



# Aboriginal Housing Office Annual Report 2022-23

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



# Beginning

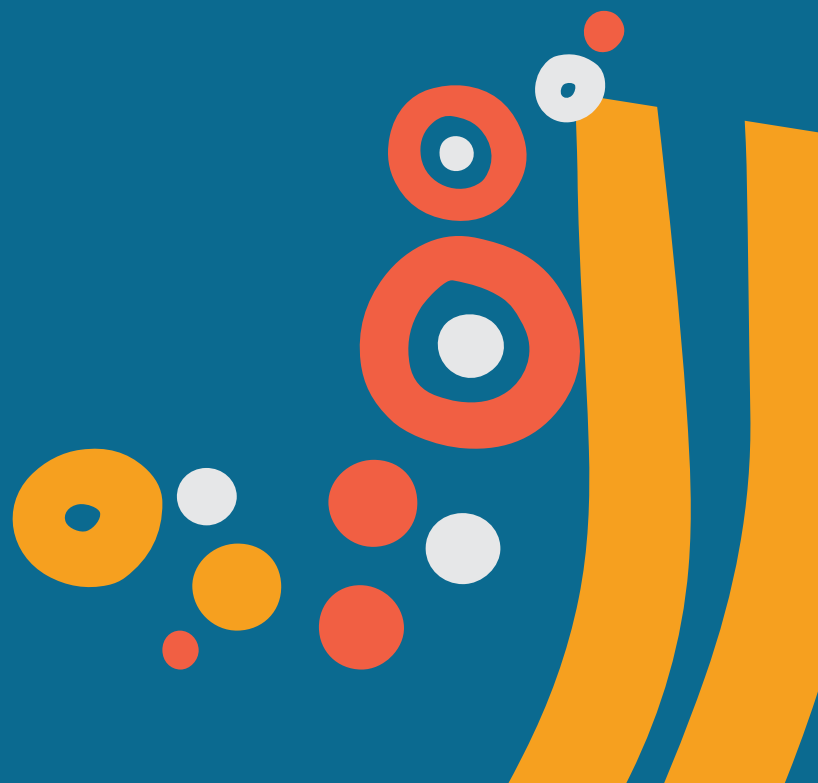
## Acknowledgement

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

From time immemorial Aboriginal people 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 Housing Office



## Letter of submission

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**The Hon. Rose Jackson MLC  
Minister for Housing  
52 Martin Place  
SYDNEY NSW 2000**

Dear Minister

I am pleased to submit the Annual Report for the Aboriginal Housing Office for the year ended 30 June 2023, for tabling in Parliament by 30 November 2023.

This report has been prepared in accordance with the annual reporting provisions (Division 7.3) of the *Government Sector Finance Act 2018* (GSF Act) and Treasury Policy and Guidelines 23-10 Annual Reporting Requirements (TPG23-10).

Yours sincerely

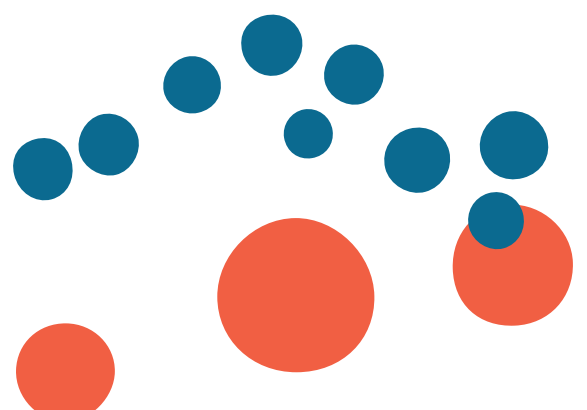
A handwritten signature in black ink that reads "Famey Williams".

**Famey Williams  
Chief Executive  
Aboriginal Housing Office**

Encl: Aboriginal Housing Office Annual Report 2022-23

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## Overview

# AHO Board Acting Chairperson and Elder in Residence: **Aunty Beverley (Bev) Manton**

In December 2022, the AHO said farewell to Chairperson Robynne Quiggin. After five years with the AHO Board, Robynne decided to step down and pursue other opportunities in the academia sector. On behalf of the AHO Board I would like to thank Robynne for her leadership, dedication, and commitment. Whether it was through Covid-19, the northern rivers floods, or the south coast fires, Robynne was able to guide the AHO Board through these uneasy times. I wish her all the best in this next chapter.

In May, AHO received approval from the Minister to commence the process of appointing a Chairperson and a number of Board Members positions. While it has been an absolute pleasure serving as Acting Chairperson, I am looking forward to working with the new Chairperson once they are on board and, returning to my role as Elder-in-Residence.

As I enter my eighth year on the AHO Board, I continue to be amazed by the work that the AHO does alongside tenants/clients, providers, and the sector more broadly. I am confident we are contributing to making a real difference to lives of Aboriginal people across NSW.



## Chief Executive: Famey Williams

Reflecting on the achievements of the Aboriginal Housing Office (AHO) in my first year as Chief Executive brings me tremendous pride in seeing the ongoing positive housing and connected service impacts we are delivering to Aboriginal people across NSW.

This year is also a significant year for the AHO as we celebrate 25 years since beginning as a statutory body, established under the *Aboriginal Housing Act 1998* (NSW). I often contemplate how far we have come, alongside how far we still have to go in our purpose to ensure that Aboriginal and Torres Strait Islander people have access to affordable and quality housing.

The AHO released *Strong Family, Strong Communities* Implementation Plan for Phase 2. *Strong Family, Strong Communities* is the AHO's 10-year strategy to improve the well-being of NSW Aboriginal families and communities through housing. We continue on the journey that began in 2018 and go from strength to strength. Late 2022 saw the AHO receive an Honourable Mention at the NSW Premier's Awards for our work supporting home ownership for Aboriginal people.

Another key milestone this year has been the initial transfer of 505 properties from the Land and Housing Corporation to the AHO, as part of a broader transfer of 3,325 properties. At completion of this project in 2024-2025, the AHO will have a portfolio of approximately 9,300 homes. The AHO team continues the journey of revitalisation and repair of these dwellings to enable Aboriginal clients to live in comfortable homes.

Following respectful negotiations with Aboriginal Community Housing Providers (ACHP), 59 headlease arrangements were exited, resulting in positive and strengthened relationships between the AHO and ACHPs, many of whom received funding to improve the condition of homes and opportunities for local trades to be engaged. Most of the ACHPs entered direct management arrangements with a provider of choice, ensuring independence to make decisions and manage properties.

The AHO also secured funding to deliver four more years of the Services Our Way program. A feat that would not have been achieved without the strong outcomes staff are able to achieve with community.

One of the strengths of the AHO comes largely from within the organisation as we continue to build our cultural capability through the employment of more Aboriginal staff, ensuring that many of our decisions are made through a cultural lens.

The AHO Executive is confirmed with all five Directors now appointed and I am looking forward to working closely with them and our Board to shape and deliver on future work that sees Aboriginal people prosper from the foundations of a quality and secure home.

At the end of 2022, Robynne Quiggin stepped back from her role as Chair of the AHO Board. Robynne brought passion, dedication and kindness to her role and we wish her all the best in her new role as UTS's Pro Vice-Chancellor (Indigenous Leadership and Engagement). I would like to thank our Elder in Residence, Aunty Beverly Manton, for stepping into the role in an acting capacity while recruitment was undertaken. Aunty Bev brings care and input that is wise and considered, a true asset to the AHO.

Lastly, we could not do any of this at the AHO without our stakeholders and community. A thank you to all that support, challenge and guide the AHO every day,

It is my pleasure to endorse the Aboriginal Housing Office Annual Report 2022-2023.



# Aboriginal Housing Office Board

The AHO is governed by a Board made up entirely of Aboriginal people, which provides advice to the Minister for Housing & Homelessness The Hon. Rose Jackson MLC, on Aboriginal housing issues in NSW.



In December 2022, we said farewell to AHO Chairperson Robynne Quiggin. After five years with the AHO Board, Robynne has decided to step down and pursue other opportunities. Thank you Robynne for your leadership and we wish you all the best. Aunty Beverley Manton (AHO Elder in Residence) has been approved by the Minister to act as Chairperson while the appointment process is finalised.

This year saw the commencement of the appointment (and reappointment) process of the AHO chairperson and board. The term of appointment for several board members expires in 2023, Ministerial and Cabinet approval is required for new and existing members of the board as well as the chairperson. The appointment process is scheduled to be finalised by the end of 2023.

\*Aunty Bev Manton also acted in this role during the reporting period

# Regional Aboriginal Housing Committees

Each region of the AHO is represented by a Regional Aboriginal Housing Committee (RAHC). These regions are 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, 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.

Western Region is supported by RAHC members from Broken Hill, Nyngan, Wagga Wagga and Brocklehurst.

**Western Region Aboriginal Housing Committee:**  
Cory Paulson, Lesley Ann Ryan, Patricia Morris, Paul Carr

Northern Region is supported by RAHC members from Gunnedah, Port Macquarie, Adamstown Heights, Lismore, Armidale, Blackwall, Mallabula, Wyvee Point and Macquarie Hills

**Northern Region Aboriginal Housing Committee:**  
Jane Bender, Leon Anderson, Robert Russell, Roxanne Smith, Bonnie Walford, Erica Smits, Shannon Whyte, Amy Parry, Kevin McKenny

Sydney South East Region is supported by RAHC members from Ambarvale, Nelligan, Campbelltown, Redfern, Potato Point and Batemans Bay

**Sydney South East Region Aboriginal Housing Committee:** Alison Croall, Jim Allen, Mandy Edwards, Narelle Lyons, Cheryl Moreton, Marcus Neal

## Joint AHO Board and Regional Aboriginal Housing Committee Meeting

Both the AHO Board and the three RAHCs play essential roles in AHO governance and leadership. The AHO Board provides advice to the Minister for Housing and Homelessness on AHO policies and strategic direction. RAHCs play an essential role, ensuring the Board receives culturally-appropriate advice which is informed by regional perspectives and lived experiences.

On 21 June 2023, AHO Board and representatives from the three AHO RAHCs came together at Brighton Le Sands. The meeting focussed on opportunities to:

- strengthen the relationship between RAHCs and the AHO;
- continue building on RAHC capacity to provide quality advice to the Board through mentoring, training and increased engagement;
- increase youth engagement.

Participants also discussed progress being made through *Strong Family, Strong Communities* with a particular focus on differing impacts at a regional level as opposed to those in more urbanised areas.

The next joint meeting is scheduled for the end of 2023 once Homes NSW, the new NSW Government housing agency, is established.





# Aboriginal Housing Office Management Structure



**Famey Williams**  
Chief Executive



**Deslin Foster**  
Director  
Policy & Evidence



**Loshana Karthikeya**  
Director  
Performance  
& Finance



**Ashley Livingston**  
Director  
Property



**Mick Higgins**  
A/Director  
Strategic Support\*



**Kelly Chatfield**  
A/Director Housing  
& Client Services\*

\*Brandon Etto and Peter Swain also acted in the Director role during the reporting period.

## The AHO is comprised of the following 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:** provides strategic asset management for the AHO focussing on new builds, upgrades and innovative construction methods

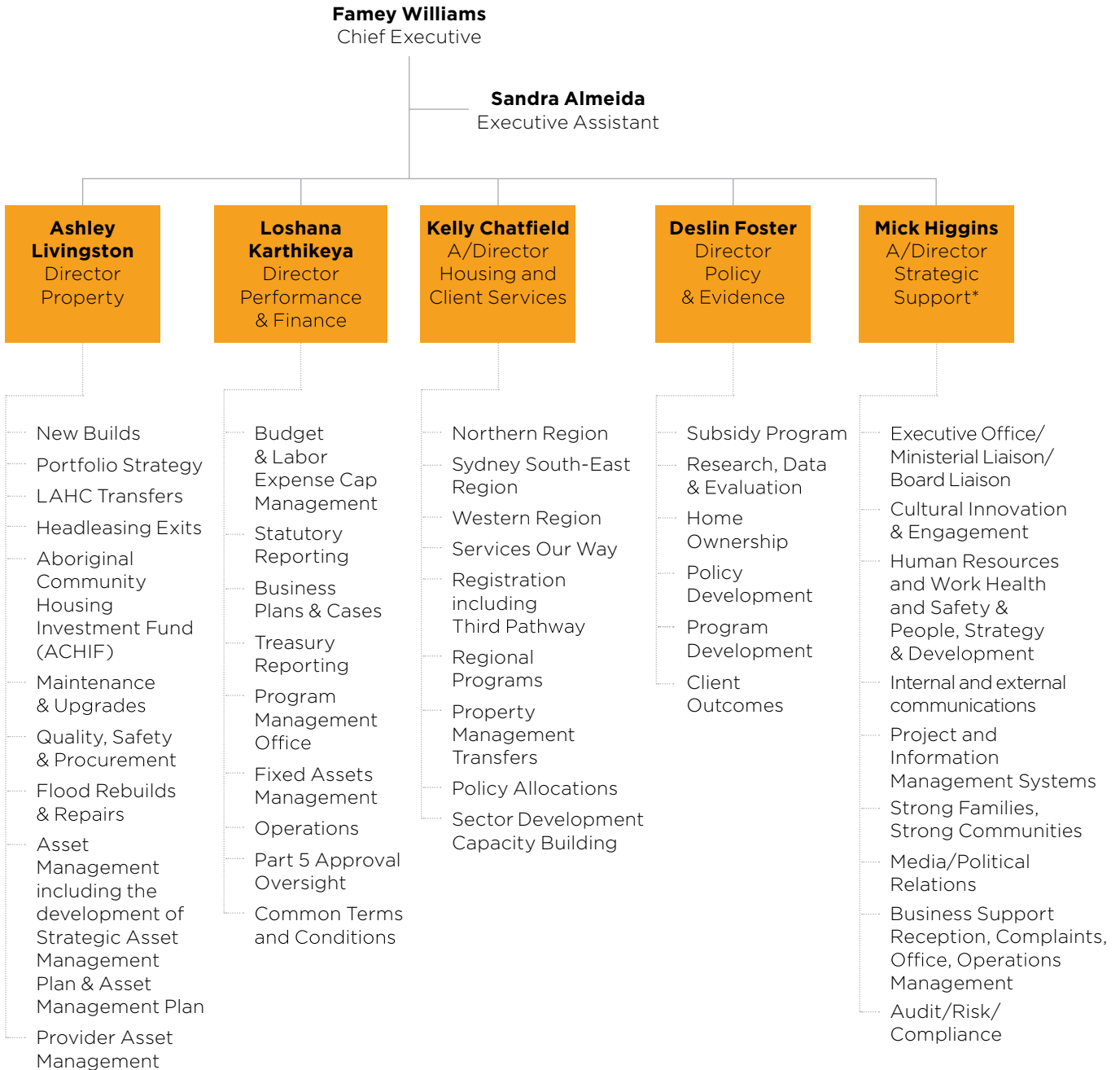
**Portfolio Growth:** provides strategic asset management for the AHO, focussing on portfolio growth, new builds, upgrades and innovative construction methods

**Housing and Client Services:** day-to-day operations of property and tenancy management as well as service coordination to deliver culturally appropriate client experiences and housing solutions to support Aboriginal 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 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, for the Dunghutti Aboriginal Elders Tribal Council Trust (Trust).

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.

*Strong Family, Strong Communities* is our ten year strategy which outlines how we are delivering on these statutory functions. With guidance from our all Aboriginal Board, our strategy takes a holistic approach to meeting the housing needs of Aboriginal people NSW.

Building a strong Aboriginal community housing sector is a key aspect of our role. 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 also delivering more and more culturally specific housing across NSW with larger size homes, granny flats for carers for elders and carers to reduce overcrowding.

Everything we do is underpinned by a commitment to keeping Aboriginal culture at the centre. In practice this can mean working closely with Aboriginal communities to create sustainable housing and employment opportunities or ensuring Aboriginal people are best placed to benefit from our infrastructure investment and service. The AHO leads with an Aboriginal-led co-design approach so we hear what issues Aboriginal people experience and work together to apply solutions.

In 2019, the Council of Australian Governments and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations signed the Partnership Agreement on Closing the Gap which places Aboriginal people as shared decision-makers at the table. Target 9 of this approach is to facilitate Aboriginal people securing appropriate, affordable housing that is aligned with their priorities. Within NSW, the AHO in partnership, with the Coalition of Aboriginal Peaks (CAPO), continued progressing a number of initiatives throughout 2022/23 focussed on making this target a reality. In addition, we have worked closely with Local Decision Making groups, supporting communities to meet their housing needs.

This year will see the 25th anniversary of the Aboriginal Housing Act. While our functions remain consistent, the way that we work continues to evolve to meet the changing needs of Aboriginal people in urban, regional and remote NSW.



# Strategy

## Our Strategy

*Strong Family, Strong Communities* (SFSC) is the AHO's 10-year strategy to improve the well-being of NSW Aboriginal families and communities through housing.

The strategy is focused on the following 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 Aboriginal Community Housing Providers (ACHP) 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.

SFSC Phase One ran from 1 July 2018 to 30 June 2022 and resulted in a range of achievements including:

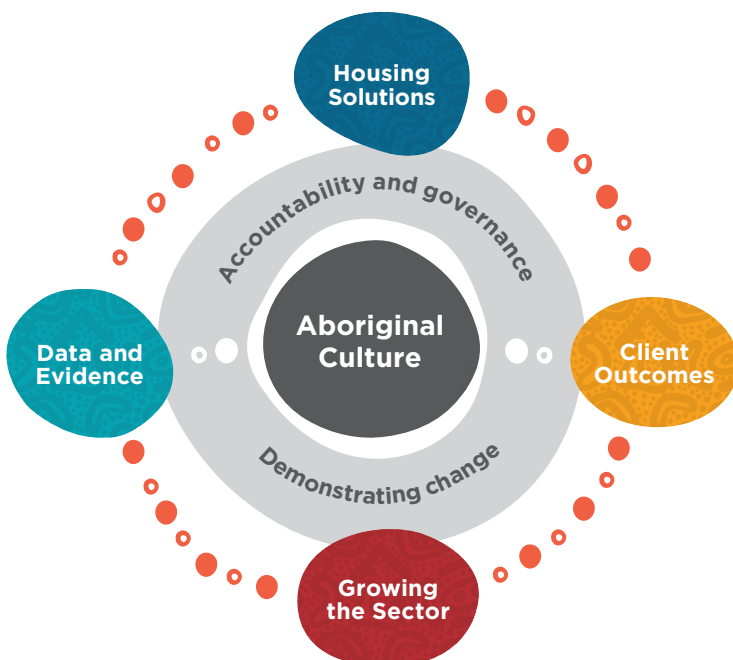
- 1,217 clients supported through Services Our Way
- 280 new AHO homes
- 5,257 solar panel upgrades for AHO homes
- Property management transfer of 1,500 AHO homes to Aboriginal providers
- 33 Aboriginal Community Housing Providers supported to achieve registration through the National Regulatory System for Community Housing
- 101 Aboriginal students supported to undertake tertiary studies and improve their employment opportunities

In November 2022 we released the SFSC Phase Two Implementation Plan which outlines what you can expect from us over the next four years (1 July 2022 through to 30 June 2026) focussing on:

- what we expect to deliver through key programs as well as our ongoing commitment to improving housing outcomes for Aboriginal people through our core business and when we expect to deliver it
- how we will work with and strengthen our partnerships with Aboriginal tenants/clients and communities and increase our ability to improve.

It is updated quarterly and focusses on the following areas:

- What we are delivering against our four SFSC Pillars
- Keeping Aboriginal culture at the centre
- Accountability and governance
- Demonstrating change





# Operations and Performance

## Performance Overview

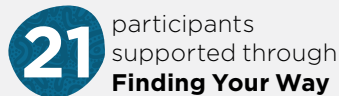
During 2022/23, AHO significantly invested in Aboriginal social housing through the various capital and recurrent programs being delivered across the agency. The programs, as a whole, invested \$124.9m to deliver 135 new homes and 706 property upgrades.



Through the Strengthened Sector and Communities Program we also invested \$16.7m to deliver outcomes including:



**Transitional Housing programs** with



**home ownership opportunities** realised.



**students supported** with **Tertiary Accommodation Grants**.



**Client Experience Initiatives** funded, in Lightning Ridge, Lismore and Tweed Heads.



**Local Community Demonstration Site completed** with the successful launch of the Gunida Gunyah Hub in Gunnedah.



**Finalised Strong Family, Strong Communities Mid-Term Review**.

In addition, through **Services Our Way**, with an investment of



**We supported vulnerable clients and their families** through culturally appropriate case coordination, exceeding our target of 602 clients.



The following provides additional information on each SFSC element.



# Pillar 1: Housing Solutions

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

## Our Focus



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



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.



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



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



Case Study:  
New Builds

# Over the course of financial year 2022/2023, AHO delivered over 100 new build homes, representing one of the biggest years of new build delivery in AHO’s history.

This signified a substantial scale up of the number of new construction projects delivered by the AHO, with several programs being delivered concurrently throughout the year. This was achieved despite these new homes being delivered in a difficult construction climate.

Scott describes the impact of moving into his new property: *“I got out of custody 12 months ago and moved into the place 4 months ago. It feels so good to have a place of my own that is brand new and in a good area. It’s kept my mindset positive to keep moving forward.”*



Case Study:  
Secondary Dwellings

# Secondary Dwellings was a pilot program for the AHO, focussed on building granny flats on large blocks of land.

Program design focused on secondary dwellings that could address overcrowding within the same household. Properties were designed ‘as separate as possible’ to ensure privacy between tenants as well as housing flexibility in case the units are required to be separately tenanted in the future. The program benefits multi generational Aboriginal families, and supports older members to age in place.

From the 100 homes delivered overall by AHO in 2022/2023, 24 homes were a part of the Secondary Dwellings program.

Amy describes how the addition of a granny flat to her property improved life for her family: *“Before, we were all crammed into the same house. Now, my dad and his wife live in the granny flat and are really happy. The kids see them all the time but they also have privacy. I like that they are not too far away so I know they’re safe.”*





## Aboriginal Community Housing Investment Fund + Many Rivers Regional Housing

### Case Study: Investment Fund + Housing

# Many Rivers Regional Housing manages over 480 properties stretching 'over many nations from the Hunter Valley in the south, to the Tweed Coast in the north and inland to the Moree Plains and the New England'.

Grant funding via the Aboriginal Community Housing Investment Fund (ACHIF) provided the organisation with the opportunity to manage their first significant project. Many Rivers were awarded ACHIF grant funding to deliver outcomes across 11 ACHPs. The works included one new family home and 222 upgrades consisting of: garages, kitchens, air conditioning, bathrooms, solar systems, roofs, flooring, driveways, painting, fencing, guttering, window and door replacements, plumbing and bush fire repairs, and scoping for further projects.

Staff worked closely with local trades throughout the challenges of delays and costs increases, maintaining good relationships and resulting in positive results for tenants.

Along with a number of upgrade works, a new home built for Ashford Local Aboriginal Land Council (LALC) is now occupied by a single mum who was previously homeless. For this partner organisation, 'seeing the whole process has been a learning'.



## Tertiary Accommodation Grants

The Tertiary Accommodation Grants (TAG) program established part of the *Strong Family, Strong Communities* strategy to support eligible tertiary students with grants of up to \$10,000 to offset the cost of living whilst studying. Applicants must be enrolled full-time in a diploma, advanced diploma, degree or Indigenous Police Recruitment Our Way (IPROWD) and demonstrate financial hardship. The institutions that are involved in promoting the TAG Grants are TAFE NSW, Macquarie University, University of Wollongong, University of Sydney and University of Newcastle – they promote internally across their social media platforms and through direct mail outs with their current students and new students that enrol.

In a recent survey, recipients were invited to share how the TAG scholarship impacted on their lives. Examples of responses included:

*“The TAG grant relieved the financial pressures allowing me to focus on studying and improving my mental health.”*

*“The TAG has helped me with many aspects of my life. Firstly, the scholarship has covered my accommodation costs. This was a great source of anxiety to me as I was unable to work due to a knee injury and therefore relied solely on my savings. Furthermore, receiving the scholarship has enabled me to focus more on my studies.”*

*“It has allowed me to focus on my studies by alleviating a large amount of the financial pressure I was under. This has benefitted my mental health immensely by not only relieving stress but also by validating this new and at times, daunting path [of study] I have started walking. I am truly grateful to all responsible and committed to making the most of this opportunity.”*



## Home Ownership

The AHO has continued its support for Aboriginal families on their home ownership journey. Through our Aboriginal Home Buyer Saver program, we supported 107 families to realise their home ownership dream in the 2022/23 financial year.



### Cheryl's Story

*Cheryl is a proud Wamba Wamba and Ngarrindjeri woman, born in Swan Hill.*

*She has worked with the Department of Education at Griffith North Public School as a School Administration Officer for almost 40 years. In 1987, Cheryl and her family moved into a public housing property, which continues to be her home.*

*Cheryl received her superannuation pay out and had the funds outright to purchase property. She applied for and was awarded the Home Buyer Booster and AHO Tenancy Plus Grant in October 2022. She settled on the property on 28 November 2022.*

*This home means everything to Cheryl. It is where her husband passed away and where she raised her son. She always said that one day she would buy the property. It is important for Cheryl to have something to leave for her son, when she passes, as she has cancer, so it means everything to her that this dream became a reality.*



We also recognise that there are opportunities to support more Aboriginal people into home ownership through partnering with other organisations with similar goals.

Head Start Homes is a not-for-profit Community Service Organisation committed to achieving its vision of ‘A safe and stable home for everyone with fair and practical pathways into home ownership’. It supports Aboriginal people, single mums, and other families living in community housing buy their own homes without a bank deposit via our Head Start Guarantee and Empowerment Services.

While AHO has an established relationship with Head Start Homes, AHO signed a Memorandum of Understanding (MoU) with them focussed on strengthened collaboration, honest and transparent communication, underpinned by a recognition of the value and dignity of all people.



# Pillar One: Housing Solutions Performance Information

## Strong Family, Strong Communities: Strengthened Sector and Communities Program

Initiative	Outcome	Progress at 30 June 2023
Home Ownership Options	<ul style="list-style-type: none"> <li>320 home ownership opportunities by 30 June 2026</li> </ul>	<ul style="list-style-type: none"> <li>107 home ownership opportunities realised</li> </ul>
Tertiary Accommodation Grants	<ul style="list-style-type: none"> <li>300 students enrolled in tertiary studies supported with the cost of housing by 30 June 2023</li> </ul>	<ul style="list-style-type: none"> <li>59 Students have been successful in receiving Tertiary Accommodation Grants</li> </ul>

## Strong Family, Strong Communities: Closing the Gap Program

Initiative	Outcome	Progress at 30 June 2023
AHO Economic Recovery Program 23	<ul style="list-style-type: none"> <li>ACHIF new supply will deliver 41 new homes and a further 50 upgrades by 30 June 2024</li> <li>AHO new supply will deliver 45 new homes by June 2024</li> </ul>	<ul style="list-style-type: none"> <li>29 new homes with a further 26 upgrades</li> <li>20 new homes to be completed by 30 June 2023 with the remainder of homes under construction</li> </ul>
Closing the Gap – Housing Solutions Program	<ul style="list-style-type: none"> <li>By June 2025 AHO will deliver:               <ol style="list-style-type: none"> <li>200 new Aboriginal homes over four years</li> <li>256 significant upgrades over four years</li> <li>4,440 Solar and Air-conditioning upgrades</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>11 new homes completed</li> <li>Awarded contracts to deliver 80 new homes for completion in the 23/24FY with remaining projects progressing through procurement</li> <li>153 upgrades completed, 24 in progress. Majority of works completed re-roofs and roof works and solar upgrades</li> </ul>
Aboriginal Housing Office (AHO) Flood Recovery Program	<ul style="list-style-type: none"> <li>\$70m in funding to support Flood recovery in Northern Rivers region.</li> <li>\$61m of grants for Aboriginal Housing Providers to repair, upgrade and rebuild flood damaged properties with remaining funding to deliver additional Aboriginal social housing across flood affected Northern NSW</li> </ul>	<ul style="list-style-type: none"> <li>17 ACHPs with 220 homes for repair or rebuild in program</li> <li>9 contracts issued to complete works on flood damaged properties. bringing the total number of properties under contract for repair to over 80</li> <li>Works for demolition of 4 Cabbage Tree Island and one Wardell property are underway</li> <li>Repair works on 6 Wardell flood damaged properties have commenced for Jali LALC</li> <li>18 completed properties handed over in June 2023</li> </ul>
AHO Land and Housing Corporation (LAHC) Transfers Project	<ul style="list-style-type: none"> <li>Transfer 3,325 homes from LAHC to AHO, starting with               <ol style="list-style-type: none"> <li>Tranche 1 (500 properties in May 2023)</li> <li>Tranche 2 (500 homes November 2023)</li> <li>Tranche 3 (2,325 homes August 2024)</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Tranche 1 of 505 homes completed in May 2023</li> </ul>

# 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.



## Services Our Way

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



### SOW Client Journey

*Sarah\* and her two children were referred to SOW in July 2022 as they were homeless and one of her children needed additional support due to anxiety. Sarah was couch surfing between family members' homes which was unsettling and the children were exposed to violence and alcohol abuse.*

*Sarah wanted to provide stability for her children and to ensure they weren't at risk. Sarah has gained employment at a local shop and was later successful in her application for a home in South Grafton in late May 2023. This allows her older child to remain at their current school and her younger child at the current childcare centre.*

*Through support from SOW and a partnering non-government service provider, Sarah has now essential household items and the children are settled and happy. Sarah said that previously her eldest child would just sit in their room on a mattress, locking themselves away. Now that they have a bed and the family has a dining table and lounge they are spending quality time with the family. Sarah said the support she has received has brought her family closer together and they now sit down together and appreciate everybody's company and she can't thank Services Our Way enough for letting her and the family accomplish that.*



### SOW Client Journey

*Beth\*, her partner and their seven children have been homeless since February 2023. They have stayed in motel accommodation which they largely paid for themselves due to very limited housing availability. Through ongoing work with Beth and her family, Gurehlgam Aboriginal Homelessness Service, local real estates and DCJ Housing the family secured a house in May 2023. With support from all programs Beth and her family were able to furnish their home and the kids are over the moon to have their own place and yard. The children love being able to keep going to their local schools and are also very excited as they became aunties and uncles to a beautiful baby girl in June.*



\*Not her real name

### Leading Community Demonstration Site: Gunida Gunyah

The Leading Community Demonstration Site (LCDS) project is a service model for vulnerable Aboriginal young people, adults, families and communities who may need support to resolve their housing needs whilst addressing at least one other social issue.

Gunida Gunyah Aboriginal Corporation (Gunida Gunyah) is just one example of how Aboriginal communities are delivering holistic and culturally responsive support to meet the housing needs of their local Aboriginal people and communities. Gunida Gunyah were successful in their application for the Leading Community Demonstration Site (LCDS) pilot project. Gunida Gunyah is delivering a Transitional Housing Pilot Program in Gunnedah for vulnerable Aboriginal people and their families.

Gunida Gunyah had their grand opening of the community hub on 3 May 2023. The hub will be a place where community will be welcomed to go and be linked with programs and services, not only provided by Gunida Gunyah, but also mainstream services that will be located at the hub at different times. Gunida Gunyah has also built crisis accommodation on the top floor of the hub for Aboriginal families who had nowhere to go.

Gunida Gunyah Aboriginal Corporation is delivering a Transitional Housing Program in the Gunnedah area for Aboriginal people, their families, and communities. The program has had six successful exits where their trajectories have been forever changed.

An example of the work Gunida Gunyah is achieved:

A 17-year-old person with a disability at risk of entering incarceration was one of the first participants. Gunida Gunyah has supported the participant towards achieving independent living, has a part-time job and has learnt to drive. The participant was also successful in becoming part of a social housing pilot from North Homes where he now has a house to call home.

Out of the six successful exits, there have been two families with young children who are no longer at risk of homelessness.

The transitional housing program has filled the identified gap in Gunnedah. Gunida Gunyah have purchased a house to be able to provide the service to families where rental properties are in limited numbers.



## Pillar Two: Client Outcomes Performance Information

### Strong Family, Strong Communities: Strengthened Sector and Communities Program

Services Our Way	Target 2022/23	Actual 2022/23
	<ul style="list-style-type: none"> <li>602 clients supported</li> </ul>	<ul style="list-style-type: none"> <li>737 clients supported</li> </ul>

### Strong Family, Strong Communities: Closing the Gap Program

Initiative	Outcome by 30 June 2026	Progress at 30 June 2023
<b>Finding Your Way Transitional Housing Options</b>	<ul style="list-style-type: none"> <li>20 properties repurposed</li> <li>40 families supported in transitional housing</li> </ul>	<ul style="list-style-type: none"> <li>6 transitional housing programs delivered</li> <li>21 participants supported</li> </ul>
<b>Sustaining Aboriginal Tenancies Project</b>	<ul style="list-style-type: none"> <li>Support 260 families</li> </ul>	<ul style="list-style-type: none"> <li>290 active clients</li> <li>18 clients successfully exited program</li> </ul>
<b>Leading Community Demonstration Site</b>	<ul style="list-style-type: none"> <li>Support 1 Leading Community Demonstration Site in financial year 2022/23</li> <li>Provide 3 years funding for a new site to FY 2025/26</li> </ul>	<ul style="list-style-type: none"> <li>Completed one Local Community Demonstration Site with Gunida Gunyah successful in launching their Hub</li> </ul>
<b>Client Experience Initiatives</b>	<ul style="list-style-type: none"> <li>Support 2 Client Experience Initiatives, each over four years</li> </ul>	<ul style="list-style-type: none"> <li>3 Client Experience Initiatives have been funded</li> </ul>

# 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



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.



Strengthen the capacity and sustainability of Aboriginal Community Housing Providers.



Increase tenant awareness of how rent is calculated and collected. Work with ACHPs to support the timely collection of rent.



Property Management Transfers to grow the sector.



Aboriginal Housing Peak Body.



Developing subsidy solutions to support the sector.





The following table outlines the total number of AHO properties and management arrangements

AHO properties	at 30/06/2023	%	No. of Providers
<b>No. of AHO-owned properties</b>	6,723		
<b>Managed by DCJ</b>	3,738	55%	1
<b>Managed by ACHPs</b>	2,617	39%	50
<b>Managed by CHPs</b>	143	2%	5
<b>New Supply – awaiting management allocation</b>	45	1%	N/A
<b>Vacant land parcels</b>	180	3%	N/A
<b>Total as at 30/06/2023</b>	<b>6,723</b>	<b>100%</b>	

A strong and viable ACHP sector is critical to delivering on tenant management as identified in SFSC.

ACHPs build on local knowledge to deliver critical support in their communities and the AHO is building capacity and capability of ACHPs so Aboriginal people, families and communities can thrive. ACHP registration under the National Regulatory System for Community Housing (NRSCH) or the NSW Local Scheme (NSWLS) has been a priority throughout 2022/23. ACHPs who achieve NRSCH or NSWLS registration can strengthen and grow their organisation by accessing assistance from the AHO and other government departments that may include funding, housing management and construction, transfer or lease of property, grants, subsidies, and business support.

The Sector Reform Steering Committee, comprised of AHO, ACHIA and NSWALC, also investigated potential solutions for Owning Providers that did not aspire to become registered, nor wish to manage their own properties but still sought eligibility for AHO support. In response, the AHO approved a mechanism to recognise Owning Providers as registered organisations under the Aboriginal Housing Act, on the conditions that they outsource the management of their properties to a NRSCH/NSWLS registered ACHP and commit to a rent optimisation plan. Aboriginal organisations registered under this category are referred to as an Aboriginal Community Housing Organisation (ACHO).



## Regional Information Sessions

In June 2023, the AHO conducted regional AHO Information Sessions. AHO hosted an information session in each of its regions. The Western Region session was held in Dubbo (6 June); Northern Region was held in Coffs Harbour (14 June) and Sydney South-East Region was held in central Sydney (16 June).

The AHO Information Sessions were developed to jointly coordinate information and engagement to ACHPs who are registered under the National Regulatory System for Community Housing (NRSCH) and the NSW Local Scheme (NSWLS) or scheduled for registration under these pathways.

The agenda included presentations from AHO on:

- Asset Management Framework
- Common Terms and Conditions
- Housing Pathways Project
- Aboriginal Community Housing Rent Policy and Calculator
- Subsidy and Investment



The AHO Chief Executive, Famey Williams, also facilitated sessions on *AHO Challenges and Opportunities*, focusing on 'What we are doing well?', 'What we are not doing well?', and 'Wouldn't it be great if?'. A variety of feedback was received from the providers during the activity with common themes across all sessions. Themes included:

- the need for strengthened relationships and communication between AHO and the sector, with AHO staff connecting and communicating with organisations face to face.
- lack of access to Housing Pathways (waitlist) causing long delays in property allocation; and
- support for reduced reporting.

This feedback will be used to develop a Sector Engagement Plan and drive further project development.

## National Regulatory System for Community Housing (NRSCH)

As part of strengthening the sector, 44 ACHPs have been supported to attain registration under the NRSCH or NSW Local Scheme (NSWLS), including 13 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

Throughout 2022/23 the AHO continued to work with 29 Growth Providers. 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.

## High Cost Community Support Payments

In FY22/23 the AHO continued to support 1,804 properties through High Cost Community Support Payments (HCCSP). HCCSP are provided to Aboriginal Community Housing Providers, and portfolios, and are made to eligible Providers where rent collection levels are not sufficient to meet the cost of managing properties.

With our Build and Grow subsidy payments model ending, transition support payments were brought into place while AHO work in partnership with Aboriginal Community Housing Industry Association and NSW Aboriginal Land Council to design a new model to support high costs relating to the provision of Aboriginal social housing.

Collection of initial data was completed, to provide insights and support informed and evidence based data to explore modelling options. A market stewardship and shaping report also commenced, to provide further guidance regarding the sector and on the options available to the AHO to shape the sector and build longer term sustainability and viability.

A plan for FY23/24 was developed and endorsed, to conduct further data collection and analysis, incorporate the findings from the market stewardship and shaping report, build tools to facilitate deep discussion, and commence consultation with the Sector.

## Supporting the Sector and Tenants through Technology

### Rent Calculator

The AHO Rent Calculator was released on 1 July 2022 to support the implementation of our new Aboriginal Community Housing Rent Policy (ACHRP). Features of the calculator include:

- An interface to Services Australia to retrieve household income, family benefits payments, Centrelink payments and Commonwealth Rent Assistance (CRA).
- All available market rent for NSW which is updated quarterly. This allows a simple selection of Market Rent to compare to the calculated rent to determine rent payable in line with the ACHRP.
- CRA Maximiser which enabling providers to select the maximum CRA payable.

As a result:

- Over 1,500 calculations have been performed by Aboriginal Community Housing Providers (ACHP)
- Rent collection increased by over \$1m on the active rent calculations



### Digital Restart Fund

The Digital Restart Fund is supporting improvements to Ngamuru, our platform for supporting ACHPs and their tenants. Key improvements include:

- **Housing maintenance 'procure to pay' contractor portal** to manage asset management contractor work orders and maintenance requests.
- **Digital Property Inspection Application** that will support all AHO properties (and those that receive funding) having a digital property inspection at least once per annum.

Work is also underway focussed on:

- Simple rent, maintenance, and digital property inspections for smaller ACHPs (<50 dwellings)
- Allocation of tenancy
- Tenants mobile housing application



## Pillar Three: Growing the Sector Performance Information

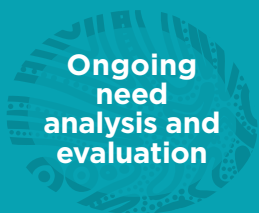
### Strengthened Sector and Communities Program

Initiative	Outcome by 30 June 2026	Progress at 30 June 2023
<b>Aboriginal Housing Management Transfers</b>	<ul style="list-style-type: none"> <li>AHO commitment to transfer 1500 properties to the Aboriginal Community Housing Provider (ACHP) sector resulting in 1500 dwellings transferred to the ACHP sector</li> </ul>	<ul style="list-style-type: none"> <li>Transferred 698 dwellings to Aboriginal Community Housing Provider management</li> </ul>
<b>ACHIA and Sector Workforce Development</b>	<ul style="list-style-type: none"> <li>Continue support to maintain the Aboriginal Community Housing Industry Association (ACHIA) growth as an Aboriginal Housing Sector peak body in NSW, which strengthens the Aboriginal community housing and adjacent sector workforce</li> <li>NSW is one of the only States with an Aboriginal Housing Peak body</li> </ul>	<ul style="list-style-type: none"> <li>6 ACHPs have been supported to attend property management training in the Western Region</li> <li>Hosted 3 regional sector information sessions in Dubbo, Coffs Harbour and Parramatta</li> </ul>
<b>Sector Capability Fund</b>	<ul style="list-style-type: none"> <li>Support up to 125 ACHPs obtain and maintain registration by 30 June 2026</li> </ul>	<ul style="list-style-type: none"> <li>44 ACHPs supported to achieve and maintain registration</li> </ul>

# Pillar 4: Data and Evidence

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

## Our Focus



Build ongoing analysis and evaluation into the work of the AHO so evidence is available for decisions about Aboriginal social housing.



Streamline reporting and compliance for ACHPs. Share data collected with the sector to drive performance and improvement.

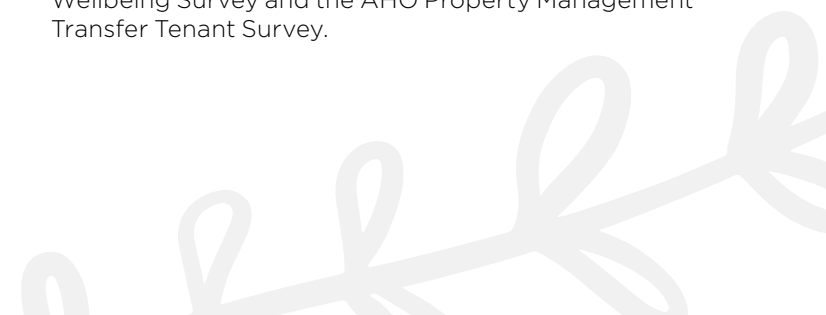


To achieve the best possible outcomes for Aboriginal people, families and communities across NSW, the AHO's work is founded on evidence-based decision making.

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.

The 2022/23 financial year has been evaluation and research heavy with the completion and release of the SFSC Mid-Point Review, the commencement of the Services Our Way Program Evaluation and the fieldwork for both the AHO Tenant Satisfaction, Experience and Wellbeing Survey and the AHO Property Management Transfer Tenant Survey.



## Evaluation

### SFSC Mid-Point Review

In 2022 AHO engaged an independent consultant to review the first four years of the SFSC Strategy (2018-2022) in alignment with the agency’s commitments to improve data and evidence. The purpose of the Mid-Point Review was to ensure that the agency’s over-arching SFSC strategy was on track to deliver and to gather early insights to support the roll out of SFSC phase 2. The Review has been finalised and a summary of findings and recommendations can be found on the AHO website. This review is also scheduled for submission to the NSW Treasury Evidence Bank.

### Services Our Way Program Evaluation

The Services Our Way Program Evaluation was slow to start, with a delay awaiting ethics approval from the Aboriginal Health and Medical Research Council (AH&MRC). Ethics approval was received in Q3 and the evaluation is due to be completed in the 23/24 FY.

### Gunida Gunyah Transitional Housing Pilot (LCDS) Evaluation

The Gunida Gunyah Transitional Housing Pilot Evaluation was completed. A summary report of findings and recommendations will be developed.

### Sustaining Aboriginal Tenancies Pilot Evaluation

The Sustaining Aboriginal Tenancies Program (SATP) Pilot Evaluation has been completed and a summary report of findings will be developed.

### Aboriginal Home Buyer Saver Program Evaluation

This program evaluation commenced in January 2022 to understand implementation effectiveness and to gather insights for future policy and program planning. This evaluation is completed, and a summary report of findings will be developed.

### Stimulus Evaluation

The Stimulus Evaluation commenced in 2022 on the works delivered under funding received from the NSW 2020 Economic Response – COVID-19 funding package. Interim findings were received in 2023 with the final report to be completed in Q1 of the 23/24 FY.

## Research

### AHO Tenant Satisfaction, Experience and Wellbeing Survey

The AHO Tenant Satisfaction, Experience and Wellbeing Survey was launched in 2020, with delays due to COVID-19. The study aims to provide an updated perspective on AHO tenant satisfaction and experience through a longitudinal, population-representative face-to-face survey with Aboriginal tenants living in AHO-funded properties across NSW. The study will be finalised in the 23/24 financial year.

### AHO Property Management Transfers Tenant Survey

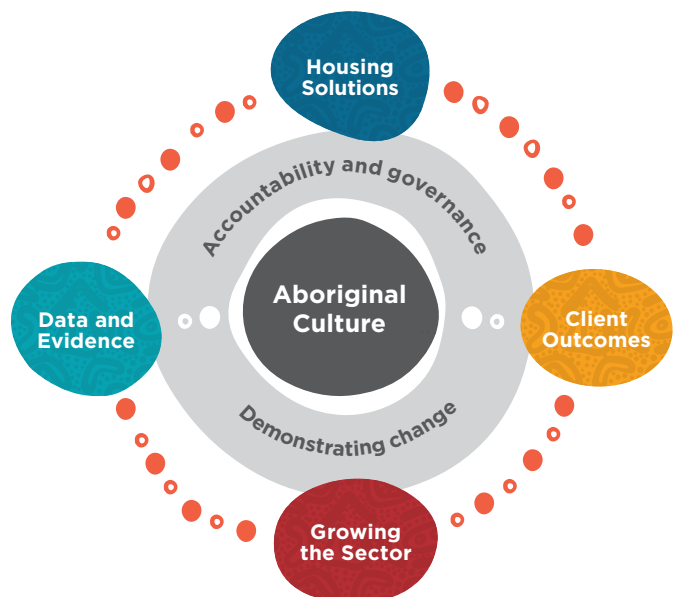
The aim of this study was to understand the impact of the tenancy transfer process on the quality of services and housing experienced by tenants of properties involved in Tranche 1 and Tranche 3 of the transfer process. This survey has been completed.

### AHO Property Management Transfers Provider Survey

The aim of this study was to understand the experience of Aboriginal Community Housing providers that were involved in the property management transfer process. This survey has been completed.

### Aboriginal Wellbeing Framework

AHO initiated a project and partnership with the Department of Communities and Justice (DCJ) to develop an Aboriginal Wellbeing Framework that will establish new housing outcome measures that better represent Aboriginal wellbeing priorities. The project will enter procurement in the 23/24 FY.



## Data Analysis

### Data visualisation program

Established in 2021, the AHO's Data Visualisation Program includes the development of a number of interactive dashboards and maps for the agency. In 2022-23, the AHO has continued to build on the Data Visualisation Program with updates on the SOW program dashboard, wrap-around support and AHO-owned Dwelling dashboards completed throughout the year.

### Property Management Transfer (PMT) Financial Impact Study

The PMT Program is a major initiative under the SFSC strategy. A PMT Financial Impact Study was completed to assess the historical financial impacts of the PMT Program and explore future transfer scenarios.

### Continued work

In 2020-21, the AHO formed the AHO Aboriginal Research and Knowledge Advisory Group whose membership consists of Aboriginal academics and community knowledge representatives across NSW. The purpose of the Group is to provide the AHO with independent advice on its Aboriginal research, evaluation and data collection activities. The advice provided by the Group ensures that the AHO conducts these activities with Aboriginal people, families and communities in a way that is culturally appropriate and ethically sound.

In April 2023, the Group met and reviewed a number of projects currently underway at the AHO including the SOW evaluation, SFSC Aboriginal-led Co-design evaluation and provided advice around best practice research methods.

## 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 provides annual Indigenous community housing data to the Australian Government, as well as supporting the Department of Communities and Justice (DCJ) 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 analysis, evaluation and research expertise to support our commitments under Closing the Gap.



# Culture at the Centre

## Aboriginal Cultural Safety Training

This year we celebrated one-year since we commenced our pilot Aboriginal Cultural Safety training program. Over 60% of our staff have completed the cultural safety training since July 2022. Toward the end of the year, we welcomed the inclusion of Executive members from the Land and Housing Corporation to this training opportunity.

After positive feedback by staff, the AHO Executive agreed to include the cultural safety training as part of the AHO’s mandatory learning and development program which includes cultural awareness training.

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 (DPE) doing to support cultural safety; how do staff identify cultural safety incidences and where to go to for help. A key component of this pilot was to engage with staff guided by these questions. A staff factsheet has now been developed as a result.

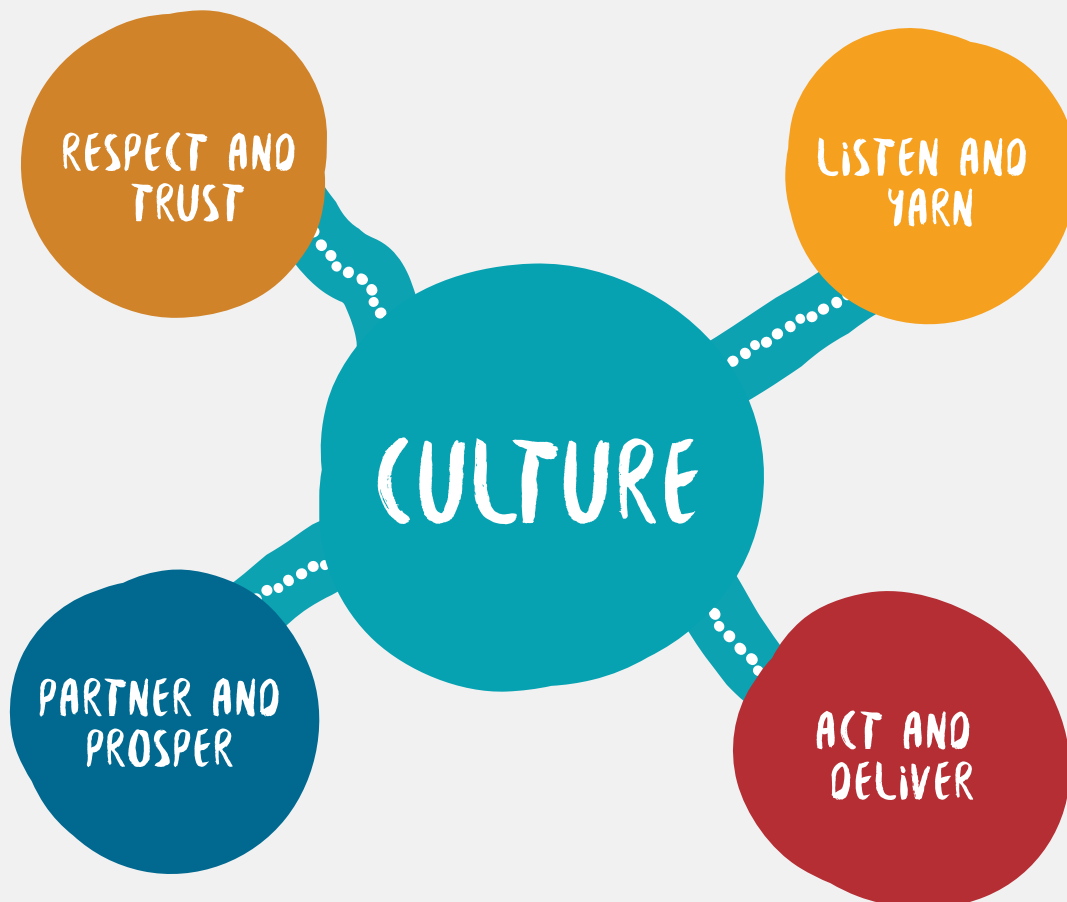
## AHO Strategic Capability Framework

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 AHO.

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.





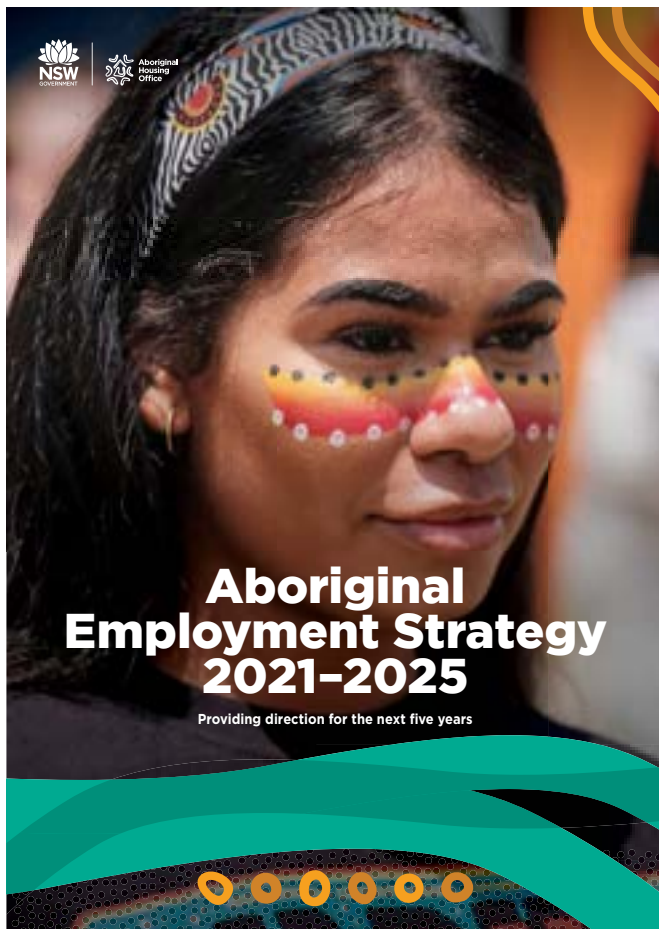
## Aboriginal Employment Strategy

As AHO entered the second year of implementing its Aboriginal Employment Strategy, the target of 62% of all employees (excluding contract staff) identifying as Aboriginal or Torres Strait Islander was achieved with 63%\* identifying. Year two saw the development along with staff with external provider – Skye Trudgett of Kowa Collaboration – on defining benefits and impact. From this work, a program logic was developed which will assist in the future planning, design, review, and evaluation of the strategy.

The Strategy has three key focus areas targeting the **attraction** of new Aboriginal employees and the retention of AHOs existing Aboriginal workforce (including their professional development and growth) guided by the strong foundation of **Aboriginal cultural safety**.

Although the results are positive, given the early development of the Strategy, there is still more work to be done and, the third-year implementation includes a monitoring of revised organisational and Directorate-wide targets as well as the action required to achieve them.

\*December 2022



## Aboriginal Participation in Construction (APIC)

APIC delivered 323 Aboriginal jobs across NSW with further targets for expenditure to be exceeded in 2023.



# Accountability and Governance

## Local Decision Making

AHO has continued to partner with Aboriginal communities and collaboratively work with Local Decision Making (LDM) Alliances and Assemblies.

The Housing Schedule for the Riverina Murray Regional Assembly (RMRA) Local Decision Making Ngunggiyalali Accord was formally finalised and agreed in September 2022. Since then, AHO has worked with RMRA and the Department of Communities and Justice (DCJ) in preparation of the development of a Regional Aboriginal Housing Plan for the Aboriginal communities across the RMRA footprint. We are currently focusing on shared decision-making processes, improving data for better decision making and better targeting initiatives for community, such as home ownership initiatives.

Across the Murdi Paaki region, AHO has been leading the co-design activities with Murdi Paaki Services, NSW Treasury and DCJ that is being driven by the Murdi Paaki Regional Aboriginal Housing Leadership Assembly (RAHLA). Over the past 12 months, AHO has been facilitating the RAHLA co-design sub-committee, a collaborative and consultative mechanism to develop the Murdi Paaki Housing Strategy co-design objective, framework, policy and practice.

AHO has also provided funding to continue the Tenant Support and Education Program (TSEP), ensuring local Aboriginal staff are employed across the region to better support community access housing as well as ensuring tenants know their rights and responsibilities while renting.

## Closing the Gap

AHO has continued our partnership with the NSW Coalition of Aboriginal Peak Organisations (CAPO) to improve housing outcomes for Aboriginal communities as well as discuss innovative solutions to address the overcrowding in our communities. The focus over the past 12 months has to continue to strengthen relationships, improve data transparency and ensure accountability with all partners.



## Demonstrating Change

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. The AHO regularly conducts evaluations of its programs and projects to inform future improvement and ensure accountability.

In 2022, we engaged KPMG to conduct the SFSC Mid-Point Review. Specifically, we wanted to understand how well the design and delivery of SFSC reflected the priorities of the AHO and the priorities of our stakeholders. The Review produced a number of recommendations, which the AHO has responded and actioned:

Recommendation	Response
<b>Scale (or replicate or adapt) programs across the housing continuum.</b>	<ul style="list-style-type: none"> <li>SFSC Phase Two has continued and in some cases expanded SFSC Phase One programs. For example, Home Ownership Options aims to realise an additional 320 home ownership opportunities over four years.</li> </ul>
<b>Strengthen the governance and program management of SFSC.</b>	<ul style="list-style-type: none"> <li>We are now reporting quarterly on milestones as well as outcomes. Through our Phase Two Implementation Plan we are also reporting on our efforts to strengthen SFSC governance.</li> </ul>
<b>Evolve and enhance AHO's role as a sector steward.</b>	<ul style="list-style-type: none"> <li>As part of our SFSC Phase Two commitments we are focussing on specific opportunities for AHO to support Aboriginal Community Housing Providers as a sector steward.</li> </ul>
<b>Jointly develop a plan to address the increasing demand for housing.</b>	<ul style="list-style-type: none"> <li>Through SFSC Phase Two we have committed to increasing our housing portfolio through the SFSC Closing the Gap Program. We are also working with the Australian Government and peak bodies to take advantage of opportunities to increase housing stock through Commonwealth Funding programs. We will also update the AHO Demand and Supply Model so housing delivery can be targeted in the areas of need.</li> </ul>
<b>Formalise the housing design process and consider cohort specific solutions.</b>	<ul style="list-style-type: none"> <li>We have formalised the housing design process through our design guidelines. Cohort specific solutions are included in the design process through community consultation around priorities e.g. Elders housing etc, as well as requirements for adaptable or accessible housing.</li> </ul>
<b>Establish systems that improve the continuity of corporate knowledge.</b>	<ul style="list-style-type: none"> <li>We are continuing to improve our information management systems, staff induction and reporting to ensure that organisational knowledge is not lost when staff leave.</li> </ul>
<b>Adopt (and communicate) SFSC as the AHO's umbrella strategy and expand ambition.</b>	<ul style="list-style-type: none"> <li>SFSC is the AHO strategic plan. The SFSC Mid-Point review informs opportunities for expanding the strategy to address challenges in the current housing environment.</li> </ul>
<b>Consider expanded regional collaboration and a Housing First approach.</b>	<ul style="list-style-type: none"> <li>An example of our expanded regional collaboration is AHO Information sessions – Sector Capability. We are rolling out 6 monthly sessions to registered ACHPs in June and November 2023. There will be presentations from across AHO, sharing current projects and outlining impacts and opportunities for the sector.</li> </ul>
<b>Develop a toolkit to measure Aboriginal culture at the centre.</b>	<ul style="list-style-type: none"> <li>AHO has an Aboriginal Impact Statement which requires all new activity and proposals to consider its benefit and impact to Aboriginal stakeholders. Development of good practice guides and evidence based reporting are part of next steps.</li> </ul>
<b>Continue to embed an organisation culture of evidence and evaluation.</b>	<ul style="list-style-type: none"> <li>SFSC retains a commitment to Data and Evidence. Initiatives being delivered through Phase Two include: biennial and tenant provider surveys, update of demand and supply model, cultural wellbeing framework and an SFSC evaluation.</li> </ul>
<b>Improve the clarity around SFSC scope and targets.</b>	<ul style="list-style-type: none"> <li>As part of SFSC Phase Two Implementation, we report quarterly against program milestones and six monthly against program outputs and outcomes.</li> </ul>

### **Land Disposal**

There were no sales of \$5 million or more in 2022/23 other than by tender or public auction.

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

### **Implementation of Price Determination**

Nil



# Management and Accountability

## Legal change

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 Strait Islander 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.

## Economic or other factors

Economic factors are reflected in the AHO 2022/23 signed financial statements at Appendix A.

## Promotion

There were no overseas visits by employees or officers to promote investments in NSW during the 2022/23 financial year.

## Risk management and insurance activities

The AHO has adopted the DPE Risk Management Framework and the DPE Business Continuity Management Framework. DPE provides services to AHO under these Frameworks. For more information, please see the DPE Annual Report.

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 group within 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

An AHO Audit and Risk Subcommittee is also established with meetings aligned to DPIE HAP ARC requirements.

## Insurance activities

AHO’s insurance policies in respect of the 2022-23 financial year are provided through the NSW Treasury Managed Fund Scheme of self-insurance for Government’s agencies. An overview is provided below with additional information in the AHO Financial Statements at Appendix A.

## Aboriginal Housing Office insurance activities

Summary of claims paid by the TMF during 2022-23.

### Summary of claims paid by the TMF during 2022-23

Line of Business	Policy Number	Number of claims	Cost Measures	Net Incurred Cost \$	Amount Paid \$
Totals		16	\$4,526,295.85	\$3,045,618.90	\$31,000.00
General Liability	MF100834	8	\$12,000.00	\$0	\$1.01
Motor vehicles	MF100786	1	\$0	\$0	\$525,002.00
Property Offices	MF100788 (Property Offices)	0	\$0	\$0.00	
	MF700378 (Leased Properties)	4	\$4,384,808.49	\$3,002,504.49	
Workers Compensation	WC900774	3	\$129,487.36	\$43,114.41	\$600,003.00

## Notes

Net Incurred = Total Amount Paid + Latest Estimate – Amount Recovered

## Internal Audit and Risk Management Attestation

The AHO Internal Audit and Risk Management Attestation can be found at Appendix B.

## Privacy and Personal Information Protection Act 1998 (PIIP Act)

Under Clause 6 of the Annual Reports (Departments) Regulation 2010, the Aboriginal Housing Office must provide a statement of its actions to comply with the requirements of the *Privacy and Personal Information Protection Act 1998* (PIIP Act). It must also provide statistical details of any reviews conducted by or on behalf of the agency, under Part 5 of the PIIP Act.

The Office complies with the Privacy Management Plan for the Department of Planning and Environment. The Plan outlines how the department and its associated agencies comply with the principles of the PIIP Act and the *Health Records and Information Privacy Act 2002*. Officers in the department's Information Access & Privacy unit also provide specialist privacy advice and training to staff.

In 2022-23, the Office received no applications for review under Part 5 of the PIIP Act.

## Exemptions

AHO has not sought a reporting exemption for any aspect of this report.

## Human resources

Number of officers and employees by category with previous year comparison.

	2022-2023	2021-2022	2020-2021
Ongoing	78	62	70
Temporary	37	31	19
Executive	4	3	7
<b>Total</b>	<b>119</b>	<b>96</b>	<b>96</b>

**Source:** AHO establishment

**Note:** Headcount data reported at end of reporting period.

## Human resources

Number of officers and employees by category.

	2022-2023		
	Female	Male	Total
Band 4 Secretary	0	0	0
Band 3 Group/Deputy Secretary	0	0	0
Band 2 Executive Director	1	0	1
Band 1 Director	2	1	3
<b>Total</b>	<b>3</b>	<b>1</b>	<b>4</b>

**Note:** These are Senior Executive statistics as of 22 June 2023. This data is based solely on senior executives in their substantive role and band level.

## Average Remuneration of Senior Executives

	2022-2023	
	Range (\$)	Average Remuneration (\$)
Band 4 Secretary	-	-
Band 3 Group/Deputy Secretary	-	-
Band 2 Executive Director	-	\$311,583
Band 1 Director	\$223,417 - \$249,161	\$234,579
<b>Total</b>	<b>3</b>	<b>1</b>

7.1% of AHO employee-related expenditure in 2022-23 was related to Senior Executives.

## **Government Information (Public Access) Act 2009**

The Aboriginal Housing Office is part of the NSW Department of Planning and Environment for the purposes of the *Government Information (Public Access) Act 2009*. Therefore, all statistical information about access applications required to be included in an annual report regarding the Office, in compliance with s125 of the *Government Information (Public Access) Act 2009* and Clause 8 of the Government Information (Public Access) Regulation 2018, is included in the annual report for the department.

## **Cyber Security Policy Attestation**

Department of Planning and Environment statement explicitly includes AHO.

## **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 Aboriginal Housing Office is captured in the Department of Planning and Environment annual report as all Public Interests disclosures are managed centrally by the department.

## **Requirements Arising From Employment Arrangements**

AHO receives People & Culture services from the Department of Planning and Environment, and Payroll Services from the Department of Communities and Justice.

## **Consultants**

In the 2022/23 financial year, the AHO had no consultant engagement equal or greater than \$50,000.

## **Annual Report Costs**

The total cost of producing this annual report is \$10,439.



# Sustainability

## 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).

AHO is committed to making workplace accessible and inclusive to all abilities where people feel safe to bring their whole self to work and 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 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

## Work Health And Safety

Tables 1, 2 and 3 show AHO’s Work Health and Safety (WHS) performance and details of injuries for 2022-2023. There were no prosecutions under the NSW WHS Act 2011.

**Table 1: distribution of injuries reported to the department’s WHS Team in 2022-2023.**

Injury Outcome	Injury Numbers	Injury %
Medical treatment only	3	75.00%
Lost time injury	1	25.00%

**Table 2: mechanism of injury data from Icare Insurance for NSW data as of 30 June 2023.**

Mechanism of Injury	Number of Claims	Claims %
Body stressing	1	33.33%
Mental stress	2	66.67%

**Table 3: lost time rates calculated from Icare Insurance for NSW data as of 30 June 2023.**

Lost time claim count	1
Lost time frequency rate	6.60
Lost time incident rate	1.10
Average Lost Time Rate	105.00
Lost Time Severity Rate	692.87



## Modern Slavery Act 2018 (NSW)

No issue was raised by the Anti-slavery Commissioner during the reporting period.

The AHO also requires all contractors and sub-contractors to be compliant with the provisions of the Act.

## Workforce Diversity

Workforce Diversity Group	Benchmark	2021	2022	2023
Women	<b>50%</b>	65.6%	63.9%	74.6%
Aboriginal and/or Torres Strait Islander People	<b>3.3%</b>	45.8%	41.2%	39.0%
People whose First Language Spoken as a Child was not English	<b>23.2%</b>	4.2%	3.1%	5.1%
People with Disability	<b>5.6%</b>	2.1%	3.1%	0.8%
People with Disability Requiring Work-Related Adjustment	<b>N/A</b>	1.0%	0.0%	0.0%

Note 1: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 2: The NSW Public Sector Aboriginal Employment Strategy 2014-17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

Note 3: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.



# Financial Performance

## **Financial Statements**

Signed AHO Financial statements can be found at Appendix A.

Dunghutti Aboriginal Elders Tribal Council Trust — Financial statements for the year ended 30 June 2023 are at Appendix C.

## **Identification of Audited Financial Statements**

Audited financial statements can be found at Appendix A.

A 2023-23 Independent Auditors Report relating to the Dunghutti Aboriginal Elders Tribal Council Trust is at Appendix D.

## **Identification of Unaudited Financial Statements**

No unaudited statements have been submitted.

## **Liability Management Performance**

This is not relevant to the AHO.



# Appendix A: AHO 2022-23 Audited Financial Statements



## INDEPENDENT AUDITOR'S REPORT Aboriginal Housing Office

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of Aboriginal Housing Office (the Office), which comprise the Statement by the Chief Executive, the Consolidated Statement of Comprehensive Income for the year ended 30 June 2023, the Consolidated Statement of Financial Position as at 30 June 2023, 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
- present 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).

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

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](http://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 and 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.



Cathy Wu  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

6 October 2023  
SYDNEY

**Aboriginal Housing Office**

**Consolidated Financial Statements**

**For the year ended 30 June 2023**

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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 2023 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.



Famey Williams  
Chief Executive  
Aboriginal Housing Office

29 September 2023



## Aboriginal Housing Office

### Consolidated Statement of Comprehensive Income for the year ended 30 June 2023

	Notes	PARENT			CONSOLIDATED		
		Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
<b>Expenses excluding losses</b>							
Personnel services	2(a)	19,801	23,930	16,740	19,801	23,930	16,740
Operating expenses	2(b)	69,319	74,252	67,390	69,652	74,252	68,068
Depreciation	2(c)	27,151	25,857	24,392	27,252	25,857	24,481
Grants and subsidies	2(d)	42,447	64,689	53,022	42,447	64,689	53,022
Finance costs	2(e)	9	-	13	9	-	13
<b>Total expenses excluding losses</b>		<b>158,727</b>	<b>188,728</b>	<b>161,557</b>	<b>159,161</b>	<b>188,728</b>	<b>162,324</b>
<b>Revenue</b>							
Rent and other tenant charges	3(a)	45,572	51,134	52,301	45,572	51,134	52,301
Grants and contributions	3(b)	130,980	180,183	207,591	130,980	180,183	207,591
Other income	3(c)	7,514	12,122	8,546	7,514	12,122	8,546
<b>Total Revenue</b>		<b>184,066</b>	<b>243,439</b>	<b>268,438</b>	<b>184,066</b>	<b>243,439</b>	<b>268,438</b>
Losses on disposal	4	(4,041)	(7,525)	(2,584)	(4,041)	(7,525)	(2,584)
Impairment losses on financial assets	5	(277)	-	(333)	(277)	-	(333)
<b>Net result</b>		<b>21,021</b>	<b>47,186</b>	<b>103,964</b>	<b>20,587</b>	<b>47,186</b>	<b>103,197</b>
<b>Other comprehensive income</b>							
<i>Items that will not be reclassified to net result in subsequent periods</i>							
Changes in revaluation surplus of property, plant and equipment	8	123,939	113,551	450,708	124,541	113,551	451,563
Actuarial gains/(loss) on superannuation liability		-	-	2,170	-	-	2,170
<b>Total other comprehensive income</b>		<b>123,939</b>	<b>113,551</b>	<b>452,878</b>	<b>124,541</b>	<b>113,551</b>	<b>453,733</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>144,960</b>	<b>160,737</b>	<b>556,842</b>	<b>145,128</b>	<b>160,737</b>	<b>556,930</b>

The accompanying notes form part of these financial statements.

## Aboriginal Housing Office

## Consolidated Statement of Financial Position for the year ended 30 June 2023

	Notes	PARENT			CONSOLIDATED		
		Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	6	28,868	31,882	26,612	28,868	31,882	26,612
Receivables	7	8,245	1,776	7,292	6,186	1,776	5,565
<b>Total Current Assets</b>		<b>37,113</b>	<b>33,658</b>	<b>33,904</b>	<b>35,054</b>	<b>33,658</b>	<b>32,177</b>
<b>Non-Current Assets</b>							
Property, plant and equipment							
Land and buildings	8	3,206,900	3,209,949	2,754,320	3,214,326	3,209,949	2,761,246
Plant and equipment	8	584	1,083	582	584	1,083	582
Capital work in progress	8	63,744	22,590	62,040	63,744	22,590	62,040
Leasehold Improvement	8	129	-	215	129	-	215
Total property, plant and equipment		3,271,357	3,233,622	2,817,157	3,278,783	3,233,622	2,824,083
Right of Use Assets	9(a)	228	-	164	228	-	164
<b>Total Non-Current Assets</b>		<b>3,271,585</b>	<b>3,233,622</b>	<b>2,817,321</b>	<b>3,279,011</b>	<b>3,233,622</b>	<b>2,824,247</b>
<b>Total Assets</b>		<b>3,308,698</b>	<b>3,267,280</b>	<b>2,851,225</b>	<b>3,314,065</b>	<b>3,267,280</b>	<b>2,856,424</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Payables	11	40,418	31,745	27,935	39,418	31,745	26,935
Borrowings	9(b)	63	-	74	63	-	74
<b>Total Current Liabilities</b>		<b>40,481</b>	<b>31,745</b>	<b>28,009</b>	<b>39,481</b>	<b>31,745</b>	<b>27,009</b>
<b>Non-Current Liabilities</b>							
Borrowings	9(b)	171	-	93	171	-	93
Provisions	12	213	213	213	213	213	213
<b>Total Non-Current Liabilities</b>		<b>384</b>	<b>213</b>	<b>306</b>	<b>384</b>	<b>213</b>	<b>306</b>
<b>Total Liabilities</b>		<b>40,865</b>	<b>31,958</b>	<b>28,315</b>	<b>39,865</b>	<b>31,958</b>	<b>27,315</b>
<b>Net Assets</b>		<b>3,267,833</b>	<b>3,235,322</b>	<b>2,822,910</b>	<b>3,274,200</b>	<b>3,235,322</b>	<b>2,829,109</b>
<b>EQUITY</b>							
Asset Revaluation Reserve	1(e)(i)	1,738,880	1,805,557	1,617,977	1,746,403	1,805,557	1,624,898
Accumulated funds	1(e)(ii)	1,528,953	1,429,765	1,204,933	1,527,797	1,429,765	1,204,211
<b>Total Equity</b>		<b>3,267,833</b>	<b>3,235,322</b>	<b>2,822,910</b>	<b>3,274,200</b>	<b>3,235,322</b>	<b>2,829,109</b>

The accompanying notes form part of these financial statements

## Aboriginal Housing Office

### Consolidated Statement of Changes in Equity for the year ended 30 June 2023

2023 PARENT	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total \$'000
<b>Balance as at 1 July 2022</b>		1,204,933	1,617,977	2,822,910
<b>Net result for the year</b>		21,021	-	21,021
<b>Other comprehensive income:</b>				
Net change in revaluation surplus of property, plant and equipment	8	-	123,939	123,939
<b>Total other comprehensive income</b>		-	123,939	123,939
<b>Total comprehensive income for the year</b>		21,021	123,939	144,960
<b>Transaction with owners in their capacity as owners</b>				
Increase in net assets from equity transfers	8, 11	299,963	-	299,963
<b>Transfer between equity items</b>				
Transfer arising from disposals of property, plant and equipment		3,036	(3,036)	-
<b>Balance at 30 June 2023</b>		1,528,953	1,738,880	3,267,833

2023 CONSOLIDATED	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total \$'000
<b>Balance as at 1 July 2022</b>		1,204,211	1,624,898	2,829,109
<b>Net result for the year</b>		20,587	-	20,587
<b>Other comprehensive income:</b>				
Net change in revaluation surplus of property, plant and equipment	8	-	124,541	124,541
<b>Total other comprehensive income</b>		-	124,541	124,541
<b>Total comprehensive income for the year</b>		20,587	124,541	145,128
<b>Transaction with owners in their capacity as owners</b>				
Increase in net assets from equity transfers	8, 11	299,963	-	299,963
<b>Transfer between equity items</b>				
Transfer arising from disposals of property, plant and equipment		3,036	(3,036)	-
<b>Balance at 30 June 2023</b>		1,527,797	1,746,403	3,274,200

## Aboriginal Housing Office

## Consolidated Statement of Changes in Equity for the year ended 30 June 2023

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

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

## Aboriginal Housing Office

### Consolidated Statement of Cash Flows for the year ended 30 June 2023

	Notes	PARENT			CONSOLIDATED		
		Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Personnel services		(19,847)	(23,930)	(16,507)	(19,847)	(23,930)	(16,507)
Suppliers for goods and services		(60,326)	(73,388)	(68,354)	(60,326)	(73,388)	(68,354)
Grants and subsidies		(42,197)	(64,689)	(53,022)	(42,197)	(64,689)	(53,022)
<b>Total payments</b>		(122,370)	(162,007)	(137,883)	(122,370)	(162,007)	(137,883)
<b>Receipts</b>							
Rent and other tenant charges		46,102	51,134	54,632	46,102	51,134	54,632
Grants and contributions		130,730	180,184	207,591	130,730	180,184	207,591
Insurance Income		5,260	8,491	2,056	5,260	8,491	2,056
Other Income		1,324	3,740	3,082	1,324	3,740	3,082
<b>Total receipts</b>		183,416	243,549	267,361	183,416	243,549	267,361
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	15	61,046	81,542	129,478	61,046	81,542	129,478
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Proceeds from sale of property, plant and equipment, net of disposal costs		1,225	3,253	6,066	1,225	3,253	6,066
Purchases of property, plant and equipment		(59,922)	(90,396)	(112,289)	(59,922)	(90,396)	(112,289)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		(58,697)	(87,143)	(106,223)	(58,697)	(87,143)	(106,223)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Payment of principal portion of lease liabilities	9(b)	(93)	-	(122)	(93)	-	(122)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		(93)	-	(122)	(93)	-	(122)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		2,256	(5,601)	23,133	2,256	(5,601)	23,133
Opening cash and cash equivalents		26,612	37,483	3,479	26,612	37,483	3,479
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	6	28,868	31,882	26,612	28,868	31,882	26,612

The accompanying notes form part of these financial statements.

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023

**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 Dunghutti 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 2023 have been authorised for issue by the Chief Executive on 29 September 2023.

**(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 and
- 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 2023  
(Continued)

**1. Summary of significant accounting policies (continued)**

**(e) 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.

**(f) 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.

**(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 consolidated financial statements.

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

**(i) Effective for the first time in 2022-2023**

The accounting policies applied in 2022-2023 are consistent with those of the previous financial year.

Several other amendments are interpretations applied for the first time in 2022-23, 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 2023  
(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 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 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- *AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information*
- *AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*
- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- *AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*
- *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*
- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement*

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.

- (i) Changes in accounting estimates

- (i) Impact of COVID-19 on Financial Reporting for 2022-23

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 2023  
(Continued)

**2. Expenses excluding losses**

*(a) Personnel services*

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages (including annual leave)	17,769	14,557	17,769	14,557
Superannuation - defined contribution plans	1,313	1,060	1,313	1,060
Superannuation - defined benefit plans	(139)	146	(139)	146
Long service leave	(183)	163	(183)	163
Workers' compensation insurance	165	143	165	143
Payroll tax and fringe benefit tax	827	650	827	650
Other	49	21	49	21
Fee for personnel services	<b>19,801</b>	16,740	<b>19,801</b>	16,740

AHO's personnel services fee includes a gain of \$0.146m (2022: \$0.142m loss) 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) 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.

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

**2. Expenses excluding losses (continued)**

**(a) Personnel services (continued)**

*(iii) 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 4.03% (2022: 3.66%) 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.

*- 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).

During the year, \$7.3m of defined benefit superannuation liability was transferred to the Crown (2022: \$Nil) through an equity transfer. Refer to Note 11 for further detail.

*(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 2023  
(Continued)

**2. Expenses excluding losses (continued)**

**(b) Operating expenses**

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Building maintenance and utilities expense	<b>30,607</b>	37,816	<b>30,703</b>	38,431
Other contractors	<b>10,796</b>	10,180	<b>11,024</b>	10,235
Fee for services rendered <sup>(ii)</sup>	<b>8,635</b>	7,533	<b>8,635</b>	7,533
Insurance	<b>5,861</b>	4,498	<b>5,861</b>	4,498
Business services fee <sup>(i)</sup>	<b>7,921</b>	3,358	<b>7,921</b>	3,358
Product for clients	<b>1,916</b>	1,057	<b>1,916</b>	1,057
Travelling, removal and subsistence	<b>1,156</b>	523	<b>1,156</b>	523
Training and development expense	<b>609</b>	530	<b>609</b>	530
Data processing services	<b>405</b>	495	<b>405</b>	495
Advertising and promotions	<b>370</b>	386	<b>370</b>	386
Auditor's remuneration - audit of the financial report	<b>87</b>	87	<b>95</b>	95
Rent and accommodation expense	<b>23</b>	156	<b>23</b>	156
Motor vehicle expenses	<b>96</b>	47	<b>96</b>	47
Motor vehicle leasing costs	<b>25</b>	50	<b>25</b>	50
Other	<b>812</b>	<b>674</b>	<b>813</b>	674
	<b>69,319</b>	<b>67,390</b>	<b>69,652</b>	<b>68,068</b>

<sup>(i)</sup> This mainly relates to expenses charged to AHO by Department of Communities and Justice (DCJ) and DPE of \$7.9m (2022: \$3.36m). Refer to Note 20(b) for further details.

<sup>(ii)</sup> 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. 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 2023  
(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**

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>				
Buildings	26,778	24,093	26,879	24,182
Right-of-use assets	94	116	94	116
Leasehold improvements	86	42	86	42
Plant and equipment	193	141	193	141
	<u>27,151</u>	<u>24,392</u>	<u>27,252</u>	<u>24,481</u>

Refer to Note 8(v) for recognition and measurement policies on depreciation and amortisation.

**(d) Grants and subsidies**

The AHO provides funds towards the repair and maintenance of Aboriginal community housing and the support of the Aboriginal Community Housing Providers (ACHP) through various programs.

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

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
National Partnership Agreement on Remote Indigenous Housing (NPARIH)	7,679	815	7,679	815
Stimulus Program - Grant payment for Aboriginal Community Upgrades	12,373	44,510	12,373	44,510
Strong Family, Strong Communities Phase 2 program	7,298	-	7,298	-
Closing the Gap Housing Solutions	1,621	-	1,621	-
Asset transfer to LAHC (Non-cash)	250	-	250	-
Other grants	13,226	7,697	13,226	7,697
	<u>42,447</u>	<u>53,022</u>	<u>42,447</u>	<u>53,022</u>

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

**2. Expenses excluding losses (continued)**

*(e) Finance Costs*

	PARENT		CONSOLIDATED	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest expense from lease liabilities	9	13	9	13
	<u>9</u>	<u>13</u>	<u>9</u>	<u>13</u>

**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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Market rental	65,570	76,429	65,570	76,429
Rental rebates	<u>(22,024)</u>	<u>(26,805)</u>	<u>(22,024)</u>	<u>(26,805)</u>
	43,546	49,624	43,546	49,624
Tenant charges	<u>2,026</u>	<u>2,677</u>	<u>2,026</u>	<u>2,677</u>
	<u>45,572</u>	<u>52,301</u>	<u>45,572</u>	<u>52,301</u>

**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 2023.

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

**3. Revenue (continued)**

**(b) Grants and contributions**

	<u>PARENT</u>		<u>CONSOLIDATED</u>	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Grants without sufficiently specific performance obligations</b>				
State Social Housing	4,714	4,599	4,714	4,599
National Housing and Homelessness Agreement (NHHA)	31,376	30,611	31,376	30,611
National Partnership Agreement on Remote Indigenous Housing (NPARIH)	11,065	635	11,065	635
Economic Recovery Grant	23,000	5,000	23,000	5,000
Grants from Infrastructure NSW (INSW)	-	27,444	-	27,444
Closing the Gap Housing Solutions Grant	24,398	-	24,398	-
Strong Family, Strong Communities	16,968	8,343	16,968	8,343
Flood Recovery Grant	7,819	-	7,819	-
Services Our Way	6,201	4,128	6,201	4,128
Covid-19 Economic Response Stimulus Grant	2,682	123,463	2,682	123,463
Other Grants	1,720	3,085	1,720	3,085
Asset Transfer from LAHC (Non-cash)	250	-	250	-
<b>Grants with sufficiently specific performance obligations</b>				
Grants from DPE	787	283	787	283
	<u>130,980</u>	<u>207,591</u>	<u>130,980</u>	<u>207,591</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 2022/23, a total funding of \$25.7m was derived from grants from DPE and DCJ (2022: \$128m).

As part of the Budget 2022 Housing Package, the Closing the Gap Housing Solutions and Strong Family, Strong Communities Phase 2 programs were approved for the AHO. In 2022/23, a total funding of \$41.4m was received from DPE (2022: \$Nil).

A flood recovery grant of \$7.8m was recognised during the year as part of the NSW Severe Weather & Flooding 22 February 2022 package to provide additional support to severely affected communities.

A one-off grant funding from INSW of \$27.4m was recognised in 2021/22 as part of a MoU for the Redfern-Waterloo Authority Affordable Housing Contributions Plan.

Grants from DPE included \$0.8m (2022: \$0.3m) 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

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

**3. Revenue (continued)**

**(b) Grants and contributions (continued)**

**Recognition and Measurement (continued)**

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).

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**

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Assets recognised for the first time	<b>930</b>	3,405	<b>930</b>	3,405
Insurance Income	<b>5,260</b>	2,056	<b>5,260</b>	2,056
Small-Scale Technological Certificates Revenue	<b>99</b>	2,418	<b>99</b>	2,418
Other Income	<b>1,225</b>	667	<b>1,225</b>	667
	<b>7,514</b>	8,546	<b>7,514</b>	8,546

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 3 properties were recognised for the first time at \$0.9m (2022: \$3.4m).

AHO also received \$5.3m (2022: \$2.1m) insurance income during the year for properties lost through fire or structural damage.

**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.

Small-Scale Technological Certificates (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 2023  
(Continued)

**4. Losses on disposal**

	PARENT		CONSOLIDATED	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Proceeds from disposal	1,225	6,102	1,225	6,102
Disposal costs	-	(36)	-	(36)
Carrying amount of assets disposed - Note 8	<u>(3,728)</u>	<u>(7,418)</u>	<u>(3,728)</u>	<u>(7,418)</u>
Net Loss on disposal of property	<u>(2,503)</u>	<u>(1,352)</u>	<u>(2,503)</u>	<u>(1,352)</u>

Carrying amount of assets disposed include \$2.64m of assets (2022: \$2.56m) that were transferred to the ACHPs as part of the HACP program.

**Loss on transfers/demolitions and retirements**

Written down value of assets demolished - Note 8	(1,526)	(1,232)	(1,526)	(1,232)
Written down value of assets written-off - Note 8	<u>(12)</u>	-	<u>(12)</u>	-
	<u>(1,538)</u>	<u>(1,232)</u>	<u>(1,538)</u>	<u>(1,232)</u>
	<u>(4,041)</u>	<u>(2,584)</u>	<u>(4,041)</u>	<u>(2,584)</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. Impairment loss on financial assets**

	PARENT		CONSOLIDATED	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
(Increase in)/Reversal of allowance for impairment of receivables - refer Note 7	(277)	(333)	(277)	(333)
	<u>(277)</u>	<u>(333)</u>	<u>(277)</u>	<u>(333)</u>



Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

**6. Current assets - cash and cash equivalents**

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	28,868	26,612	28,868	26,612
	<b>28,868</b>	<b>26,612</b>	<b>28,868</b>	<b>26,612</b>

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 \$0.2m for 2023 (2022: \$0.2m) 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)	28,868	26,612	28,868	26,612
Closing cash and cash equivalents (as per Statement of Cash Flows)	<b>28,868</b>	<b>26,612</b>	<b>28,868</b>	<b>26,612</b>

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

**7. Current assets – receivables**

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Rental debtors	4,312	4,530	4,312	4,530
Sundry debtors	30	336	30	336
Receivables from Trust	2,059	1,727	-	-
Receivables from NSW Reconstruction Authority	2,761	-	2,761	-
Receivables from DCJ	18	65	18	65
Receivables from DPE	40	4	40	4
Receivables from LAHC	900	2,205	900	2,205
Other Receivables	99	-	99	-
Less: Allowance for expected credit losses*	<b>(2,565)</b>	<b>(2,828)</b>	<b>(2,565)</b>	<b>(2,828)</b>
	<b>7,654</b>	<b>6,039</b>	<b>5,595</b>	<b>4,312</b>
Prepayments	334	515	334	515
GST receivable (net)	257	738	257	738
	<b>8,245</b>	<b>7,292</b>	<b>6,186</b>	<b>5,565</b>

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

Balance at beginning of the period	<b>(2,828)</b>	(2,921)	<b>(2,828)</b>	(2,921)
Amounts written off during the year	540	426	540	426
(Increase)/Decrease in allowance recognised in net result	<b>(277)</b>	(333)	<b>(277)</b>	(333)
Balance at end of the period	<b>(2,565)</b>	<b>(2,828)</b>	<b>(2,565)</b>	<b>(2,828)</b>

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

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

**7. Current assets – receivables (continued)**

**Recognition and measurement**

AHO recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. To determine when the agency becomes a party to the contractual provisions of the instrument, the entity considers:

- Whether the entity has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- Whether at least one of the parties has performed under the agreement.

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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 rental assistance payments and may 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 2023.

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

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

2023 PARENT	Land and Buildings				Capital Work in Progress	Total
	Tenanted* \$'000	Not Tenanted \$'000	Plant and Equipment \$'000	Leasehold Improvement \$'000		
<b>At 1 July 2022 - fair value</b>						
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
<b>At 30 June 2023 - fair value</b>						
Gross carrying amount	3,190,813	16,181	916	257	63,744	3,271,911
Accumulated depreciation and impairment	(94)	-	(332)	(128)	-	(554)
Net Carrying Amount	3,190,719	16,181	584	129	63,744	3,271,357

\*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:

2023 PARENT	Land and Buildings				Capital Work in Progress	Total
	Tenanted* \$'000	Not Tenanted \$'000	Plant and Equipment \$'000	Leasehold Improvement \$'000		
<b>Period ended 30 June 2023</b>						
Net Carrying Amount at start of year	2,737,718	16,602	582	215	62,040	2,817,157
Additions	18,708	-	207	-	50,081	68,996
Equity Transfer from LAHC	292,340	319	-	-	-	292,659
Non-cash property transfers to LAHC (Note 2(d))	(250)	-	-	-	-	(250)
Non-cash property transfers from LAHC (Note 3(b))	250	-	-	-	-	250
Assets recognised for the first time (Note 3(c))	900	30	-	-	-	930
Transfers from work in progress	53,058	(4,681)	-	-	(48,377)	-
Disposals (Note 4)	(3,728)	-	-	-	-	(3,728)
Write-off (Note 4)	-	-	(12)	-	-	(12)
Demolition (Note 4)	(1,526)	-	-	-	-	(1,526)
Net revaluation increment	120,027	3,911	-	-	-	123,938
Depreciation expense (Note 2(c))	(26,778)	-	(193)	(86)	-	(27,057)
Net Carrying Amount at end of year	3,190,719	16,181	584	129	63,744	3,271,357

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

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

**2022 PARENT**

	Land and Buildings		Plant and Equipment	Leasehold Improvement	Capital Work in Progress	Total
	Tenanted*	Not Tenanted				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2021 - fair value</b>						
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
<b>At 30 June 2022 - fair value</b>						
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 previous reporting period is set out below:

**2022 PARENT**

	Land and Buildings		Plant and Equipment	Leasehold improvement	Capital Work in Progress	Total
	Tenanted*	Not Tenanted				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Period ended 30 June 2022</b>						
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
Non-cash property transfers to LAHC (Note 2(d))	-	-	-	-	-	-
Non-cash property transfers from LAHC (Note 3(b))	-	-	-	-	-	-
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)
Write-off (Note 4)	-	-	-	-	-	-
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 2023  
(Continued)

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

2023 CONSOLIDATED	Land and Buildings				Capital Work in Progress	Total
	Tenanted*	Not Tenanted	Plant and Equipment	Leasehold Improvement		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2022 - fair value</b>						
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	<u>2,743,210</u>	<u>18,036</u>	<u>582</u>	<u>215</u>	<u>62,040</u>	<u>2,824,083</u>
<b>At 30 June 2023 - fair value</b>						
Gross carrying amount	3,196,805	17,615	916	257	63,744	3,279,337
Accumulated depreciation and impairment	(94)	-	(332)	(128)	-	(554)
Net Carrying Amount	<u>3,196,711</u>	<u>17,615</u>	<u>584</u>	<u>129</u>	<u>63,744</u>	<u>3,278,783</u>

\*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:

2023 CONSOLIDATED	Land and Buildings				Capital Work in Progress	Total
	Tenanted*	Not Tenanted	Plant and Equipment	Leasehold improvement		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Period ended 30 June 2023</b>						
Net Carrying Amount at start of year	2,743,208	18,036	582	215	62,040	2,824,081
Additions	18,708	-	207	-	50,081	68,996
Equity Transfer from LAHC	292,340	319	-	-	-	292,659
Non-cash property transfers to LAHC (Note 2(d))	(250)	-	-	-	-	(250)
Non-cash property transfers from LAHC (Note 3(b))	250	-	-	-	-	250
Assets recognised for the first time (Note 3(c))	900	30	-	-	-	930
Transfers from work in progress	53,058	(4,681)	-	-	(48,377)	-
Disposals (Note 4)	(3,728)	-	-	-	-	(3,728)
Write-off (Note 4)	-	-	(12)	-	-	(12)
Demolition (Note 4)	(1,526)	-	-	-	-	(1,526)
Net revaluation increment	120,630	3,911	-	-	-	124,541
Depreciation expense (Note 2(c))	(26,879)	-	(193)	(86)	-	(27,158)
Net Carrying Amount at end of year	<u>3,196,711</u>	<u>17,615</u>	<u>584</u>	<u>129</u>	<u>63,744</u>	<u>3,278,783</u>

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

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

2022 CONSOLIDATED	Land and Buildings				Capital Work in Progress	Total
	Tenanted*	Not Tenanted	Plant and Equipment	Leasehold Improvement		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2021 - fair value</b>						
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
<b>At 30 June 2022 - fair value</b>						
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 previous reporting period is set out below:

2022 CONSOLIDATED	Land and Buildings				Capital Work in Progress	Total
	Tenanted*	Not Tenanted	Plant and Equipment	Leasehold improvement		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Period ended 30 June 2022</b>						
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
Non-cash property transfers to LAHC (Note 2(d))	-	-	-	-	-	-
Non-cash property transfers from LAHC (Note 3(b))	-	-	-	-	-	-
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)
Write-off (Note 4)	-	-	-	-	-	-
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

## 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) Acquisition of Property, Plant and Equipment

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 AAS.

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

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are 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 2023  
(Continued)

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

**Recognition and measurement (continued)**

(iv) Revaluation of Property, Plant and Equipment

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.



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Notes to the financial statements  
For the year ended 30 June 2023  
(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:

	2023	2022
	% Rate	% Rate
<b>Property</b>		
Building	2	2
<b>Plant &amp; Equipment</b>		
Office furniture and fittings	33	33
Office equipment	14	14
Computer equipment	25	25
Motor vehicles	16	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. For 2022/23, as part of an approved program to transfer the title of Aboriginal tenanted properties from LAHC to the AHO, 505 properties worth \$292.6m were transferred from LAHC to the AHO. The properties were recognised as an equity transfer in accordance with AASB 1004 Contributions, rather than revenue, in line with the cabinet decision (SC1032-2020) issued on 20 July 2021 and this increased net assets by \$292.6m. There were no such transfers in the prior year.

(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  
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(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 2023 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.

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Notes to the financial statements  
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(Continued)

**9. Leases (continued)**

During the prior financial year ended 30 June 2022, AHO had accepted the changes in the office accommodation with Property NSW (PNSW). The main change was the introduction of the “substitution right” clause for PNSW to relocate the entity during the term of the agreement. The clause provided PNSW with a substantive substitution right. Therefore, these agreements were no longer accounted for as a lease within the scope of AASB 16. The office accommodation agreement with PNSW was no longer accounted for as a lease from 30 June 2022. This involved judgment that the “substitution right” clause in the agreement provided PNSW with a substantive substitution right. Management had 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 was 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 are 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.

	<b>Buildings</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>PARENT/CONSOLIDATED</b>			
<b>Balance at 1 July 2022</b>	-	164	164
Additions	-	158	158
Depreciation expense	-	(94)	(94)
Lease modification revaluation	-	-	-
<b>Balance at 30 June 2023</b>	<u>-</u>	<u>228</u>	<u>228</u>

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

**(b) Lease liabilities**

The following table presents liabilities under leases:

	<b>Total</b>
	<b>\$'000</b>
<b>PARENT/CONSOLIDATED</b>	
<b>Balance at 1 July 2022</b>	167
Addition	158
Lease modification revaluation	(7)
Interest expenses	9
Payments	(93)
<b>Balance at 30 June 2023</b>	<u>234</u>
<b>Balance at 1 July 2021</b>	-
Addition	688
Lease modification revaluation	(412)
Interest expenses	13
Payments	(122)
<b>Balance at 30 June 2022</b>	<u>167</u>

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**9. Leases (continued)**

**(b) Lease liabilities (continued)**

	PARENT		CONSOLIDATED	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current lease liability	63	74	63	74
Non-current lease liability	171	93	171	93
	<u>234</u>	<u>167</u>	<u>234</u>	<u>167</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:

	2023 \$'000	2022 \$'000
Gain on modification of leases	-	(3)
Depreciation expense of right-of-use assets	94	116
Interest expense on lease liabilities	9	13
<b>Total amount recognised in the statement of comprehensive income</b>	<u>103</u>	<u>126</u>

AHO had total cash outflows for leases of \$0.09m in 2022-23 (\$0.12m in 2021-22).

**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  
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**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 2023.

**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 2023.

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**10. Fair value measurement of non-financial assets**

**(a) Fair value hierarchy**

<b>2023</b>	Notes	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>PARENT</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>fair value</b>
<b>Property, plant and equipment</b>					<b>\$'000</b>
Land and buildings	8	-	-	3,206,900	3,206,900
		-	-	<b>3,206,900</b>	<b>3,206,900</b>
<hr/>					
<b>2023</b>					
<b>CONSOLIDATED</b>					
<b>Property, plant and equipment</b>					
Land and buildings	8	-	-	3,214,326	3,214,326
		-	-	<b>3,214,326</b>	<b>3,214,326</b>

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

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

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.

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**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 2023.

The uplift/(downward) market movement for the six months ended 30 June 2023 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 2023. 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 2023. Management will continue to monitor any changes to the market conditions after 30 June 2023.

**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.

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**11. Current liabilities – payables**

	PARENT		CONSOLIDATED	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Payable for personnel services - inter-agency	4,522	11,922	4,522	11,922
Creditors - trade	10,741	8,226	10,741	8,226
Creditors - sundry	2,235	2,392	2,235	2,392
Payable to the Dunghutti Trust	1,000	1,000	-	-
Accrued operating expenditure	12,365	3,917	12,365	3,917
Accrued capital expenditure - LAHC	2,247	31	2,247	31
Accrued capital expenditure - Others	7,308	447	7,308	447
	<b>40,418</b>	<b>27,935</b>	<b>39,418</b>	<b>26,935</b>

During the year, \$7.3m of defined benefit superannuation liability was transferred to the Crown (2022: \$Nil) through an equity transfer on 1 January 2023, which has reduced the inter-agency payable for personnel services. The transfer is consistent with Government policy to consolidate and centrally manage employee-related liabilities with the Crown.

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.



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**12. Non-current liabilities – provisions**

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Property replacement cost	<u>213</u>	<u>213</u>	<u>213</u>	<u>213</u>
<b>Total Provisions</b>	<b><u>213</u></b>	<b><u>213</u></b>	<b><u>213</u></b>	<b><u>213</u></b>

**Reconciliation**

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

<b>2023 PARENT</b>	<b>Property replacement \$'000</b>	<b>Total \$'000</b>
Carrying amount at beginning of the financial year	<u>213</u>	<u>213</u>
Additional provision recognised	-	-
Provision settled	-	-
Unwinding/Change in the discount rate	-	-
Carrying amount at the end of the financial year	<b><u>213</u></b>	<b><u>213</u></b>
<b>2023 CONSOLIDATED</b>	<b>Property replacement \$'000</b>	<b>Total \$'000</b>
Carrying amount at beginning of the financial year	<u>213</u>	<u>213</u>
Additional provision recognised	-	-
Provision settled	-	-
Unwinding/Change in the discount rate	-	-
Carrying amount at the end of the financial year	<b><u>213</u></b>	<b><u>213</u></b>

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(Continued)

**12. Non-current liabilities – provisions (continued)**

**Reconciliation**

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

<b>2022 PARENT</b>	<b>Property replacement \$'000</b>	<b>Total \$'000</b>
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	<u>213</u>	<u>213</u>
<b>2022 CONSOLIDATED</b>	<b>Property replacement \$'000</b>	<b>Total \$'000</b>
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	<u>213</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.

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**13. Commitments for expenditure**

**Capital commitments (to be updated at year-end)**

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

	PARENT		CONSOLIDATED	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Within one year	48,003	31,019	48,003	31,019
Later than one and not later than five years	-	-	-	-
<b>Total (including GST)</b>	<b>48,003</b>	<b>31,019</b>	<b>48,003</b>	<b>31,019</b>

A majority of the Capital Commitments relates to AHO's COVID-19 Economic Response Stimulus, Economic Recovery and Closing the Gap Housing Solutions programs that are currently in progress.

**14. Contingent liabilities and contingent assets**

In the prior financial year, there were 3 properties that AHO did not have definitive control over as at 30 June 2022. As a result, they were not recognised until such time as full control is established. These properties have since been recognised in 2022/23 under Note 3(c) as assets recognised for the first time.

The AHO does not have any contingent liabilities or assets for the year ended 30 June 2023.

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

	PARENT		CONSOLIDATED	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Net cash from operating activities</b>	<b>61,046</b>	129,478	<b>61,046</b>	129,478
Losses on disposal, demolitions and write-offs	(4,041)	(2,584)	(4,041)	(2,584)
Depreciation	(27,151)	(24,392)	(27,252)	(24,481)
Equity transfer to Crown	(7,304)	-	(7,304)	-
Assets recognised for the first time	930	3,405	930	3,405
Non-cash transfer from LAHC	250	-	250	-
Non-cash transfer to LAHC	(250)	-	(250)	-
Finance costs	(9)	(13)	(9)	(13)
Actuarial loss on superannuation liability	-	(142)	-	(142)
Gain on lease modification	-	3	-	3
Decrease / (increase) in allowance for impairment	263	(333)	263	(333)
Increase / (decrease) in receivables	690	232	358	(446)
Decrease / (increase) in payables	(3,403)	(1,690)	(3,404)	(1,690)
<b>Net result</b>	<b>21,021</b>	103,964	<b>20,587</b>	103,197

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## 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 Chief Executive 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	2023	2022
<b>Class:</b>			<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	6	Amortised Cost	28,868	26,612
Receivables (1)	7	Amortised Cost Loans and Receivables	5,595	4,312
<b>Total financial assets</b>			<b>34,463</b>	<b>30,924</b>
Payables (2)	11	Financial liabilities measured at amortised cost	39,418	26,935
Borrowings	9	Financial liabilities measured at amortised cost	234	167
<b>Total financial liabilities</b>			<b>39,652</b>	<b>27,102</b>

(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.

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**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**

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

**Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**(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.

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**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 (to be updated at year-end):

	<b>30 June 2023</b>					
	<b>\$'000</b>					
	<b>Current</b>	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>61-90 days</b>	<b>&gt;91 days</b>	<b>Total</b>
Expected credit loss rate	-	-	67%	67%	68%	
Estimated total gross carrying amount at default	-	-	3	3	3,804	3,810
Expected credit loss	-	-	2	2	2,561	2,565

	<b>30 June 2022</b>					
	<b>\$'000</b>					
	<b>Current</b>	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>61-90 days</b>	<b>&gt;91 days</b>	<b>Total</b>
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

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 2023 year (2022: \$Nil).

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(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 2023	Interest rate exposure		Maturity dates		
	Nominal Amount	<1 year	Between 1 and 5 years	> 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Payable for personnel services	4,522	4,522	-	-	4,522
Creditors and accrual expenses	34,896	34,896	-	-	34,896
Borrowings	234	63	171	-	234
<b>Total</b>	<b>39,652</b>	<b>39,481</b>	<b>171</b>	<b>-</b>	<b>39,652</b>

At 30 June 2022	Interest rate exposure		Maturity dates		
	Nominal Amount	<1 year	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
<b>Total</b>	<b>27,102</b>	<b>27,009</b>	<b>93</b>	<b>-</b>	<b>27,102</b>

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:

	2023	2022
	\$'000	\$'000
Tape Negotiation Authority	40,500	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.

	2023	2022
	\$'000	\$'000
AHO has access to the following credit card facility with Citibank	950	700

This facility was approved under the *Government Sector Finance Act 2018* by the Treasurer on 28 November 2022 as a maximum limit for AHO's corporate credit cards.

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(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 2023	-1%		+1%		
	Carrying amount	Net Result	Equity	Net Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash and cash equivalents	28,868	(289)	(289)	289	289
<b>Total increase/(decrease)</b>		(289)	(289)	289	289

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

### (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 \$20.6m surplus against the original budget of \$47.2m.

### Revenue and Expenses

The major variances to revenue were:

Rent and other tenant charges were \$5.6m behind budget 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.

Grants and contributions were \$49.2m behind budget mainly due to a carry-forward of budgets to 2023/24 for various programs that were affected by the extreme flood and weather events during the year.



Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

**17. Budget review (continued)**

Other income was behind by \$4.6m mainly due to a lower insurance income received as there were less properties that were lost to fire damage, which reflects the progress made in tenant education on fire safety.

The major variances to expenses were:

Personnel services, Operating expenses and Grants and subsidies were behind budget mainly due to a carry-forward of budgets to 2023/24 for various programs that were affected by the extreme flood and weather events during the year.

**Assets and Liabilities**

The major variances to budget were:

Property, plant and equipment was higher than budget by \$45.2m due to a higher than expected value of properties that were transferred from LAHC to AHO during the year.

Receivables was higher than budget by \$4.4m mainly due to timing of cash receipt from rental debtors. There was \$2.8m of receivables that relate to pending grant payment from the NSW Reconstruction Authority.

Payables was higher than budget by \$7.7m mainly due to timing of invoices received and payment made to creditors.

Asset Revaluation Reserve was lower than budget by \$59.2m which reflects the modest movement in the property market in NSW during the year.

**Cash Flows**

AHO's cash position as at year end is lower than budget by \$3.0m mainly due to a delay in grant payment from NSW Reconstruction Authority of \$2.8m mentioned above which has been recorded as receivable.

**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.

**19. Defined benefit superannuation plans**

	SASS		SANCS		SSS		Total	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Member Numbers								
Contributors	-	-	-	-	-	-	-	-
Pensioners	-	-	-	-	-	7	-	7
Superannuation Position	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued liability	-	-	-	(10)	-	10,899	-	10,889
Estimated reserve account balance	-	(1)	-	(58)	-	(3,379)	-	(3,438)
Net liability recognised in statement of financial position	-	(1)	-	(68)	-	7,520	-	7,451

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.

There is no longer any defined benefit superannuation liability recognised for the year as the liability of \$7.3m was transferred to the Crown (2022: \$Nil) through an equity transfer on 1 January 2023. The transfer is consistent with Government policy to consolidate and centrally manage employee-related liabilities with the Crown.

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

**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.

AHO's key management personnel compensation is as follows (to be updated at year-end):

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits:	334	381
Post-employment benefits	-	-
Total remuneration	<u>334</u>	<u>381</u>

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 2023, AHO incurred \$2.22m (2022: \$2.16m) 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 2023, AHO incurred \$5.61m (2022: \$5.37m) as management fees to DPE and this amount is disclosed in Note 2 (b) Fee for services rendered.

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

**20. Related party disclosures (continued)**

**(b) Other related party transactions (continued)**

Cluster agencies (continued)

A management agreement exists between AHO, DPE and DCJ whereby finance, human resources, and information technology and business services are provided to AHO by DCJ. During the period to 30 June 2023, AHO incurred \$3.48m (2022: \$3.36m) as management fees to DPE and this amount is disclosed in Note 2 (b) Business Services fee.

AHO was also requested to enter into a DPE Services Partnership Agreement during the year of \$1.31m (2022: \$Nil). A DPE Legacy Efficiency Dividend of \$2.59m (2022: \$Nil) and additional DPE cost recharges of \$0.54m (2022: \$Nil) were charged to the AHO during the year. Overall, the AHO had to pay DPE an additional \$4.44m (2022: \$Nil) of Legacy Efficiency Dividends and cost recharges during the year.

The AHO had recognised non-cash grant expense to LAHC of \$0.25m for assets transferred to LAHC, and a non-cash grant revenue of \$0.25m from LAHC for assets transferred from LAHC. These were disclosed in Note 2(d) Grants and subsidies and Note 3 (b) Grants and contributions respectively.

AHO had recognised grant revenue from DPE of \$59.9m, which includes \$24.4m from Closing the Gap Housing Solutions program, \$13.0m from Economic Recovery program, \$15.5m from Strong Family, Strong Communities Phase 2 program, \$6.2m from Service Our Way program and \$0.8m from OEH grant. These amounts are disclosed in Note 3(b) Grants and contributions.

AHO had recognised grant revenue from DCJ of \$61.4m, which includes \$2.7m from Stimulus program, \$31.4m from NHHA program, \$1.5m from SFSC program, \$10.0m from Economic Recovery program, \$4.7m from State Social Housing program, and \$11.1m from NPARIH program. These amounts are disclosed in Note 3(b) Grants and contributions.

During the year, the AHO had recognised \$7.8m of grant revenue from NSW Reconstruction Authority as part of its Flood Recovery program. This amount is disclosed in Note 3(b) Grants and contributions.

In the previous financial year ended 30 June 2022, 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.

Other government agencies

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

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:-

Aboriginal Housing Office  
Notes to the financial statements  
For the year ended 30 June 2023  
(Continued)

**20. Related party disclosures (continued)**

**(b) Other related party transactions (continued)**

Balance with related parties (continued)

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Receivables from:</b>		
DPE (Note 7)	40	4
DCJ (Note 7)	18	65
LAHC (Note 7)	900	2,205
The Trust (Note 7)	-	1,727
NSW Reconstruction Authority (Note 7)	2,761	-
<b>Total</b>	<u>3,719</u>	<u>4,001</u>
<b>Payables for personnel services to:</b>		
DPE (Note 11)	4,522	11,922
<b>Total</b>	<u>4,522</u>	<u>11,922</u>
<b>Accrued capital expenditure to:</b>		
LAHC (Note 11)	2,247	31
<b>Total</b>	<u>2,247</u>	<u>31</u>
<b>Payable to:</b>		
The Trust (Note 11)	-	1,000
<b>Total</b>	<u>-</u>	<u>1,000</u>

**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 B: AHO Internal Audit and Risk Management Attestation 2023

## Internal Audit and Risk Management Attestation Statement for the 2022-2023 Financial Year for the Aboriginal Housing Office

I, Kiersten Fishburn, 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.  | <b>Compliant</b> |
| 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. | <b>Compliant</b> |

#### 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.                                    | <b>Compliant</b> |
| 2.2 | The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice for Internal Auditing. | <b>Compliant</b> |
| 2.3 | The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.                                  | <b>Compliant</b> |

#### 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. | <b>Compliant</b> |
| 3.2 | The Accountable Authority shall ensure that the Audit and Risk Committee has a Charter that is consistent with the 'model charter'.   | <b>Compliant</b> |

### Membership

For the 2022-23 reporting period, the independent Chair and members of the Audit and Risk Committee were:

Role	Name	Start Term Date	Finish Term Date*
Independent Chair	Carol Holley	30/03/2020	30/09/2023
Independent Member	Peter Scarlett	30/03/2020	30/09/2023
Independent Member	Alan Zammit	30/03/2020	30/09/2023

\* Extended term of appointment from 30 March 2023 to 30 September 2023.

### Shared Arrangements

I, Kiersten Fishburn, 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




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Kiersten Fishburn

**Secretary**

Date: 16 August 2023

Agency Contact:  
Suzette Gay  
Director Audit  
02 9289 6912

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# Appendix C: Dunghutti Aboriginal Elders Tribal Council Trust 2022-23 Signed Financial Statements

## **Dunghutti Aboriginal Elders Tribal Council Trust**

Financial statements for the year ended

30 June 2023

## **Dunghutti Aboriginal Elders Tribal Council Trust**

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### **Financial statements For the year ended 30 June 2023**

Statement by Trustee

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the financial statements



## **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 2023 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.



Famey Williams  
Chief Executive

For and on behalf of  
Aboriginal Housing Office,  
Trustee

29 September 2023

## Dunghutti Aboriginal Elders Tribal Council Trust

### Statement of Comprehensive Income For the year ended 30 June 2023

	Notes	2023 (\$)	2022 (\$)
<b><u>Expenses</u></b>			
Repairs and maintenance	2	10,926	533,643
Professional fees	3	226,139	54,636
Utilities		85,847	82,274
Depreciation	5	101,210	88,659
Travel		-	413
Others		9,011	7,685
<b>Total Expenses</b>		433,133	767,310
<b>Total Revenue</b>		-	-
<b>Net (deficit)/surplus</b>		(433,133)	(767,310)
 <b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result in subsequent periods</i>			
Changes in revaluation reserve	5	601,210	855,437
<b>Total other comprehensive income</b>		601,210	855,437
<b>Total comprehensive income</b>		168,077	88,127

## Dunghutti Aboriginal Elders Tribal Council Trust

### Statement of Financial Position For the year ended 30 June 2023

	Notes	2023 (\$)	2022 (\$)
<b><u>Assets</u></b>			
<b>Current assets</b>			
Receivable from Aboriginal Housing Office	4	1,000,000	1,000,000
<b>Total current assets</b>		1,000,000	1,000,000
<b>Non-current assets</b>			
Land and buildings	5	7,426,000	6,926,000
<b>Total non-current assets</b>		7,426,000	6,926,000
<b>Total assets</b>		8,426,000	7,926,000
<b><u>Liabilities</u></b>			
<b>Current liabilities</b>			
Payable to Aboriginal Housing Office	6	2,058,663	1,726,740
<b>Total current liabilities</b>		2,058,663	1,726,740
<b>Total liabilities</b>		2,058,663	1,726,740
<b>Net assets</b>		6,367,337	6,199,260
<b><u>Equity</u></b>			
Asset revaluation reserve		7,037,522	6,436,312
Accumulated funds		(670,185)	(237,052)
<b>Total equity</b>		6,367,337	6,199,260

## Dunghutti Aboriginal Elders Tribal Council Trust

### Statement of Changes in Equity For the year ended 30 June 2023

2023	Notes	Accumulated Funds (\$)	Asset Revaluation Reserve (\$)	Total (\$)
<b>Balance at 1 July 2022</b>		(237,052)	6,436,312	6,199,260
<b>Net deficit for the year</b>		(433,133)	-	(433,133)
<b><u>Other comprehensive income:</u></b>				
Net increase in fair value of land and buildings	5	-	601,210	601,210
<b>Total other comprehensive income</b>		-	601,210	601,210
<b>Total comprehensive income for the year</b>		(433,133)	601,210	168,077
<b>Balance at 30 June 2023</b>		(670,185)	7,037,522	6,367,337
<b><u>Other comprehensive income:</u></b>				
Net increase in fair value of land and buildings	5	-	855,437	855,437
<b>Total other comprehensive income</b>		-	855,437	855,437
<b>Total comprehensive income for the year</b>		(767,310)	855,437	88,127
<b>Balance at 30 June 2022</b>		(237,052)	6,436,312	6,199,260

## **Dunghutti Aboriginal Elders Tribal Council Trust**

### **Statement of Cash Flows For the year ended 30 June 2023**

	Notes	2023 (\$)	2022 (\$)
<b><u>Cash flows from operating activities</u></b>			
Net cash flows from operating activities	12	-	-
<b><u>Cash flows from investing activities</u></b>			
Net cash flows from investing activities		-	-
<b><u>Cash flows from financing activities</u></b>			
Net cash flows from financing activities		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		-	-
<b>Opening Cash and cash equivalents</b>		-	-
<b>Closing Cash and cash equivalents</b>		-	-

**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 2023**

#### **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 \$7.4 million (2022: \$6.9 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 2023 have been authorised for issue by the Trustee on 28 September 2023.

##### **(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 are 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 2023**

#### **1. Summary of significant accounting policies (Continued)**

##### **(e) 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.

##### **(f) 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.

##### **(g) Changes in accounting policies, including new or revised Australian Accounting Standards**

###### **(i) Effective for the first time in 2022-2023**

The accounting policies applied in 2022-2023 are consistent with those of the previous financial year.

Several other amendments are interpretations apply for the first time in 2022-23, 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 2023**

#### **1. Summary of significant accounting policies (Continued)**

##### **(g) 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 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 2021-7b 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*
- *AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information*
- *AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*
- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- *AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*
- *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*
- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement*

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.

##### **(h) Impact of COVID-19 on Financial Reporting for 2022-23**

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 2023

#### 2. Repairs and Maintenance

	2023 (\$)	2022 (\$)
Repairs and maintenance	10,926	533,643

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 no capital improvements for the current year (2022: \$487,220) as per Note 5.

#### 3. Professional Fees

	2023 (\$)	2022 (\$)
Professional Fees	226,139	54,636

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, legal and professional services. Professional fees are recognised as incurred.

#### 4. Current Assets - Receivable

	2023 (\$)	2022 (\$)
Receivable from Aboriginal Housing Office (i)	1,000,000	1,000,000
Total receivables	1,000,000	1,000,000

- (i) A receivable balance of \$1m in 2023 (2022: \$1m) relates to the same Commonwealth grant that was received by AHO as the Trustee in 2021. As the Trust does not hold any bank account, the grant amount is currently being held in AHO's bank account as the Trustee.

## Dunghutti Aboriginal Elders Tribal Council Trust

### Notes to the Financial Statements For the year ended 30 June 2023

#### 5. Non-Current Assets – Land and buildings

	<b>Land &amp; buildings (\$)</b>
<b>2023</b>	
<b>At 1 July 2022 – fair value</b>	
Gross carrying amount	6,926,000
Accumulated depreciation and impairment	-
<b>Net Carrying Amount</b>	<b>6,926,000</b>
<b>At 30 June 2023 – fair value</b>	
Gross carrying Amount	7,426,000
Accumulated depreciation and impairment	-
<b>Net Carrying Amount</b>	<b>7,426,000</b>

#### Reconciliations

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

	<b>Land &amp; buildings (\$)</b>
<b>2023</b>	
<b>Period ended 30 June 2023</b>	
Net carrying amount at start of year	6,926,000
Capital improvement	-
Net revaluation increment	601,210
Depreciation expense	(101,210)
<b>Net carrying amount at end of year</b>	<b>7,426,000</b>

## Dunghutti Aboriginal Elders Tribal Council Trust

### Notes to the Financial Statements For the year ended 30 June 2023

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

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

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

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

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 2023 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 2023**

#### **5. 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 2023

#### 5. 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 2023

#### 5. 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:

	2023 % Rate	2022 % 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 2023

#### 6. Current Liabilities - Payables

	2023 (\$)	2022 (\$)
Payable to Aboriginal Housing Office (i)	2,058,663	1,726,740
Total payables	2,058,663	1,726,740

The payable balance of \$2.1m in 2023 (2022: \$1.7m) relates to expenses paid on behalf for the Trust by the AHO.

#### 7. Fair value measurement of non-financial assets

##### (a) Fair value hierarchy

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total fair value (\$)
<b>2023</b>				
Land and buildings	-	-	7,426,000	7,426,000
<b>Total</b>	-	-	7,426,000	7,426,000

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total fair value (\$)
<b>2022</b>				
Land and buildings	-	-	6,926,000	6,926,000
<b>Total</b>	-	-	6,926,000	6,926,000

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 2023**

#### **7. 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 2023 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 2023**

#### **7. 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 2023. 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 2023. The Trust will continue to monitor any changes to the market conditions after 30 June 2023.

##### ***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 2023

#### 8. 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 these 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	2023	2022
<b>Class:</b>		(\$)	(\$)
Receivables	Amortised Cost Loan and Receivables	1,000,000	1,000,000
<b>Total financial assets</b>		<b>1,000,000</b>	<b>1,000,000</b>
Payables	Financial liabilities measured at amortised cost	2,058,663	1,726,740
<b>Total financial liabilities</b>		<b>2,058,663</b>	<b>1,726,740</b>

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 2023

#### 8. 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 2023**

#### **8. 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 2023, the loss allowance for debtors is nil (2022: 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 2023 year (2022: \$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 2023

#### 8. Financial instruments (Continued)

##### (d) Liquidity risk (Continued)

At 30 June 2023	Interest rate exposure		Maturity dates		
	Nominal Amount	<1 year	Between 1 and 5 years	> 5 years	Total
	(\$)	(\$)	(\$)	(\$)	(\$)
Payable to AHO	2,058,663	2,058,663	-	-	2,058,663
<b>Total</b>	<b>2,058,663</b>	<b>2,058,663</b>	<b>-</b>	<b>-</b>	<b>2,058,663</b>

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
<b>Total</b>	<b>1,726,740</b>	<b>1,726,740</b>	<b>-</b>	<b>-</b>	<b>1,726,740</b>

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 2023

#### 9. 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:-

	2023	2022
	(\$)	(\$)
Receivable from AHO	1,000,000	1,000,000
<b>Total receivables</b>	<b>1,000,000</b>	<b>1,000,000</b>
Payable to AHO	(2,058,663)	(1,726,740)
<b>Total payables</b>	<b>(2,058,663)</b>	<b>(1,726,740)</b>

#### 10. Commitments

The Trust has no commitments to be reported at 30 June 2023 (2022: nil).

#### 11. Contingent assets and Contingent liabilities

The Trust has no contingent assets or contingent liabilities to be reported at 30 June 2023.

#### 12. Reconciliation of cash flows from operating activities to net result

	2023	2022
	(\$)	(\$)
Net cash from operating activities	-	-
Depreciation	(101,210)	(88,659)
Increase in payables	(331,923)	(678,651)
<b>Net (deficit)/surplus</b>	<b>(433,133)</b>	<b>(767,310)</b>

## **Dunghutti Aboriginal Elders Tribal Council Trust**

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### **Notes to the Financial Statements**

**For the year ended 30 June 2023**

#### **13. 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.

#### **14. 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\*\***

# Appendix D: Dunghutti Aboriginal Elders Tribal Council Trust 2022-23 Independent Auditors Report



## INDEPENDENT AUDITOR'S REPORT Dunghutti Aboriginal Elders Tribal Council Trust

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of Dunghutti Aboriginal Elders Tribal Council Trust (the Trust), which comprise the Statement by Trustee, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

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
- present fairly the financial position, financial performance and cash flows.

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 Trust 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).

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

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



### **Trustee's Responsibilities for the Financial Statements**

The Trustee 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 Trustee's responsibility also includes such internal control as the Trustee 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 Trustee is responsible for assessing the ability of the Trust 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/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

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

- that the Trust carried out their activities effectively, efficiently and economically
- 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.



Cathy Wu  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

6 October 2023  
SYDNEY







**Aboriginal Housing Office**

12 Darcy St, Parramatta NSW 2150  
PO Box W5 Westfield, Parramatta NSW 2150

Phone: (02) 8836 9444

Freecall: 1800 727 555

Email: [requests@aho.nsw.gov.au](mailto:requests@aho.nsw.gov.au)

**[www.aho.nsw.gov.au](http://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

