and car accommodation, land size and zoning restrictions.
- (iii) Where a single title exists over multiple properties, a block title adjustment is made to reflect the required costs for sub-division.
- (iv) Uplift market movement for six months ended 30 June.

Inter-relationship between significant inputs and fair value measurement

- (v) Higher (lower) market sales values reflect higher (lower) valuations.
- (vi) Better (lesser) attributes for location, condition, size, aspect and street appeal over benchmark properties result in higher / (lower) valuation.
- (vii) Depending on the complexity of the conversion to single title, valuations are reduced by conversion costs.
- (viii) Higher / (lower) six monthly uplift market movement will result in higher / (lower) valuation.

Due to the extent of extrapolation and calculations for block title adjustments and uplift factors, management considers that an overall type 3 input level is appropriate.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

9. Financial instruments

The Trust's principal financial instruments are outlined below. These financial instruments arise directly from the Trust's operations or are required to finance the Trust's operations. The Trust does not enter into or trade financial instruments for speculative purposes. The Trust does not use financial derivatives. The Trust's main risks arising from financial instruments are outlined below, together with the Trust's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial statements.

The AHO, as the trustee of the Trust, has the overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Trust, to set risk limits and controls and to monitor risks. The Trust works closely with DPE and participates in the DPE risk management process to manage these risks. Compliance with policies is reviewed by the Trust on a continuous basis.

(a) Financial instrument categories

Financial Assets/Liabilities	Category	2022	2021
Class:		(\$)	(\$)
Receivables	Amortised Cost Loan and Receivables	1,000,000	1,000,000
Total finance assets		1,000,000	1,000,000
Payables	Financial liabilities measured at amortised cost	1,726,740	560,869
Total financial liabilities		1,726,740	560,869

The Trust determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

9. Financial instruments (Continued)

De-recognition of financial assets and liabilities

(i) Financial assets

Financial assets are de-recognised when the contractual rights to the cash flows from the financial assets expire; or when the Trust transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- a) The Trust has transferred substantially all the risks and rewards of the asset; or
- b) The Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When the Trust has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Trust has neither transferred nor retained substantially all the risks and rewards or transferred control, financial assets are recognised only to the extent of the Trust's continuing involvement in the asset. In that case, the Trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Trust has retained.

(ii) Financial liabilities

Financial liabilities are de-recognised when the obligations specified in the contracts expire, are discharged or cancelled.

(b) Credit risk

Credit risk arises when there is a possibility of the Trust's debtors defaulting on their contractual obligations, resulting in a financial loss to the Trust. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of the Trust, including cash and receivables. No collateral is held by the Trust. The Trust has not granted any financial guarantees.

The Trust considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Trust may also consider a financial asset to be in default when internal or external information indicates that the Trust is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Trust.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

9. Financial instruments (Continued)

(b) Credit risk (Continued)

Accounting policy for impairment of financial assets

Receivables

Collectability of debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Trust applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all debtors.

To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Trust has identified the GDP, the unemployment rate and the Commonwealth government welfare transfer payments regime to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due. As at 30 June 2022, the loss allowance for debtors is nil (2021: nil).

(c) Liquidity risk

Liquidity risk is the risk that the Trust will be unable to meet its payment obligations when they fall due. The Trust continuously manages risk through monitoring future cash flows and commitments maturities. No assets have been pledged as collateral. The Trust's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. NSW TC 11/12 allows the Minister to award interest for late payment.

No interest for late payment was made during the 2022 year (2021: \$Nil).

The table below summarises the maturity profile of the Trust's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

9. Financial instruments (Continued)

(d) Liquidity risk (Continued)

At 30 June 2022	Interest rate exposure		Maturity dates		
	Nominal Amount	<1 year	Between 1 and 5 years	> 5 years	Total
	(\$)	(\$)	(\$)	(\$)	(\$)
Payable to AHO	1,726,740	1,726,740	-	-	1,726,740
Total	1,726,740	1,726,740	-	-	1,726,740

At 30 June 2021	Interest rate exposure		Maturity dates		
	Nominal Amount	<1 year	Between 1 and 5 years	> 5 years	Total
	(\$)	(\$)	(\$)	(\$)	(\$)
Payable to AHO	560,869	560,869	-	-	560,869
Total	560,869	560,869	-	-	560,869

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which AHO can be required to pay.

(e) Fair Value compared to carrying amount

The carrying values of financial asset less any impairment provision and financial liabilities are a reasonable approximation of their fair value due to their short term nature.



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

10. Related parties

A related party is a person or entity that is related to the Trust that is preparing financial statements. In accordance with AASB 124 *Related party disclosures*, Key Management Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity including whether executive or otherwise.

The State of New South Wales is the ultimate parent of the Trust. AHO, as the Trustee, is a cluster agency of DPE. As the Trust is a statutory authority 100% controlled by the NSW Government, the Trust is a related party of all NSW Government controlled agencies and State Owned Corporations.

The Chief Executive of the Aboriginal Housing Office has been identified as the KMP of Trust.

Inter-entity transactions that occur between the Trust and the AHO are disclosed in Note 4.

The aggregate value of the outstanding related party balances with the Trust are as follows:-

	2022	2021
	(\$)	(\$)
Receivable from AHO	1,000,000	1,000,000
Total receivables	1,000,000	1,000,000
Payable to AHO	(1,726,740)	(560,869)
Total payables	(1,726,740)	(560,869)

11. Commitments

The Trust has no commitments to be reported at 30 June 2022 (2021: nil).

12. Contingent assets and Contingent liabilities

The Trust has no contingent assets or contingent liabilities to be reported at 30 June 2022.

13. Reconciliation of cash flows from operating activities to net result

	2022	2021
	(\$)	(\$)
Net cash from operating activities	-	-
Depreciation	(88,659)	(78,240)
Increase in receivables	-	1,000,000
Increase in payables	(678,651)	(560,869)
Net (deficit)/surplus	(767,310)	360,891



Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements For the year ended 30 June 2022

14. Events after the reporting period

There are no events subsequent to the balance sheet date which would significantly affect the disclosures of these financial statements.

15. Additional Trust Information

Dunghutti Aboriginal Elders Tribal Council Trust is registered in and operates in Australia.

Registered office:

Aboriginal Housing Office
4 Parramatta Square
12 Darcy Street, Parramatta NSW 2150

****END OF FINANCIAL STATEMENTS****



Aboriginal Housing Office

12 Darcy St, Parramatta NSW 2150
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www.aho.nsw.gov.au

The Aboriginal Housing Act 1198 No. 47 can be found at:
<https://legislation.nsw.gov.au/>

This Annual Report can be found online here:
<https://www.aho.nsw.gov.au/resources/publications>

Principal Officer:

Famey Williams

Chief Executive, Aboriginal Housing Office

