



Government of **Western Australia**
Department of **Communities**

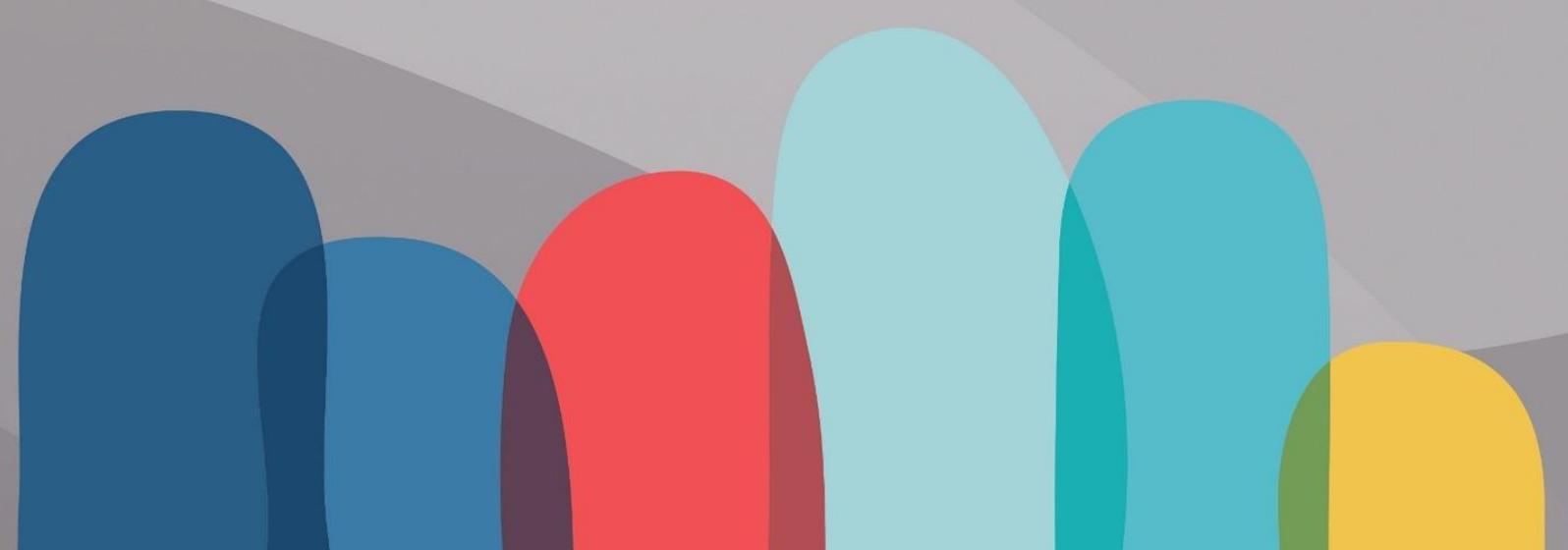
Housing Authority Annual Report 2020-21

Housing Authority

Annual Report

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2020-21





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Statement of compliance



Hon John Carey MLA

Minister for Housing; Local Government.

For the year ended 30 June 2021

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the annual report of the Housing Authority for the financial year ended 30 June 2021.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Mike Rowe
Chief Executive Officer
Accountable Authority
16 November 2021



Accessibility statement

The Housing Authority (the Authority) strives to achieve online accessibility when delivering information to be inclusive of a wide range of people, including people with disability. This annual report has been designed in both a PDF and accessible Word format. Some parts of the report may not achieve accessibility standards; for example, the text size in some financial tables has been reduced to fit an A4 page. If you require an alternative format, please email: enquiries@communities.wa.gov.au

Acknowledgement of Country and peoples

The Authority proudly acknowledges Traditional Custodians throughout Western Australia and recognises their continuing connection to their lands, families and communities. We pay our respects to Aboriginal and Torres Strait Islander people and cultures, and to Elders past, present and emerging.

Operational structure

The Department of Communities (Communities) was established on 1 July 2017 under the *Public Sector Management Act 1994*. At the creation of Communities, the Disability Services Commission (the Commission) and the Authority joined the new Department.

The Authority is a statutory authority established under the *Housing Act 1980* to provide and improve housing and accommodation in Western Australia.

Communities has prepared an Annual Report for 2020–21. The Authority and the Commission have specific reporting requirements in accordance with the *Financial Management Act 2006* and have therefore prepared separate annual reports to meet those requirements.



Contact information

Department of Communities

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Translating and Interpreting Service (TIS) – Telephone: 13 14 50

If you are deaf or have a hearing or speech impairment, contact us through the [National Relay Service](#)

Voice Relay number

1300 555 727

TTY number

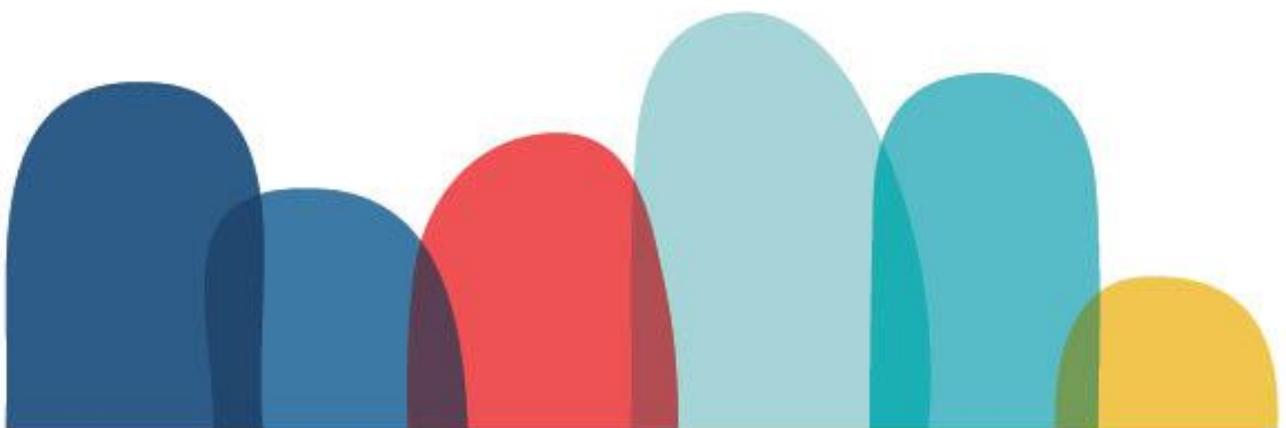
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Agency performance





Agency performance

Report on operations

The activities of the Authority have been reported in the [Department of Communities' Annual Report](#) for 2020–21.

Summary of key performance indicators

The Authority's performance in the achievement of its outcomes and delivery of its services is demonstrated in the key performance effectiveness and efficiency indicators, which are outlined in tables 1 to 4. Further details on the indicators are contained in the key performance indicators section of this report.

The targets are published in the 2020–21 Western Australian State Budget Paper No 2 (Volume 2, Division 36, Part 8).

Table 1: Outcome. Affordable housing options are available to eligible Western Australians (1)

Effectiveness key performance indicator	2019–20 actual	2020–21 target	2020–21 actual	Explanation of significant variance
1.1 Responsiveness - Total housing assistances provided relative to the public rental waiting list	1.15	1.03	0.77	The lower result was mainly due to a 55 per cent decrease of bond assistance loans approved in 2020-21 compared to the previous year and a 48 per cent reduction when compared to the 2020-21 target. The lower than normal bond assistance demand reflected the persistence of lower than usual private market stock supplies, with rental listings reaching historic lows in January 2021, and largely unchanged Communities stocks which resulted in a reduction in new tenancies.
1.2 Waiting times for accommodation – applicants housed: Average (in weeks)	94	95	102	External market factors created limited choice for potential applicants who may have taken up private market options in other years, contributing to an increase in overall wait times due to tightened rental market conditions.

Effectiveness key performance indicator	2019–20 actual	2020–21 target	2020–21 actual	Explanation of significant variance
1.2 Waiting times for accommodation – applicants housed: Median (in weeks)	48	49	58	The same comments as above, related to average waiting times, apply for the median waiting times.

Table 2: Service 1. Rental housing

Effectiveness key performance indicator	2019–20 actual	2020–21 target	2020–21 actual	Explanation of significant variance
1.1 Average operating cost per public rental property	\$17,175	\$17,070	\$17,207	-
1.2 Average operating cost per government regional officers' housing (GROH) rental property	\$14,784	\$15,227	\$12,167	The government injected funding to infrastructure projects which included the Social Housing and Economy Recovery Program (SHERP) which also affected GROH properties. Expenditure expected to occur with the GROH SHERP Program in 2020-21 did not occur, resulting in the significant expenditure reduction in 2020-21 compared to the budget expectations and previous results.

**Table 3: Service 2. Home loans**

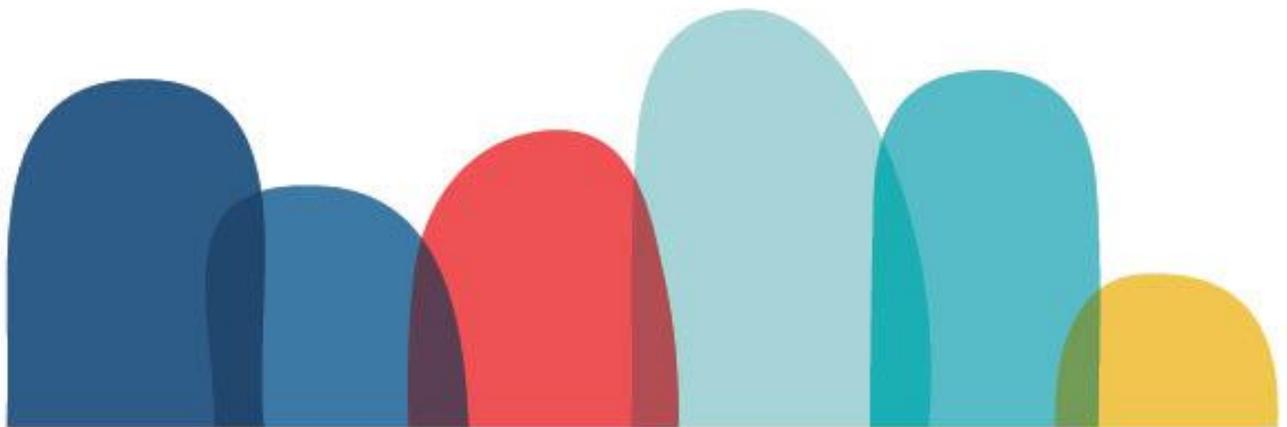
Effectiveness key performance indicator	2019–20 actual	2020–21 target	2020–21 actual	Explanation of significant variance
2.1 Average operating cost per current loan account	\$4,214	\$2,888	\$1,145	The lower result is mainly due to lower credit losses in 2020–21 compared to the target and the previous years.

Table 4: Service 3. Land and housing supply

Effectiveness key performance indicator	2019–20 actual	2020–21 target	2020–21 actual	Explanation of significant variance
3.1 Average operating cost per lot developed	\$36,188	\$26,325	\$19,096	The decrease is largely due to the fixed nature of expenditure for the development functions undertaken by the Housing Authority, however the number of lots delivered in 2020-21 was significantly higher than 2019-20 actual and 2020-21 budget expectations, resulting in lower average costs per lot developed.
3.2 Average operating cost per property sold	\$44,380	\$25,929	\$24,826	There was a pause in sales in January 2021 approved by the Expenditure Review Committee, in response to emerging pressures in the WA housing market and in anticipation of a shift in the program priority towards delivering more social houses, rather than sale to market.



Disclosures and legal compliance





Disclosures and legal compliance

Certification of financial statements

For the reporting period ended 30 June 2021

The accompanying financial statements of the Housing Authority and the accompanying consolidated financial statements have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2021 and the financial position as at 30 June 2021.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

Michael Crevola
Chief Finance Officer
11 November 2021

Mike Rowe
Chief Executive Officer
Accountable Authority
11 November 2021



Auditor General

INDEPENDENT AUDITOR'S OPINION 2021 Housing Authority

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Housing Authority (Authority) and its controlled entities (collectively the Consolidated Entity) which comprise:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, and Summary of Consolidated Account Appropriations for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information, including administered transactions and balances.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Consolidated Entity and the Housing Authority for the year ended 30 June 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Authority in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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



Responsibilities of the Chief Executive Officer for the financial statements

The Chief Executive Officer is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Basis for Qualified Opinion

I identified significant weaknesses in the payroll controls implemented by the Housing Authority. These weaknesses could result in salary errors such as overpayments or payments to individuals who are not entitled to receive payments. Consequently, controls to prevent invalid and inaccurate payroll payments were inadequate.



Qualified Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Housing Authority. The controls exercised by the Housing Authority are those policies and procedures established by the Chief Executive Officer to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the controls exercised by the Housing Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2021.

The Chief Executive Officer's responsibilities

The Chief Executive Officer is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.



Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Housing Authority for the year ended 30 June 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Housing Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2021.

The Chief Executive Officer's responsibilities for the key performance indicators

The Chief Executive Officer is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Chief Executive Officer determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Chief Executive Officer is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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



My independence and quality control relating to the reports on controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Chief Executive Officer is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements and my auditor's report.

My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, controls and key performance indicators of the Housing Authority for the year ended 30 June 2021 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.

Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
12 November 2021



Financial statements

Statement of comprehensive income

For the year ended 30 June 2021

Table 5: Statement of comprehensive income

Expenses and income	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Revenue and Income	–	–	–	–	–
Sales	3.1	324,789	163,914	321,710	162,836
Rental revenue	3.2	247,566	269,221	247,566	269,221
Grants, contributions and subsidies	3.3	125,623	122,182	125,623	122,182
Interest revenue	3.4	224,450	216,149	3,035	3,227
Other income	3.5	51,867	38,227	46,157	32,761
Total income	–	974,295	809,693	744,091	590,227
Expenses	–	–	–	–	–
Cost of sales	3.1	209,009	122,747	206,020	121,598
Rental expenses	4.2	266,903	317,794	266,903	317,794
Community support expense	4.2	105,609	128,121	105,609	128,121
Employee benefit expense	4.1	172,824	181,359	172,387	180,928
Supplies and services	4.2	57,136	62,267	51,652	56,700
Depreciation and amortisation expense	5.2, 5.3, 5.4, 5.5	124,557	128,948	122,897	127,183
Finance costs	7.4	51,589	115,593	51,414	115,590
Accommodation expenses	4.2	9,972	16,414	9,571	15,854



Expenses and income	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Loss on disposal of non-current assets	4.3	8,323	9,267	8,323	9,267
Other expenses	4.2	288,105	187,997	280,577	121,237
Total expenses	–	1,294,027	1,270,507	1,275,353	1,194,272
Loss before income from State Government	–	(319,732)	(460,814)	(531,262)	(604,045)
Income from State Government	–	–	–	–	–
Service appropriation	3.6	108,166	15,983	108,166	15,983
Income from other public sector entities	3.6	94,608	92,469	305,895	236,242
Royalties for Regions Fund	3.6	74,971	63,878	74,971	63,878
Resources received	3.6	281	433	281	433
Total income from State Government	–	278,026	172,763	489,313	316,536
Deficit for the period	–	(41,706)	(288,051)	(41,949)	(287,509)
Other comprehensive income	–	–	–	–	–
Changes in asset revaluation surplus	9.10	(142,836)	(288,444)	(142,836)	(288,444)
Total other comprehensive income	–	(142,836)	(288,444)	(142,836)	(288,444)
Profit/(loss) attributable to:	–	–	–	–	–
Consolidated equity	–	(41,608)	(287,900)	–	–



Expenses and income	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Non-controlling interest	9.11	(98)	(151)	–	–
Total	–	(41,706)	(288,051)	–	–
Total comprehensive income attributable to:	–	–	–	–	–
Consolidated equity	–	(184,444)	(576,344)	–	–
Non-controlling interest	9.11	(98)	(151)	–	–
Total	–	(184,542)	(576,495)	–	–
Total comprehensive income for the period	–	(184,542)	(576,495)	(184,785)	(575,953)

The Statement of comprehensive income should be read in conjunction with the accompanying notes.



Statement of financial position

As at 30 June 2020

Table 6: Statement of financial position

Assets and liabilities	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Current assets	–	–	–	–	–
Cash and cash equivalents	7.5	355,995	155,704	262,752	90,657
Restricted cash and cash equivalents	7.5	49,614	23,982	49,614	23,982
Inventories	5.1	202,191	273,156	200,628	269,263
Loans and receivables	6.1	892,264	705,484	277,266	174,838
Other current assets	6.3	8,299	26,052	16,062	33,585
Non-current assets classified as held for sale	5.6	5,161	11,568	5,161	11,568
Other financial assets	6.4	250,028	200,080	–	–
Total current assets	–	1,763,552	1,396,026	811,483	603,893
Non-current assets	–	–	–	–	–
Inventories	5.1	510,818	698,581	495,958	683,667
Loans and receivables	6.1	4,472,416	4,312,230	5,133,922	4,853,705
Other financial assets	6.4	24	24	10,439	10,953
Property, plant and equipment	5.2	10,045,929	10,296,851	10,043,490	10,294,117
Right-of-use assets	5.3	6,885	8,502	1,480	2,276
Intangible assets	5.4	650	5,694	278	5,069
Service concession assets	5.5	1,807,716	1,813,662	1,807,716	1,813,662



Assets and liabilities	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Total non-current assets	–	16,844,438	17,135,544	17,493,283	17,663,449
Total assets	–	18,607,990	18,531,570	18,304,766	18,267,342
Current liabilities	–	–	–	–	–
Payables	6.5	37,807	32,360	37,403	31,981
Borrowings	7.1	85,955	158,701	85,955	158,701
Lease liabilities	7.2	54,318	41,632	46,459	40,272
Service concession liabilities	7.3	2,682	2,424	2,682	2,424
Provisions	6.6	54,844	32,445	54,184	31,996
Other current liabilities	6.7	63,446	60,351	49,587	50,369
Total current liabilities	–	299,052	327,913	276,270	315,743
Non-current liabilities	–	–	–	–	–
Payables	6.5	282	24	282	24
Borrowings	7.1	5,679,245	5,485,196	5,679,245	5,485,196
Lease liabilities	7.2	28,110	30,652	28,110	22,793
Service concession liabilities	7.3	118,190	99,776	118,190	99,776
Provisions	6.6	92,544	56,096	92,544	56,096
Other current liabilities	6.7	13,000	13,000	13,000	13,000
Total non-current liabilities	–	5,931,371	5,684,744	5,931,371	5,676,885
Total liabilities	–	6,230,423	6,012,657	6,207,641	5,992,628
Net assets	–	12,377,567	12,518,913	12,097,125	12,274,714
Equity	–	–	–	–	–
Contributed equity	9.10	2,533,150	2,489,954	2,452,880	2,445,684



Assets and liabilities	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Reserves	9.10	6,093,800	6,290,423	6,093,087	6,289,716
Retained earnings	9.10	3,749,975	3,737,787	3,551,158	3,593,314
Total equity attributable to the consolidated entity	–	12,376,925	12,518,173	12,097,125	12,274,714
Non-controlling interest	9.11	642	740	–	–
Total equity	–	12,377,567	12,518,913	12,097,125	12,274,714

The Statement of financial position should be read in conjunction with the accompanying notes.



Statement of changes in equity

For the year ended 30 June 2020

Table 7: Statement of changes in equity

Changes in equity	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Balance of equity at start of year	–	12,518,173	12,555,682	12,274,714	12,330,954
Contributed equity	9.10	–	–	–	–
Balance at start of the year	–	2,489,954	2,478,524	2,445,684	2,453,390
Transactions with owners in their capacity as owners:	–	–	–	–	–
Capital contribution	–	173,264	5,332	173,264	5,332
Other contributions by owners	–	7,909	6,494	7,909	6,494
Distributions to owners	–	(137,977)	(396)	(173,977)	(19,532)
Balance at end of the period	–	2,533,150	2,489,954	2,452,880	2,445,684
Reserves	9.10	–	–	–	–
Balance at start of the year	–	6,290,432	6,652,662	6,289,716	6,651,944
Initial application of AASB 1059	9.2	–	(2,023)	–	(2,023)
Restart balance at start of the year	–	6,290,432	6,650,639	6,289,716	6,649,921
Asset revaluation decrement	–	(142,836)	(288,444)	(142,836)	(288,444)



Changes in equity	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Land inventory prior year eliminations	–	–	–	–	–
Impairment loss on rental properties	–	–	–	–	–
Transfer to retained earnings	–	(53,796)	(71,763)	(53,793)	(71,761)
Balance at end of the period	–	6,093,800	6,290,432	6,093,087	6,289,716
Retained earnings	9.10	–	–	–	–
Balance at start of the year	–	3,737,787	3,424,496	3,539,314	3,225,620
Initial application of AASB 1059	9.2	–	529,442	–	529,442
Restated balance at start of the year	–	3,737,787	3,953,938	3,539,314	3,755,082
Transfer from reserves	–	53,796	71,749	53,793	71,761
Profit/(loss) for the period	–	(41,608)	(287,900)	(41,949)	(287,509)
Balance at end of the period	–	3,749,975	3,737,787	3,551,158	3,593,314
Equity attributable to equity holder Housing Authority	–	12,376,925	12,518,173	12,097,125	12,274,714
Equity attributable to non-controlling interest	9.11	642	740	–	–
Balance of equity at the end of the period	–	12,377,567	12,518,913	12,097,125	12,274,714

The Statement of changes in equity should be read in conjunction with the accompanying notes.



Statement of cash flows

For the year ended 30 June 2021

Table 8: Statement of cash flows

Cash flows	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Cash flows from operating activities - receipts	–	–	–	–	–
Rental receipts	–	253,451	264,546	253,451	264,546
Grants, contributions and subsidies	–	125,623	121,096	125,623	121,096
Interest received	–	224,029	219,748	2,615	9,614
Inventory receipts on sales	–	321,611	166,088	318,980	164,794
Other receipts	–	59,727	70,365	61,216	70,669
GST receipts on sales	–	17,310	11,493	17,296	11,493
GST receipts from taxation authority	–	35,004	29,576	35,004	29,576
Cash flows from operating activities - payments	–	–	–	–	–
Rental property payments	–	(259,547)	(312,066)	(259,547)	(312,066)
Community support payments	–	(100,880)	(128,121)	(100,880)	(128,121)
Employee benefits	–	(169,220)	(196,413)	(169,220)	(196,413)
Supplies and services	–	(79,060)	(65,698)	(48,725)	(35,091)
Finance costs	–	(60,355)	(121,126)	(60,355)	(121,126)
Accommodation	–	(9,382)	(12,569)	(9,382)	(12,569)
Purchase and development of inventory	–	(133,237)	(92,644)	(133,237)	(92,644)



Cash flows	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
GST payments on purchases	–	(35,837)	(26,955)	(35,837)	(26,951)
GST payments to taxation authority	–	(17,280)	(11,690)	(17,280)	(11,690)
Other payments	–	(149,068)	(130,417)	(149,068)	(130,389)
Net cash provided by / (used in) operating activities	7.5.2	22,889	(214,787)	(169,346)	(395,272)
Cash flows from investing activities - receipts	–	–	–	–	–
Proceeds from the sale of non-current physical assets	–	66,278	88,194	66,278	88,194
Home loan repayments received	–	855,546	430,708	–	–
Other investing receipts	–	–	–	–	–
Cash flows from investing activities - payments	–	–	–	–	–
Purchase of non-current physical assets	–	(91,333)	(46,795)	(91,040)	(46,497)
New home loans advanced	–	(1,160,973)	(920,758)	–	–
Other investing payments	–	–	–	(275,000)	(495,000)
Net cash used in investing activities	–	(330,482)	(448,651)	(299,762)	(453,303)
Cash flows from financing activities - receipts	–	–	–	–	–
Proceeds from borrowings WA	–	1,350,000	1,776,000	1,350,000	1,776,000



Cash flows	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Treasury Corporation					
Finance leases	–	63,083	63,587	63,083	63,587
Cash flows from financing activities - payments	–	–	–	–	–
Repayment of borrowings from	–	–	–	–	–
WA Treasury Corporation	–	(1,202,429)	(1,287,204)	(1,202,429)	(1,287,204)
Repayment of Commonwealth borrowings	–	(17,327)	(17,006)	(17,327)	(17,006)
Principal elements of lease payments	–	(66,165)	(67,235)	(64,906)	(65,934)
Net cash provided by financing activities	–	127,162	468,142	128,421	469,443
Cash flows from State Government	–	–	–	–	–
Service appropriation	–	108,166	15,983	108,166	15,983
Net capital appropriation and equity contribution / distribution	–	178,230	6,191	142,230	(7,706)
Funds from other public sector entities	–	94,935	93,555	213,047	235,277
Royalties for Regions fund	–	74,971	63,878	74,971	63,878
Net cash provided by State Government	–	456,302	179,607	538,414	307,432
Net increase/(decrease) in cash and cash equivalents	–	275,871	(15,689)	197,727	(71,700)



Cash flows	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Cash and cash equivalents at the beginning of the period	–	379,766	395,455	114,639	186,339
Cash and cash equivalents at the end of the period	7.5.1	655,637	379,766	312,366	114,639

The Statement of cash flows should be read in conjunction with the accompanying notes.

Summary of consolidated account appropriations

For the year ended 30 June 2021

Table 9: Summary of consolidated account appropriations

Account appropriations	Budget Estimate 2021 \$000	Supplementary funding 2021 \$000	Revised Budget 2020 \$000	Actual 2021 \$000	Variance 2021 \$000
Delivery of Services	–	–	–	–	–
Net amount appropriated to deliver services	104,844	–	116,609	108,166	(8,443)
Capital	–	–	–	–	–
Capital appropriations	173,264	–	155,127	173,264	18,137
Grand Total	278,108	–	271,736	281,430	9,694

No supplementary income was received by the Authority.



Notes to the financial statements

1. Basis of preparation

The Housing Authority (the Authority) is a Statutory Authority and is controlled by the State of Western Australia, which is the ultimate parent. The Authority is a not-for-profit entity (as profit is not its principal objective).

These annual financial statements were authorised for issue by the Accountable Authority of the Housing Authority on 11 November 2021.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

1. The *Financial Management Act 2006* (FMA)
2. The Treasurer's Instructions (TIs)
3. Australian Accounting Standards (AAS) including applicable interpretations
4. Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been modified

The FMA and the TIs take precedence over AAS. Several AAS are modified by the TIs to vary application, disclosure format and wording. Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$000) or, in certain cases, to the nearest dollar.

Basis of consolidation

The investments in subsidiaries are accounted for in the Authority financial statements at cost. The Authority recognises dividends from the subsidiaries when its right to receive the dividend is established.

The reporting entity comprises the Authority and controlled entities included below.

The investment in the subsidiaries is accounted for in the consolidated financial statements in accordance with AASB 10 'Consolidated Financial Statements'. In preparing consolidated financial statements, the financial statements of the parent and the subsidiaries have been combined line by line by adding together like items of assets, liabilities, equity, income and expenses. In order that the consolidated financial statements present financial information about the Consolidated Entity as that of a single economic entity:



- a) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated.
- b) non-controlling interests in the profit or loss of consolidated subsidiaries for the reporting period are identified; and
- c) non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the parent shareholders' equity in them. Non-controlling interests in the net assets consist of:
 - i. the amount of those non-controlling interests at the date of the original combination calculated in accordance with AASB 3 'Business Combinations'
 - ii. the non-controlling's share of changes in equity since the date of the combination.

Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which control is transferred out of the group.

Legal form of subsidiaries

- i. The Keystart Housing Scheme includes a trust and company structure set up to enable funds to be raised through the Authority at competitive rates and on lent to Keystart borrowers for the purchasing of owner occupied homes.

The structure comprises of:

- The Keystart Housing Scheme Trust established by a Deed of Trust in the State of Western Australia, dated 5 April 1989 with Keystart Loans Ltd (a special purpose nominal capital company) as trustee and the Authority is the sole beneficiary of the trust. Keystart Scheme Management Pty Ltd has been appointed as Manager.
- Keystart Support Trust – A special purpose trust used to provide financial support to the Scheme if required. The Authority is the sole beneficiary of this trust.
- Keystart Bonds Ltd – A special purpose nominal capital company being the Issuer with KPMG Financial Advisory Services (Australia) Pty Ltd as treasury advisor.
- Keystart Support Pty Ltd – A special purpose nominal capital company as trustee of the support trust. The manager is Keystart Scheme Management Pty Ltd.
- Keystart Support (Subsidiary) Pty Ltd – A special purpose nominal capital company created to assist Keystart Support Pty Ltd in its obligations.
- Keystart Scheme Management Pty Ltd – A special purpose nominal capital company created to provide management services to the Keystart Trustee and group of companies.

All these Keystart trusts and companies have been established in Western Australia. The financial transactions for these entities have no effect on the



operating result of the Authority. The Authority provides a support arrangement to the structure through the Support Trust.

- ii. Homeswest Loan Scheme Trust – A special purpose Trust established by a Trust Deed in the State of Western Australia dated 19 September 1995 to operate as an agent for the Authority's home loan schemes. In its capacity as agent, the Trust receives advances for the purpose of providing mortgages to Western Australians. The Authority is the sole beneficiary of the Trust, and Keystart Loans Ltd is the trustee of the Trust.
- iii. Goldmaster Enterprises Pty Ltd – A property development company to assist the Authority achieve its objectives. The Authority has equity interest of 87.18 per cent and effective control via representation on the Board of this company.
- iv. Seacrest Corporation Pty Ltd – The Authority controls and holds 100 per cent equity interest in this company. The company is used solely for managing the development of the Seacrest Estate in Geraldton, Western Australia.

Ownership interest

The Authority is the instigator of the Keystart Housing Scheme and has effective control over the whole structure either directly or indirectly through various agreements which constitute the structure and to which it is a party. The Keystart Board comprises one director from the Authority and seven directors from the private sector.

The Authority is a shareholder in Goldmaster Enterprises Pty Ltd. Its board comprises two directors from the Government of Western Australia and one from the private sector.

The Authority is the sole shareholder of Seacrest Corporation Pty Ltd effective 25 March 2019.

The ownership interest held by the Authority in the companies is as follows:

- Keystart Bonds Ltd: 100 per cent of the total shareholding
- Keystart Loans Ltd: 100 per cent of the total shareholding
- Keystart Support Pty Ltd: 100 per cent of the total shareholding
- Keystart Support (Subsidiary) Pty Ltd: 100 per cent of the total shareholding
- Keystart Scheme Management Pty Ltd: 100 per cent owned by Keystart Loans Ltd
- Goldmaster Enterprises Pty Ltd: 87.18 per cent owned by the Authority
- Seacrest Corporation Pty Ltd: 100 per cent owned by the Authority



Table 10: Controlled entities and contribution to retained earnings

Controlled entities and contribution to retained earnings	Percentage owned 2021 %	Percentage owned 2020 %	Contribution to consolidated entity result 2021 \$000	Contribution to consolidated entity result 2020 \$000	Investment shares at cost 2021 \$000	Investment shares at cost 2020 \$000
Name	–	–	–	–	–	–
Goldmaster Enterprises Pty Ltd	–	–	–	–	–	–
Profit/(loss)	87.18	87.18	(766)	(1,174)	37,350	37,350
Keystart Bonds Ltd	100.00	100.00	Nil	Nil	–	–
Keystart Loans Ltd	100.00	100.00	Nil	Nil	–	–
Keystart Support Pty Ltd	100.00	100.00	Nil	Nil	–	–
Keystart Support (Subsidiary) Pty Ltd	100.00	100.00	Nil	Nil	–	–
Keystart Scheme Management Pty Ltd	100.00	100.00	Nil	Nil	–	–
Keystart Housing Scheme Trust	–	–	–	–	–	–
(Loss)/profits	100.00	100.00	Nil	Nil	–	–
Transfer from reserve	–	–	3	2	–	–
Keystart Support Trust	100.00	100.00	Nil	Nil	–	–



Controlled entities and contribution to retained earnings	Percentage owned 2021 %	Percentage owned 2020 %	Contribution to consolidated entity result 2021 \$000	Contribution to consolidated entity result 2020 \$000	Investment shares at cost 2021 \$000	Investment shares at cost 2020 \$000
Homeswest Loan Scheme Trust	100.00	100.00	Nil	Nil	–	–
Seacrest Corporation Pty Ltd	100.00	100.00	497	(21)	4,089	4,089

The Authority is obligated to the Scheme in that it has given various representations and obligations to investors or other creditors to the extent that it will meet cash shortfalls and losses from the Scheme. Funding for Keystart is through the Authority with no borrowings outstanding through Keystart Bonds Ltd. The Authority's obligations to the various participants are contained in a Support Agreement of the Scheme. No subsidies were required from the Authority for the 2020–21 financial year.



Contributed equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and will be credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

Insurance

In accordance with Treasurer's Instruction 812 'Insurance' the Authority maintains an appropriate level of insurance cover for insurable risks.

The Authority has a policy of not insuring its residential property assets as it is considered uneconomical, however, the Authority does insure:

- residential properties related to employment-related accommodation (Government Regional Officer's Housing)
- key worker villages
- residential property constructed by the Authority under the Affordable Housing Strategy for sale to private individuals
- residential properties (complexes) with a replacement value of \$10 million or greater

The Authority's other insurance programs continue to be a combination of insurance policies provided by commercial insurance providers and the Western Australian Government's RiskCover Fund.

As per Treasurer's Instruction 825 'Risk Management and Security', insurance is complemented by a comprehensive approach to Risk Management and prudent management policies and practices.

Income tax

The parent entity and its subsidiary, Keystart Housing Scheme Trust, are income tax exempt bodies. Goldmaster Pty Ltd is a tax-paying entity.

Current income tax is the tax on the current period's taxable income based on the applicable income tax rate adjusted for changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities settled.

No deferred tax asset or liability is recognised in relation to temporary differences if they



arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity. Refer Note 6.2 'Deferred income Tax Asset'.

Judgements and estimates

Judgements, estimates, and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experiences and various other factors that are believed to be reasonable under the circumstances.



2. Agency outputs

How the agency operates

This section includes information regarding the nature of funding the Agency receives and how this funding is utilised to achieve the Agency's objectives.

	Notes
Agency objectives	2.1
Schedule of income and expenses by service	2.2

2.1 Agency objectives

Mission

The Authority's mission is working in partnership to build economic and social prosperity by enabling Western Australians to have a place to call home.

The Authority operates across the land, housing and property finance and human services sectors to provide affordable housing opportunities for people who would otherwise be unable to access housing through the private market.

Services

The Authority provides the following services:

Service 1: Rental housing

The provision of housing to eligible Western Australians through public housing, community housing managed properties, rental housing for key workers in regional Western Australia and properties for remote Aboriginal communities.

Service 2: Home loans

Enabling the financing of home ownership for eligible applicants.

Service 3: Land and housing supply

Development of land for housing and provision of housing for sale to the Western Australian market.



2.2 Schedule of income and expenses by service

Table 11: Schedule of income and expenses by service

Consolidated 2021	Rental housing \$000	Home loans \$000	Land and housing supply \$000	Total \$000
Revenue and Income	–	–	–	–
Sales	355	–	324,434	324,789
Rental revenue	247,464	–	102	247,566
Grants, contributions and subsidies	125,623	–	–	125,623
Interest revenue	(1,283)	223,582	2,151	224,450
Other revenue	38,531	8,129	5,207	51,867
Total revenue and income	410,690	231,711	331,894	974,295
Expenses	–	–	–	–
Cost of sales	700	–	208,309	209,009
Rental expenses	266,919	(6)	(10)	266,903
Community support expense	105,609	–	–	105,609



Consolidated 2021	Rental housing \$000	Home loans \$000	Land and housing supply \$000	Total \$000
Employee benefits expense	157,486	1,730	13,608	172,824
Supplies and services	46,185	6,329	4,622	57,136
Depreciation and amortisation expense	116,139	7,765	653	124,557
Finance costs	19,194	29,294	3,101	51,589
Accommodation expenses	9,184	465	323	9,972
Loss on disposal of non-current assets	7,290	984	49	8,323
Other expenses	141,127	9,326	137,652	288,105
Total expenses	869,833	55,887	368,307	1,294,027
Profit/(loss) before income from government	(459,143)	175,824	(36,413)	(319,732)
Income from State Government	–	–	–	–
Service appropriation	108,166	–	–	108,166
Income from other public sector entities	94,608	–	–	94,608



Consolidated 2021	Rental housing \$000	Home loans \$000	Land and housing supply \$000	Total \$000
Royalties for Regions Fund	74,971	–	–	74,971
Resources received	247	6	28	281
Total income from State Government	277,992	6	28	278,026
Surplus/(deficit) for the period	(181,151)	175,830	(36,385)	(41,706)
Other comprehensive income	–	–	–	–
Changes in asset revaluation surplus	(142,836)	–	–	(142,836)
Total other comprehensive income	(142,836)	–	–	(142,836)
Surplus/(deficit) attributable to:	–	–	–	–
Consolidated equity	(181,151)	175,830	(36,287)	(41,608)
Non-controlling interest	-	-	(98)	(98)
	(181,151)	175,830	(36,385)	(41,706)



Consolidated 2021	Rental housing \$000	Home loans \$000	Land and housing supply \$000	Total \$000
Total comprehensive income attributable to:	-	-	-	-
Consolidated equity	(323,987)	175,830	(36,287)	(184,444)
Non-controlling interest	-	-	(98)	(98)
	(323,987)	175,830	(36,385)	(184,542)
Total Comprehensive income for the period	(323,987)	175,830	(36,385)	(184,542)

The Schedule of income and expenses by service should be read in conjunction with the accompanying notes.



Table 12: Schedule of income and expenses by service

Consolidated 2020	Rental housing	Home loans	Land and housing supply	Total
	\$000	\$000	\$000	\$000
Revenue and Income	–	–	–	–
Sales	(20)	–	163,934	163,914
Rental revenue	269,134	–	87	269,221
Grants, contributions and subsidies	122,182	–	–	122,182
Interest revenue	(5,464)	217,930	3,683	216,149
Other revenue	28,365	6,768	3,094	38,227
Total revenue and income	414,197	224,698	170,798	809,693
Expenses	–	–	–	–
Cost of sales	811	–	121,936	122,747
Rental expenses	317,505	45	244	317,794
Community support expense	128,121	–	–	128,121
Employee benefits expense	162,218	3,628	15,513	181,359
Supplies and services	51,143	7,215	3,909	62,267
Depreciation and amortisation expense	119,586	8,274	1,088	128,948
Finance costs	21,141	90,312	4,140	115,593



Consolidated 2020	Rental housing	Home loans	Land and housing supply	Total
	\$000	\$000	\$000	\$000
Accommodation expenses	15,206	669	539	16,414
Loss on disposal of non-current assets	6,371	2,877	19	9,267
Other expenses	91,590	67,133	29,274	187,997
Total expenses	913,692	180,153	176,662	1,270,507
Profit/(loss) before income from government	(499,495)	44,545	(5,864)	(460,814)
Income from State Government	-	-	-	-
Service appropriation	15,983	-	-	15,983
Income from other public sector entities	90,093	-	2,376	92,469
Royalties for Regions Fund	63,878	-	-	63,878
Resources received	433	-	-	433
Total income from State Government	170,387	-	2,376	172,763
Surplus / (deficit) for the period	(329,108)	44,545	(3,488)	(288,051)
Other comprehensive income	-	-	-	-
Changes in asset revaluation surplus	(288,444)	-	-	(288,444)



Consolidated 2020	Rental housing	Home loans	Land and housing supply	Total
	\$000	\$000	\$000	\$000
Total other comprehensive income	(288,444)	–	–	(288,444)
Surplus/(deficit) attributable to:	–	–	–	–
Consolidated equity	(329,108)	44,545	(3,337)	(287,900)
Non-controlling interest	–	–	(151)	(151)
	(329,108)	44,545	(3,488)	(288,051)
Total comprehensive income attributable to:	–	–	–	–
Consolidated equity	(617,552)	44,545	(3,337)	(576,344)
Non-controlling interest	–	–	(151)	(151)
	(617,552)	44,545	(3,488)	(576,495)
Total Comprehensive income for the period	(617,552)	44,545	(3,488)	(576,495)

The Schedule of income and expenses by service should be read in conjunction with the accompanying notes.



Table 13: Schedule of income and expenses by service

Housing Authority 2021	Rental housing	Home loans	Land and housing supply	Total
	\$000	\$000	\$000	\$000
Revenue and Income	–	–	–	–
Sales	355	–	321,355	321,710
Rental revenue	247,464	–	102	247,566
Grants, contributions and subsidies	125,623	–	–	125,623
Interest revenue	(917)	1,752	2,200	3,035
Other revenue	38,533	2,952	4,672	46,157
Total revenue and income	411,058	4,704	328,329	744,091
Expenses	–	–	–	–
Cost of sales	700	–	205,320	206,020
Rental expenses	266,919	(6)	(10)	266,903
Community support expense	105,609	–	–	105,609
Employee benefits expense	157,485	1,294	13,608	172,387
Supplies and services	46,185	845	4,622	51,652



Housing Authority 2021	Rental housing	Home loans	Land and housing supply	Total
	\$000	\$000	\$000	\$000
Depreciation and amortisation expense	116,138	6,106	653	122,897
Finance costs	19,194	29,119	3,101	51,414
Accommodation expenses	9,184	64	323	9,571
Loss on disposal of non-current assets	7,290	984	49	8,323
Other expenses	141,128	2,264	137,185	280,577
Total expenses	869,832	40,670	364,851	1,275,353
Profit/(loss) before income from government	(458,774)	(35,966)	(36,522)	(531,262)
Income from State Government	–	–	–	–
Service appropriation	108,166	–	–	108,166
Income from other public sector entities	94,608	211,287	–	305,895
Royalties for Regions Fund	74,971	–	–	74,971
Services received	247	6	28	281



Housing Authority 2021	Rental housing	Home loans	Land and housing supply	Total
	\$000	\$000	\$000	\$000
Total income from State Government	277,992	211,293	28	489,313
Surplus/(deficit) for the period	(180,782)	175,327	(36,494)	(41,949)
Other comprehensive income	–	–	–	–
Changes in asset revaluation surplus	(142,836)	–	–	(142,836)
Total other comprehensive income	(142,836)	–	–	(142,836)
Total Comprehensive income for the period	(323,618)	175,327	(36,494)	(184,785)

The Schedule of income and expenses by service should be read in conjunction with the accompanying notes.



Table 14: Schedule of income and expenses by service

Housing Authority 2020	Rental housing \$000	Home loans \$000	Land and housing supply \$000	Total \$000
Revenue and Income	–	–	–	–
Sales	(20)	–	162,856	162,836
Rental revenue	269,134	–	87	269,221
Grants, contributions and subsidies	122,182	–	–	122,182
Interest revenue	(5,464)	4,542	4,149	3,227
Other revenue	28,365	1,530	2,866	32,761
Total revenue and income	414,197	6,072	169,958	590,227
Expenses	–	–	–	–
Cost of sales	811	–	120,787	121,598
Rental expenses	317,505	45	244	317,794
Community support expense	128,121	–	–	128,121
Employee benefits expense	162,218	3,197	15,513	180,928
Supplies and services	51,143	596	4,961	56,700



Housing Authority 2020	Rental housing \$000	Home loans \$000	Land and housing supply \$000	Total \$000
Depreciation and amortisation expense	119,584	6,511	1,088	127,183
Finance costs	21,141	90,309	4,140	115,590
Accommodation expenses	15,206	108	540	15,854
Loss on disposal of non-current assets	6,371	2,877	19	9,267
Other expenses	91,590	1,659	27,988	121,237
Total expenses	913,690	105,302	175,280	1,194,272
Profit/(loss) before income from state government	(499,493)	(99,230)	(5,322)	(604,045)
Income from State Government	–	–	–	–
Service appropriation	15,983	–	–	15,983
Income from other public sector entities	90,093	143,773	2,376	236,242
Royalties for Regions Fund	63,878	–	–	63,878
Services received	433	–	–	433



Housing Authority 2020	Rental housing \$000	Home loans \$000	Land and housing supply \$000	Total \$000
Total income from State government	170,387	143,773	2,376	316,536
Surplus / (deficit) for the period	(329,106)	44,543	(2,946)	(287,509)
Other comprehensive income	–	–	–	–
Changes in asset revaluation surplus	(288,444)	–	–	(288,444)
Total other comprehensive income	(288,444)	–	–	(288,444)
Total Comprehensive income for the period	(617,550)	44,543	(2,946)	(575,953)

The Schedule of income and expenses by service should be read in conjunction with the accompanying notes.



3 Our Funding Sources

How we obtain our funding

This section provides additional information about how the Authority obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Authority and the relevant notes are:

Table 15: Primary income received

Primary income received	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Sales	3.1	324,789	163,914	321,710	162,836
Rental revenue	3.2	247,566	269,221	247,566	269,221
Grants, contributions and subsidies	3.3	125,623	122,182	125,623	122,182
Interest revenue	3.4	224,450	216,149	3,035	3,227
Other revenue	3.5	51,867	38,227	46,157	32,761
Income from State Government	3.6	278,026	172,763	489,313	316,536



3.1. Trading profit

Table 16: Trading profit

Trading profit	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Sales	–	–	–	–
Joint operations land	114,757	62,680	114,757	62,680
Land	123,038	23,896	122,458	23,896
House and land packages	86,994	77,338	84,495	76,260
Total	324,789	163,914	321,710	162,836
Less cost of sales	–	–	–	–
Joint operations land	(47,248)	(23,015)	(47,248)	(23,015)
Land	(73,754)	(16,969)	(73,294)	(16,969)
House and land packages	(88,007)	(82,763)	(85,478)	(81,614)
Internal transfers	–	–	–	–
Total	(209,009)	(122,747)	(206,020)	(121,598)
Trading profit	115,780	41,167	115,690	41,238

Revenue from land sales is recognised at the transaction price when the Authority transfers the land title to the buyer (at settlement when control of the land transfers to the customer).



3.2. Rental revenue

Table 17: Rental revenue

Rental revenue	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Rental and other properties	244,686	266,043	244,686	266,043
Rental amenities	2,880	3,178	2,880	3,178
Total rental revenue	247,566	269,221	247,566	269,221

The Authority charges rents in accordance with section 30 of the *Housing Act*. The basis for the amount of rent to be charged is determined from market rent information received from the Valuation Services section of the Western Australian Land Information Authority (Landgate) and due consideration to regional rental markets. Rental property revenue represents the net rental revenue which consists of market rents less vacancies, concessions and rental subsidies granted throughout the year. Rental income is recognised on a straight-line basis over the lease term.

The Authority requires tenants to pay either 25 per cent of the household income as rent or market rent for the property. Tenants eligible to pay rent by reference to the household income will pay no more than 25 per cent of the household income as rent. If 25 per cent of the household income is more than the market rent, then the rent payable is the market rent. Any income that is regular, ongoing, and provided to meet the cost of living is considered by the Authority to be 'assessable' and used to calculate how much rent is payable. If applicable, tenants who occupied their current rental property before 28 March 2016 will receive rent increases until they are paying 25 per cent of the assessable household income as rent or the market rent. The rent increases will be staged with increase limits applied to reduce the impact of the changes for these tenants.

In line with COVID-19 emergency period relief measures, rent increases were postponed from 30 March 2020 to 28 March 2021. Increases in rent contributable to an increase in household income were not applied until after 28 March 2021.



3.3. Grants, contributions and subsidies

Table 18: Grants, contributions and subsidies

Grants, contributions and subsidies	Consolidated	Consolidated	Housing Authority	Housing Authority
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Current Commonwealth grants and contributions	–	–	–	–
Remote Indigenous Housing	–	–	–	–
National Housing and Homelessness Agreement	125,623	121,096	125,623	121,096
Total Commonwealth grants and contributions	125,623	121,096	125,623	121,096
Local Government capital grants	–	–	–	–
Capital Grant	–	–	–	–
Shire of Manjimup	–	1,086	–	1,086
Total local government grants	–	1,086	–	1,086
Total grants, contributions and subsidies	125,623	122,182	125,623	122,182

Recurrent grants are recognised as income when the grants are receivable.

Capital grants are recognised as income when the Authority achieves the milestones specified in the grant agreement.



3.4. Interest revenue

Table 19: Interest revenue

Interest revenue	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Loan interest	–	–	–	–
Keystart secured mortgage advances	221,340	210,908	–	–
Total loan interest	221,340	210,908	–	–
Other interest	–	–	–	–
Interest on cash at bank	871	937	871	936
Interest on finance leases	1,080	1,255	1,080	1,255
Interest on investments	497	2,013	–	–
Interest other	662	1,036	1,084	1,036
Total other interest	3,110	5,241	3,035	3,227
Total interest revenue	224,450	216,149	3,035	3,227

Interest income is recognised as interest accrues. For all financial instruments measured at amortised cost interest income is recognised using the effective interest rate.



3.5. Other income

Table 20: Other income

Other income	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Bad debts recovered	1,312	1,153	1,312	1,153
Conveyancing fees	2,216	1,519	2,216	1,519
Employee contributions	780	808	780	808
Previous year's GST refunds	34,550	18,779	34,550	18,779
Service concession income	2,424	2,260	2,424	2,260
Other revenue	10,585	13,708	4,875	8,242
Total other income	51,867	38,227	46,157	32,761

Other income is recognised when the Authority satisfies the performance obligations as services have been provided.



3.6. Income from State Government

Table 21: Income from State Government

Income from State Government	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Service appropriation	108,166	15,983	108,166	15,983
Royalties for Regions Fund	74,971	63,878	74,971	63,878
Resources received from other public sector entities	–	–	–	–
Department of Finance - Government accommodation leasing	281	433	281	433
Income received from other public sector entities during the period	–	–	–	–
Recurrent grants	–	–	–	–
Department of Primary Industries and Regional Development	240	–	240	–
Department of Premier and Cabinet	56	–	56	–
Mental Health Commission	–	1,750	–	1,750
Pilbara Development Commission	586	–	586	–
Water Corporation	369	–	369	–
Total recurrent grants	1,251	1,750	1,251	1,750
Capital grants	–	–	–	–
Department of Primary Industries and Regional Development	7,355	2,581	7,355	2,581
Total Capital Grants	7,355	2,581	7,355	2,581



Income from State Government	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Other income received	–	–	–	–
GROH rental revenue	86,002	88,138	86,002	88,138
Keystart dividend revenue	–	–	155,837	62,708
Keystart interest revenue	–	–	55,450	81,065
Total other income received	86,002	88,138	297,289	231,911
Total income received from other public sector entities	94,608	92,469	305,895	236,242
Total income from State Government	278,026	172,763	489,313	316,536

Service Appropriations are recognised as income at fair value of consideration received in the period in which the Housing Authority gains control of the appropriated funds. The Housing Authority gains control of appropriated funds at the time those funds are deposited in the bank account. Service appropriations fund services delivered.

Income from other public sector entities are recognised as income when the Agency has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Agency receives the funds.

Royalties for Regions recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when the Housing Authority receives the funds.

Resources received from other public sector entities are recognised as income (and assets or expenses) equivalent to the fair value of the assets or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

Dividends are recognised when Keystart, the Housing Authority's subsidiary, has declared dividends for distribution.



4. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Authority's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Authority in achieving its objectives and the relevant notes are:

Table 22: Primary Expenses

Primary Expenses	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Employee benefits expense	4.1	172,824	181,359	172,387	180,928
Other expenditures	4.2	727,725	712,593	714,312	639,706
Loss on disposal of non-current assets	4.3	8,323	9,267	8,323	9,267



4.1 Employee benefits expense

Table 23: Employee benefits expense

Employee benefits expense	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Employee benefits	151,440	162,856	151,003	162,425
Termination benefits	6,099	37	6,099	37
Superannuation - defined contribution plans	16,123	17,313	16,123	17,313
Superannuation - defined benefit plans	(838)	1,153	(838)	1,153
Other employee benefits expense	–	–	–	–
Total employee benefits expenses	172,824	181,359	172,387	180,928
Add: AASB 16 non-monetary benefits	1,684	1,788	1,684	1,788
Less: employee contributions	(780)	(808)	(780)	(808)
Net employee benefits	173,728	182,339	173,291	181,908

Employee benefits include wages, salaries and social contributions, paid annual leave and sick leave and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Authority is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.



Superannuation: the amount recognised in profit or loss in the Statement of comprehensive income comprises employer contributions paid to the Gold State Super (GSS) (concurrent contributions), the West State Super (WSS), the Government Employees Superannuation Board (GESB), or other superannuation funds.

Defined contribution plans include West State, Gold State, GESB and other eligible funds. Employment on-costs expenses, such as workers' compensation insurance, are included in Note 4.2 'Other expenditures'.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

AASB 16 Non-monetary benefits are employee benefits expenses that predominantly relate to the provision of vehicle and housing benefits, which are measured at cost incurred by the Authority.

Employee contributions are made to the Authority by employees towards employee benefits that the Authority provides. This includes both AASB 16 non-monetary benefits (for the provision of vehicles and housing benefits measured at cost in accordance with the application of AASB 16) and non-AASB 16 employee contributions.



4.2. Other expenditures

Table 24: Other expenditures

Other expenditures	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Rental expenses	–	–	–	–
Debt collection expenses	956	1,404	956	1,404
Demolition costs	1,640	2,075	1,640	2,075
Estate management expenses	3,597	4,645	3,597	4,645
General expenses	14,412	29,056	14,412	29,056
Self-insurance expenses	8,974	11,388	8,974	11,388
Maintenance expenses	130,747	156,121	130,747	156,121
Rates expenses	100,336	102,733	100,336	102,733
Renovations and improvements	6,241	10,372	6,241	10,372
Total rental expenses	266,903	317,794	266,903	317,794
Community support expense	–	–	–	–
Aboriginal Housing	93,508	113,374	93,508	113,374
Community Housing	12,101	14,747	12,101	14,747
Total community support expense	105,609	128,121	105,609	128,121
Supplies and services	–	–	–	–
Asset maintenance	4,105	5,273	4,105	5,273
Audit fees	864	776	511	410
Communication	11,233	4,477	11,037	4,298
Minor equipment purchases	3,410	6,881	3,410	6,881
Motor Vehicles	975	1,440	975	1,440
Other personal costs	4,273	5,562	4,273	5,562



Other expenditures	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Professional services, consultants and contractors	22,489	27,839	22,489	27,839
Stationery and supplies	683	715	326	426
Travel	1,026	1,492	1,026	1,492
Other costs and expenses	8,078	7,812	3,500	3,079
Total supplies and services expenses	57,136	62,267	51,652	56,700
Accommodation Expenses	–	–	–	–
Rental	5,211	9,830	4,853	9,391
Accommodation outgoings and repairs and maintenance	4,761	6,584	4,718	6,463
Total accommodation expenses	9,972	16,414	9,571	15,854
Other expenses	–	–	–	–
Assets transferred to Community Housing	320	–	320	–
Employee on-costs	11,325	12,144	11,325	12,144
Expected credit loss expense/(credit)	(10,678)	85,208	333	36,346
Fees – Keystart	17,817	17,099	–	–
Grants and subsidies	14,468	17,308	14,468	17,308
Impairment – Assets (Goldmaster)	–	–	514	1,052
Impairment on non-current assets	125,626	7,687	125,626	7,377
Land expenses	44,275	21,087	44,275	21,087
Loan scheme expenses	869	816	869	816
Native Title settlement expense	59,350	–	59,350	–
Project expenses	754	19,499	754	19,499



Other expenditures	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Write down of assets classified as held for sale	–	361	–	361
Other expenses	23,979	6,788	22,743	5,247
Total other expenses	288,105	187,997	280,577	121,237
Total other expenditure	727,725	712,593	714,312	639,706

Aboriginal housing community support consists of expenses incurred in the provision of remote indigenous community housing and support programmes.

Community housing support consists of expenses incurred in the provision of housing undertaken by community groups.

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Rental expenses include:

- i. short-term leases with a lease term of 12 months or less
- ii. low-value leases with an underlying value of \$5,000 or less
- iii. variable lease payments recognised in the period in which the event or condition that triggers those payments occurs.

Accommodation outgoings and repairs and maintenance are recognised as expenses as incurred.

Expected credit loss is an allowance of trade receivables and loans to homebuyers, measured at the lifetime expected credit losses at each reporting date. The Authority has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Keystart (Consolidated entity) has implemented a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition in accordance with AASB 9. Please refer to Note 6.1 Movement in the allowance for impairment of trade receivables and Movement in the allowance for impairment of loans to homebuyers (Consolidated entity only).

Employee on-cost includes workers’ compensation insurance and other employment on-costs.

Write-down of non-current assets classified as held for sale to the lower of carrying amount and fair value less selling costs.



4.3 Loss on disposal of non-current assets

Table 25: Loss on disposal of non-current assets

Loss on disposal of non-current assets	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Proceeds from the disposal of non-current assets	–	–	–	–
Community Housing properties	760	1,409	760	1,409
Rental properties	28,996	63,786	28,996	63,786
Shared Equity properties	30,034	21,073	30,034	21,073
Total	59,790	86,268	59,790	86,268
Carrying amount of non-current assets disposed	–	–	–	–
Community Housing properties	773	1,897	773	1,897
Rental properties	36,335	70,286	36,335	70,286
Shared Equity properties	30,512	23,347	30,512	23,347
Plant and equipment and intangible assets	493	–	493	–
Right-of-use assets	–	5	–	5
Service concession assets	–	–	–	–
Total	68,113	95,535	68,113	95,535
Net loss	8,323	9,267	8,323	9,267

The cost on disposal of rental properties includes the value of properties demolished of \$15.398 million (2020: \$12.920 million).

Realised and unrealised gains are usually recognised on a net basis.



Gains or losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the Statement of comprehensive income.

5. Key assets

Assets the agency utilises for economic benefit or service potential

This section includes information regarding the key assets the Agency utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

Table 26: Key assets

Key Assets	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Inventories	5.1	713,009	971,737	696,586	952,930
Property, plant and equipment	5.2	10,045,929	10,296,851	10,043,490	10,294,117
Right-of-use assets	5.3	6,885	8,502	1,480	2,276
Intangibles	5.4	650	5,694	278	5,069
Service concession assets	5.5	1,807,716	1,813,662	1,807,716	1,813,662
Non-current assets classified as held for sale	5.6	5,161	11,568	5,161	11,568



5.1. Inventories

Table 27: Inventories

Inventories	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Land held for sale at cost current	–	–	–	–
Land acquisition and development at cost	92,526	108,655	91,061	104,763
Joint operations land at cost	43,984	47,573	43,984	47,573
House and land packages for sale	28,153	68,765	28,055	68,764
House and land packages construction in progress	37,528	48,163	37,528	48,163
Total current inventories	202,191	273,156	200,628	269,263
Non-current	–	–	–	–
Land acquisition and development at cost	434,599	607,430	419,739	592,516
Joint operations land at cost (a)	76,219	91,151	76,219	91,151
Total non-current inventories	510,818	698,581	495,958	683,667
Total inventories	713,009	971,737	696,586	952,930

Inventories

Current Inventories are measured at the lower of cost or net realisable value. Costs includes the cost of acquisition/development and other capitalised costs. After development is completed, other holding charges are expensed as incurred.

Non-current inventories consist of both broad hectare land and lots under development, excluding lots available for external sale (current inventory), and are valued at acquisition cost plus capitalised costs. Developed lots on which dwellings are subsequently constructed by the Authority are transferred to the stock of Rental properties at fair value as determined by the Western Australian Land Information Authority (Landgate) at the date of practical completion. The difference between this valuation and the cost of the land transferred to rental properties represents a revaluation increment/decrement which is brought to account as an increase/decrease in the asset revaluation reserve.



Work in progress for house and land packages are classified as non - current while they are being constructed and reclassified as current when they are available for sale.

Joint Operations

The Housing Authority has interests in joint arrangements that are joint operations. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Housing Authority recognises its interests in the joint operations by recognising the assets it controls and the liabilities that it incurs in respect of the joint arrangements. The Housing Authority also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods and services by the joint operations.

- Joint operations land represents the Authority's equity in joint operations land development projects.
 - Development costs represent the agreed proportion of development costs incurred plus capitalised costs.
 - Land owned by the Authority is shown at cost plus capitalised costs.
- (a) The Authority enters into joint operations for the development of land holdings. The principal place of business for all operations is Western Australia. Listed below are current joint operations.

Butler

The Authority holds a 46.78 per cent interest in an incorporated joint operation with Butler Land Pty Ltd for the development of land at the Brighton estate. The incorporated joint operation is named Ocean Springs Pty Ltd.

The Authority contributes development costs and receives revenues on the basis of the interest held in the joint operation.

Dalyellup Beach

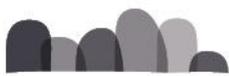
The Authority holds a 50 per cent interest in an incorporated joint operation with Home Satterley Dalyellup Pty Ltd for the development of land at Dalyellup Beach, Bunbury. The incorporated joint operation is named Dalyellup Beach Pty Ltd.

The Authority contributes development costs and receives revenues on the basis of the interest held in the joint operation.

Ellenbrook

The Authority holds a 47.14 per cent interest in an incorporated joint operation with Morella Pty Ltd a syndicate of companies for the development of land at Ellenbrook. The incorporated joint operation is named Ellenbrook Management Pty Ltd.

The Authority contributes development costs and receives revenues on the basis of the interest held in the joint operation.



Oyster Harbour

The Authority is in the process of acquiring all of the undeveloped land in Oyster Harbour. This land will be outside of the joint venture. The Authority will continue to hold a 50 per cent interest in an unincorporated joint operation with Lowe Pty Ltd for the remaining lots that have been titled but not sold at the Oyster Harbour Estate, Bayonet Head, Albany. The joint venture will continue until the last titled lot that has already been developed is sold.

The Authority contributes development costs and receives revenues on the basis of the interest held in the joint operation.

Wellard

The Authority holds an interest in an unincorporated joint operation with Peet Southern JV Ltd for the development of Housing Authority land in Wellard. The Authority contributes the land and the participant contributes the funds for the development of the land. The Authority receives a 10 per cent land payment on the sale of each lot and 80 per cent share in the profits.

Banksia Grove

The Authority holds an interest in an unincorporated joint operation with Banksia Grove Development Nominees Pty Ltd for the development of its land at Banksia Grove. The Authority contributes the land and the participant contributes the funds for the development of the land. The Authority receives a 35 per cent land payment on the sale of each lot and 40 per cent share in the profits.

Brookdale

The Authority holds a 50 per cent interest in an unincorporated joint operation with Stockland WA Development Pty Ltd for the development of land at Brookdale. The Authority contributes development costs and receives revenues on the basis of interest held in the joint operation.

Golden Bay Estate

The Authority holds an interest in an unincorporated joint operation with Peet Golden Bay Pty Ltd for the development of its land at Golden Bay Estate. The Authority contributes the land and the participant contributes the funds for the development of the land. The Authority receives a 50 per cent land payment on the sale of each lot and 50% share in the profits.



5.1 Inventories (continued)

Summary of the Housing Authority's share in joint operation assets and liabilities

Table 28: Inventories

Inventories 2021	Notes	Butler \$000	Dalyellup Beach \$000	Ellenbrook \$000	Oyster Harbour \$000	Golden Bay Estate \$000	Brookdale \$000	Wellard \$000	Banksia Grove \$000	Total \$000
Current assets	–	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	7.5	4,705	4,428	4,673	268	1,200	834	–	–	16,108
Receivables	6.1	976	139	968	–	–	–	–	–	2,083
Inventories	5.1	10,250	2,907	19,193	1,682	3,534	6,419	–	–	43,985
Other current assets	6.3	264	34	122	–	–	–	–	–	420
Total	–	16,195	7,508	24,956	1,950	4,734	7,253	–	–	62,596
Non-current assets	–	–	–	–	–	–	–	–	–	–
Receivables	6.1	–	–	82	–	–	–	–	–	82
Office equipment	5.2	–	73	1	–	6	–	–	–	80
Buildings	5.2	1,056	–	104	–	–	–	–	–	1,160
Development costs (a)	5.1	9,131	13,716	5,684	–	1,642	29,190	–	–	59,363



Disclosures and legal compliance

Inventories 2021	Notes	Butler \$000	Dalyellup Beach \$000	Ellenbrook \$000	Oyster Harbour \$000	Golden Bay Estate \$000	Brookdale \$000	Wellard \$000	Banksia Grove \$000	Total \$000
Sub-total	–	10,187	13,789	5,871	–	1,648	29,190	–	–	60,685
Total assets	–	26,382	21,297	30,827	1,950	6,382	36,443	–	–	123,281
Current liabilities	–	–	–	–	–	–	–	–	–	–
Payables	6.5	1,582	181	1,574	83	832	161	–	–	4,413
Other liabilities	6.7	6	37	–	–	–	188	–	–	231
Provisions	6.6	–	–	1,649	–	144	579	–	–	2,372
Total	–	1,588	218	3,223	83	976	928	–	–	7,016
Non-current liabilities	–	–	–	–	–	–	–	–	–	–
Payables	6.5	258	–	24	–	–	–	–	–	282
Sub-total	–	258	–	24	–	–	–	–	–	282
Total liabilities	–	1,846	218	3,247	83	976	928	–	–	7,298
Net assets	–	24,536	21,079	27,580	1,867	5,406	35,515	–	–	115,983
Land (a)	–	882	2	947	625	6,288	6,268	1,261	583	16,856

(a) The total development costs (\$59.363 million) and Authority land (\$16.856 million) represents the total (\$76.219 million) joint operations land.



Table 29: Inventories

Inventories 2020	Notes	Butler \$000	Dalyellup Beach \$000	Ellenbrook \$000	Oyster Harbour \$000	Golden Bay Estate \$000	Brookdale \$000	Wellard \$000	Banksia Grove \$000	Total \$000
Current assets	–	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	7.5	5,745	4,537	1,491	207	671	1,275	–	–	13,926
Receivables	6.1	611	377	526	–	–	–	–	–	1,514
Inventories	5.1	8,272	2,543	23,262	2,893	4,236	6,367	–	–	47,573
Other current assets	6.3	–	46	504	–	–	–	–	–	550
Total	–	14,628	7,503	25,783	3,100	4,907	7,642	–	–	63,563
Non-current assets	–	–	–	–	–	–	–	–	–	–
Receivables	6.1	–	–	82	–	–	–	–	–	82
Office equipment	5.2	–	81	16	–	14	–	–	–	111
Buildings	5.2	2,519	–	128	–	–	–	–	–	2,647
Development costs (a)	5.1	13,067	14,871	7,547	1,546	791	32,412	–	–	70,234
Sub-total	–	15,586	14,952	7,773	1,546	805	32,412	–	–	73,074
Total assets	–	30,214	22,455	33,556	4,646	5,712	40,054	–	–	136,637
Current liabilities	–	–	–	–	–	–	–	–	–	–



Inventories 2020	Notes	Butler \$000	Dalyellup Beach \$000	Ellenbrook \$000	Oyster Harbour \$000	Golden Bay Estate \$000	Brookdale \$000	Wellard \$000	Banksia Grove \$000	Total \$000
Payables	6.5	1,636	531	287	19	424	939	–	–	3,836
Other liabilities	6.7	–	48	–	7	–	237	–	–	292
Provisions	6.6	–	–	1,210	–	228	316	–	–	1,754
Total	–	1,636	579	1,497	26	652	1,492	–	–	5,882
Non-current liabilities	–	–	–	–	–	–	–	–	–	–
Payables	6.5	–	–	24	–	–	–	–	–	24
Sub-total	–	–	–	24	–	–	–	–	–	24
Total liabilities	–	1,636	579	1,521	26	652	1,492	–	–	5,906
Net assets	–	28,578	21,876	32,035	4,620	5,060	38,562	–	–	130,731
Land (a)	–	1,140	–	1,238	430	8,023	7,422	1,726	937	20,916

(a) The total development costs (\$70.234 million) and Authority land (\$20.916 million) represents the total (\$91.15 million) joint operations land.



5.2. Property, plant and equipment

Table 30: Property, plant and equipment

Consolidated Year ended 30 June 2021	Rental Properties \$000	Community Housing Properties \$000	Shared Equity Properties \$000	Other Properties \$000	Plant and Equipment \$000	Buildings Under Construction \$000	Total \$000
1 July 2020	–	–	–	–	–	–	–
Gross carrying amount	9,363,490	360,778	471,401	85,714	15,882	17,370	10,314,635
Accumulated depreciation	(270)	(20)	(144)	(5,175)	(12,175)	–	(17,784)
Accumulated impairment loss	–	–	–	–	–	–	–
Carrying amount at start of period	9,363,220	360,758	471,257	80,539	3,707	17,370	10,296,851
Additions	16,395	–	7,092	38	587	77,870	101,982
Transfer from/(to) owner	–	–	–	–	–	–	–
Transfers within business outcomes	(19,691)	(447)	208	19,930	–	–	–
Transfers - buildings under construction	15,620	3,977	1,014	–	–	(20,611)	–
Transfers – service concession assets	–	–	–	–	–	(20,561)	(20,561)



Consolidated Year ended 30 June 2021	Rental Properties \$000	Community Housing Properties \$000	Shared Equity Properties \$000	Other Properties \$000	Plant and Equipment \$000	Buildings Under Construction \$000	Total \$000
Transfers to Profit and Loss	–	–	–	–	–	(8,332)	(8,332)
Transfers – work in progress and held for sale	(15,884)	–	2,132	(7)	–	–	(13,759)
Disposals	(36,357)	(548)	(29,163)	(3,011)	6,322	–	(62,757)
Depreciation eliminated on disposal	–	–	–	–	(6,581)	–	(6,581)
Impairment losses (a)	(15,950)	–	–	(12,683)	–	–	(28,633)
Impairment losses reversed (a)	–	–	–	–	–	–	–
Realised reserves	–	–	–	–	–	–	–
Revaluation increments (decrements)	(105,754)	(3,513)	(7,468)	2,583	–	–	(114,152)
Depreciation	(85,166)	(4,907)	(5,975)	(1,203)	(888)	–	(98,139)
Carrying amount at 30 June 2021	9,116,433	355,320	439,097	86,186	3,147	45,746	10,045,929
Gross carrying amount	9,117,359	355,320	439,167	90,785	19,958	45,746	10,068,335
Accumulated depreciation	(926)	–	(70)	(4,599)	(16,811)	–	(22,406)



Consolidated Year ended 30 June 2021	Rental Properties \$000	Community Housing Properties \$000	Shared Equity Properties \$000	Other Properties \$000	Plant and Equipment \$000	Buildings Under Construction \$000	Total \$000
Accumulated impairment loss	–	–	–	–	–	–	–

- a) Impairment losses are recognised in the Statement of comprehensive income. Where an asset is measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Where previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. Information on fair value measurements is provided in Note 8.3.



Table 31: Property, plant and equipment

Consolidated Year ended 30 June 2020	Rental Properties \$000	Community Housing Properties \$000	Shared Equity Properties \$000	Other Properties \$000	Plant and Equipment \$000	Buildings Under Construction \$000	Total \$000
1 July 2019	–	–	–	–	–	–	–
Gross carrying amount	10,546,061	734,591	507,178	96,658	20,097	86,982	11,991,567
Accumulated depreciation	(1,337)	(9,032)	(6,728)	(4,610)	(15,475)	–	(37,182)
Accumulated impairment loss	–	–	–	–	–	–	–
Carrying amount at start of period	10,544,724	725,559	500,450	92,048	4,622	86,982	11,954,385
Net adjustment on initial application of AASB 1059 (a)	(838,468)	(349,570)	–	(13,918)	–	–	(1,201,956)
Restated carrying amounts	9,706,256	375,989	500,450	78,130	4,622	86,982	10,752,429
Additions	6,565	1,038	5,241	300	256	66,589	79,989
Transfer from/(to) owner	–	–	–	–	–	–	–
Transfers within business outcomes	(1,217)	722	306	189	–	–	–
Transfers - buildings under construction	36,478	10,695	3,047	5,218	–	(55,438)	–



Consolidated Year ended 30 June 2020	Rental Properties \$000	Community Housing Properties \$000	Shared Equity Properties \$000	Other Properties \$000	Plant and Equipment \$000	Buildings Under Construction \$000	Total \$000
Transfers – service concession assets	–	–	–	–	–	(30,416)	(30,416)
Transfers to Profit and Loss	–	–	–	–	–	(50,017)	(50,017)
Transfers – work in progress and held for sale	(1,092)	381	4,734	–	–	(330)	3,693
Disposals	(70,055)	(1,252)	(23,228)	(278)	(711)	–	(95,524)
Depreciation eliminated on disposal	–	–	–	–	706	–	706
Impairment losses (b)	(7,377)	–	–	–	–	–	(7,377)
Impairment losses reversed (b)	–	–	–	–	–	–	–
Revaluation increments (decrements)	(219,704)	(21,888)	(12,969)	(1,870)	–	–	(256,431)
Depreciation	(86,634)	(4,927)	(6,324)	(1,150)	(1,166)	–	(100,201)
Carrying amount at 30 June 2020	9,363,220	360,758	471,257	80,539	3,707	17,370	10,296,851
Gross carrying amount	9,363,490	360,778	471,401	85,714	15,882	17,370	10,314,635
Accumulated depreciation	(270)	(20)	(144)	(5,175)	(12,175)	–	(17,784)



Consolidated Year ended 30 June 2020	Rental Properties \$000	Community Housing Properties \$000	Shared Equity Properties \$000	Other Properties \$000	Plant and Equipment \$000	Buildings Under Construction \$000	Total \$000
Accumulated impairment loss	–	–	–	–	–	–	–

- (a) The initial application of the AASB 1059 net adjustment is the cumulative effect of restating opening balances for the recognition of service concession assets for financial years commencing on and after 1 January 2020 as per this accounting standard. More information is provided in Note 9.2.
- (b) Impairment losses are recognised in the Statement of comprehensive income. Where an asset is measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Where previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. Information on fair value measurements is provided in Note 8.3.



5.2. Property, plant and equipment (continued)

Table 32: Property, plant and equipment

Housing Authority Year ended 30 June 2021	Rental properties \$000	Community housing Properties \$000	Shared equity Properties \$000	Other properties \$000	Plant and equipment \$000	Buildings under construction \$000	Total \$000
1 July 2020	–	–	–	–	–	–	–
Gross carrying amount	9,363,490	360,778	471,401	85,714	13,097	17,370	10,311,850
Accumulated depreciation	(270)	(20)	(144)	(5,175)	(12,124)	–	(17,733)
Accumulated impairment loss	–	–	–	–	–	–	–
Carrying amount at start of period	9,363,220	360,758	471,257	80,539	973	17,370	10,294,117
Additions	16,395	–	7,092	38	293	77,870	101,688
Transfer from/(to) owner	–	–	–	–	–	–	–
Transfers within business outcomes	(19,691)	(447)	208	19,930	–	–	–
Transfers - buildings under construction	15,620	3,977	1,014	–	–	(20,611)	–
Transfers – service concession assets	–	–	–	–	–	(20,561)	(20,561)



Housing Authority Year ended 30 June 2021	Rental properties \$000	Community housing Properties \$000	Shared equity Properties \$000	Other properties \$000	Plant and equipment \$000	Buildings under construction \$000	Total \$000
Transfers to Profit and Loss	–	–	–	–	–	(8,322)	(8,322)
Transfers – work in progress and held for sale	(15,884)	–	2,132	(7)	–	–	(13,759)
Disposals	(36,357)	(548)	(29,163)	(3,011)	(255)	–	(69,334)
Impairment losses (a)	(15,950)	–	–	(12,683)	–	–	(28,633)
Impairment losses reversed (a)	–	–	–	–	–	–	–
Depreciation eliminated on disposal	–	–	–	–	–	–	–
Realised reserves	–	–	–	–	–	–	–
Revaluation increments (decrements)	(105,754)	(3,513)	(7,468)	2,583	–	–	(114,152)
Depreciation	(85,166)	(4,907)	(5,975)	(1,203)	(303)	–	(97,554)
Carrying amount at 30 June 2021	9,116,433	355,320	439,097	86,186	708	45,746	10,043,490
Gross carrying amount	9,117,359	355,320	439,167	90,785	9,007	45,746	10,057,384
Accumulated depreciation	(926)	–	(70)	(4,599)	(8,299)	–	(13,894)



Housing Authority Year ended 30 June 2021	Rental properties \$000	Community housing Properties \$000	Shared equity Properties \$000	Other properties \$000	Plant and equipment \$000	Buildings under construction \$000	Total \$000
Accumulated impairment loss	–	–	–	–	–	–	–

- a) Impairment losses are recognised in the Statement of comprehensive income. Where an asset is measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Where previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. Information on fair value measurements is provided in Note 8.3.



Table 33: Property, plant and equipment

Housing Authority Year ended 30 June 2020	Rental Properties \$000	Community Housing Properties \$000	Shared Equity Properties \$000	Other Properties \$000	Plant and Equipment \$000	Buildings Under Construction \$000	Total \$000
1 July 2019	–	–	–	–	–	–	–
Gross carrying amount	10,546,061	734,591	507,178	96,658	13,704	86,982	11,985,174
Accumulated depreciation	(1,337)	(9,032)	(6,728)	(4,610)	(12,230)	–	(33,937)
Carrying amount at start of period	10,544,724	725,559	500,450	92,048	1,474	86,982	11,951,237
Net adjustment on initial application of AASB 1059 (a)	(838,468)	(349,570)	–	(13,918)	–	–	(1,201,956)
Restated carrying amount	9,706,256	375,989	500,450	78,130	1,474	86,982	10,749,281
Additions	6,565	1,038	5,241	300	116	66,589	79,849
Transfer from/(to) owner	–	–	–	–	–	–	–
Transfers within business outcomes	(1,217)	722	306	189	–	–	–
Transfers - buildings under construction	36,478	10,695	3,047	5,218	–	(55,438)	–
Transfers – service concession assets	–	–	–	–	–	(30,416)	(30,416)



Housing Authority Year ended 30 June 2020	Rental Properties \$000	Community Housing Properties \$000	Shared Equity Properties \$000	Other Properties \$000	Plant and Equipment \$000	Buildings Under Construction \$000	Total \$000
Transfers to Profit and Loss	–	–	–	–	–	(50,017)	(50,017)
Transfers – work in progress and held for sale	(1,092)	381	4,734	–	–	(330)	3,693
Disposals	(70,056)	(1,252)	(23,228)	(278)	(706)	–	(95,520)
Impairment losses (b)	(7,377)	–	–	–	–	–	(7,377)
Impairment losses reversed (b)	–	–	–	–	–	–	–
Depreciation eliminated on disposal	–	–	–	–	706	–	706
Revaluation increments (decrements)	(219,704)	(21,888)	(12,969)	(1,870)	–	–	(256,431)
Depreciation	(86,633)	(4,927)	(6,324)	(1,150)	(617)	–	(99,651)
Carrying amount at 30 June 2020	9,363,220	360,758	471,257	80,539	973	17,370	10,294,117
Gross carrying amount	9,363,490	360,778	471,401	85,714	13,097	17,370	10,311,850
Accumulated depreciation	(270)	(20)	(144)	(5,175)	(12,124)	–	(17,733)
Accumulated impairment loss	–	–	–	–	–	–	–



- a) The initial application of the AASB 1059 net adjustment is the cumulative effect of restating opening balances for the recognition of service concession assets for financial years commencing on and after 1 January 2020 as per this accounting standard. More information is provided in Note 9.2.
- b) Impairment losses are recognised in the Statement of comprehensive income. Where an asset is measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Where previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. Information on fair value measurements is provided in Note 8.3.



Initial recognition

Items of property and plant and equipment costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of property and plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of comprehensive income (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of land and buildings.

Land is carried at fair value.

Buildings and are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Buildings under construction are recorded at cost which includes all costs directly related to specific constructions plus capitalised administration charges incurred in connection with these activities.

Revaluation model

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Additions to non-current physical assets are measured at cost and are considered to represent fair value. Additions less than one year old are measured at construction cost, which is considered to represent fair value, plus land at fair value.

Land and buildings are independently valued annually by the Valuation Services section of the Western Australian Land Information Authority (Landgate) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Rental properties represent the properties acquired or constructed for public housing. They also include State owned properties leased to State Government departments for government employees housing.



Community housing properties include properties acquired under the Commonwealth and State programs of Crisis Accommodation and Community Housing and Joint Charity Properties.

Shared equity properties represent the equity in dwellings constructed or purchased under the Shared Equity Scheme. Under the Scheme the Authority and the purchaser are co-owners of the properties constructed or purchased as Tenants in Common with the purchaser having total occupation of the dwelling.

Other properties includes offices and commercial properties which are owned or are leased from various organisations and individuals.

Derecognition:

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is transferred to Retained earnings.

Asset revaluation reserve:

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets on a class of assets basis.

5.2.1. Depreciation and impairment

Table 34: Depreciation and impairment

Charge for the period	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Depreciation	–	–	–	–
Rental properties	85,166	86,633	85,166	86,633
Community Housing properties	4,907	4,927	4,907	4,927
Shared Equity properties	5,975	6,324	5,975	6,324
Other properties	1,203	1,150	1,203	1,150
Plant, equipment and vehicles	888	1,166	303	617
Total depreciation for the year	98,139	100,200	97,554	99,651



As at 30 June 2021 there were no indications of impairment to property, plant and equipment.

All surplus assets as at 30 June 2021 have either been classified as assets held for sale or have been written-off.

Finite useful lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Table 35: Asset depreciation rate

Asset	Depreciation rate
Rental properties	2%
Community Housing properties	2%
Shared Equity properties	3%
Leasehold improvements	6%
Other properties:	–
• Commercial properties	2%
• Office properties	5%
Plant and equipment	10% - 50%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.



Impairment of assets

Non-financial assets, including items of plant and equipment are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit and loss.

Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Authority is a not-for-profit entity, the recoverable amount of regularly revalued specialised assets is anticipated to be to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

5.3. Right-of-use assets

Table 36: Right-of-use assets

Consolidated - Year ended 30 June 2021	Buildings \$000	Plant and equipment \$000	Vehicles \$000	Total \$000
At 1 July 2020	–	–	–	–
Gross carrying amount	8,120	846	2,260	11,226
Accumulated depreciation	(1,325)	(597)	(802)	(2,724)
Accumulated impairment loss	–	–	–	–
Carrying amount at start of period	6,795	249	1,458	8,502
Additions	1,071	–	398	1,469
Transfers	–	–	–	–



Consolidated - Year ended 30 June 2021	Buildings \$000	Plant and equipment \$000	Vehicles \$000	Total \$000
Disposals	(332)	–	(63)	(395)
Impairment losses	–	–	–	–
Impairment losses reversed	–	–	–	–
Depreciation	(1,690)	(249)	(752)	(2,691)
Carrying amount at 30 June 2021	5,844	–	1,041	6,885
Gross carrying amount	8,040	846	2,361	11,247
Accumulated depreciation	(2,196)	(846)	(1,320)	(4,362)

**Table 37: Right-of-use assets (continued)**

Consolidated - Year ended 30 June 2020	Buildings \$000	Plant and equipment \$000	Vehicles \$000	Total \$000
1 July 2019	–	–	–	–
Gross carrying amount	8,505	846	1,628	10,979
Accumulated depreciation	–	–	–	–
Accumulated impairment loss	–	–	–	–
Carrying amount at start of period	8,505	846	1,628	10,979
Additions	–	–	829	829
Transfers	–	–	–	–
Disposals	(75)	–	(49)	(124)
Impairment losses	–	–	–	–
Impairment losses reversed	–	–	–	–
Depreciation	(1,635)	(597)	(950)	(3,182)
Carrying amount at 30 June 2020	6,795	249	1,458	8,502
Gross carrying amount	8,120	846	2,260	11,226
Accumulated depreciation	(1,325)	(597)	(802)	(2,724)

**Table 38: Right-of-use assets**

Housing Authority - Year ended 30 June 2020	Buildings \$000	Plant and equipment \$000	Vehicles \$000	Total \$000
At 1 July 2019	–	–	–	–
Gross carrying amount	1,428	846	1,628	3,902
Accumulated depreciation	–	–	–	–
Accumulated impairment loss	–	–	–	–
Carrying amount at start of period	1,428	846	1,628	3,902
Additions	–	–	829	829
Transfers	–	–	–	–
Disposals	(75)	–	(49)	(124)
Impairment losses	–	–	–	–
Impairment losses reversed	–	–	–	–
Depreciation	(784)	(597)	(950)	(2,331)
Carrying amount at 30 June 2020	569	249	1,458	2,276
Gross carrying amount	1,043	846	2,260	4,149
Accumulated depreciation	(474)	(597)	(802)	(1,873)

**Table 39: Right-of-use assets (continued)**

Housing Authority - Year ended 30 June 2021	Buildings \$000	Plant and equipment \$000	Vehicles \$000	Total \$000
1 July 2020	–	–	–	–
Gross carrying amount	1,043	846	2,260	4,149
Accumulated depreciation	(474)	(597)	(802)	(1,873)
Accumulated impairment loss	–	–	–	–
Carrying amount at start of period	569	249	1,458	2,276
Additions	1,070	–	398	1,468
Transfers	–	–	–	–
Disposals	(332)	–	(63)	(395)
Impairment losses	–	–	–	–
Impairment losses reversed	–	–	–	–
Depreciation	(868)	(249)	(752)	(1,869)
Carrying amount at 30 June 2021	439	–	1,041	1,480
Gross carrying amount	962	846	2,361	4,169
Accumulated depreciation	(523)	(846)	(1,320)	(2,689)



Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs, including dismantling and removing the underlying asset.

This includes all leased assets other than investment property right-of-use assets, which are measured in accordance with AASB 140 'Investment Property'.

The Authority has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Authority 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.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 5.2.1.

**Table 40: Right-of-use assets relating to leases**

The following amounts relating to leases have been recognised in the statement of comprehensive income:

Right-of-use assets relating to leases	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Depreciation expense of right-of-use assets	2,691	3,182	1,869	2,331
Lease interest expense	1,317	1,320	1,145	1,320
Total amount recognised in the statement of comprehensive income	4,008	4,502	3,014	3,651

The total cash outflow for leases in 2021 was \$64.096 million (Authority) and \$66.165 million (Consolidated entity).

The Authority's leasing activities and how these are accounted for:

The Authority has leases for buildings, office equipment and vehicles.

The Authority has also entered into a Memorandum of Understanding (MoU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

The Authority recognises leases as right-of-use assets and associated lease liabilities in the Statement of financial position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in Note 7.2.

5.4. Intangible assets**Initial recognition**

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale



- b) an intention to complete the intangible asset, and use or sell it
- c) the ability to use or sell the intangible asset
- d) the intangible asset will generate probable future economic benefit
- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets at a minimum of \$5,000 that comply with the recognition criteria as per AASB 138.57 (as noted above) are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of comprehensive income.

Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.



Table 41: Consolidated – Intangible assets

Consolidated – Intangible assets	Computing software	Computing software	Computing development	Computing development	Total	Total
	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Gross carrying amount	8,693	8,533	52,699	52,698	61,392	61,231
Accumulated depreciation	(7,369)	(6,628)	(48,329)	(42,079)	(55,698)	(48,707)
Carrying amount at start of period	1,324	1,905	4,370	10,619	5,694	12,524
Intangible assets reconciliation	–	–	–	–	–	–
Additions	–	158	–	2	–	160
Transfers	–	–	–	–	–	–
Disposals	(238)	–	–	–	(238)	–
Amortisation expense	(512)	(739)	(4,294)	(6,251)	(4,806)	(6,990)
Carrying amount at end of period	574	1,324	76	4,370	650	5,694
Gross carrying amount	6,823	8,693	50,718	52,699	57,541	61,392
Accumulated depreciation	(6,249)	(7,369)	(50,642)	(48,329)	(56,891)	(55,698)

**Table 42: Housing Authority – Intangible assets**

Housing Authority – Intangible assets	Computing software 2021 \$000	Computing software 2020 \$000	Computing development 2021 \$000	Computing development 2020 \$000	Total 2021 \$000	Total 2020 \$000
Gross carrying amount	4,361	4,361	52,699	52,698	57,060	57,059
Accumulated depreciation	(3,662)	(3,288)	(48,329)	(42,079)	(51,991)	(45,367)
Carrying amount at start of period	699	1,073	4,370	10,619	5,069	11,692
Intangible assets reconciliation	–	–	–	–	–	–
Additions	–	–	–	2	–	2
Transfers	–	–	–	–	–	–
Disposals	(238)	–	–	–	(238)	–
Amortisation expense	(259)	(374)	(4,294)	(6,251)	(4,553)	(6,625)
Carrying amount at end of period	202	699	76	4,370	278	5,069
Gross carrying amount	2,491	4,361	50,718	52,699	53,209	57,060
Accumulated depreciation	(2,289)	(3,662)	(50,642)	(48,329)	(52,931)	(51,991)



5.4.1 Amortisation and impairment

Table 43: Amortisation and impairment

Amortisation and impairment	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Computer development	4,294	6,251	4,294	6,251
Computer software	512	739	259	374
Total amortisation and impairment	4,806	6,990	4,553	6,625

As at 30 June 2021 there were no indications of impairment to intangible assets.

The Authority held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation for intangible assets with finite useful lives is calculated on the straight line basis that allocate the asset's value over its estimated useful life. All intangible assets controlled by the consolidated entity have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Intangible asset	Depreciation Rate
Computing software (a)	20%–50%
Computing development	20%

(a) Software that is not integral to the operation of any related hardware.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in Note 5.2.1

**5.5. Service concession assets****Table 44: Service concession assets 30 June 2021**

Service concession assets Year ending 30 June 2021	Consolidated \$000	Housing Authority \$000
Year ended 30 June 2021	–	–
1 July 2020	–	–
Gross carrying amount	1,813,662	1,813,662
Accumulated depreciation	–	–
Carrying amount at start of period	1,813,662	1,813,662
Additions	41,659	41,659
Transfers from/(to) Property, plant and equipment	–	–
Transfers from/(to) Community housing organisations	–	–
Revaluation gains/(losses)	(28,684)	(28,684)
Disposals	–	–
Depreciation	(18,921)	(18,921)
Carrying amount at 30 June 2021	1,807,716	1,807,716
Gross carrying amount	1,807,716	1,807,716
Accumulated depreciation	–	–

**Table 45: Service concession assets 30 June 2020**

Service concession assets Year ending 30 June 2020	Consolidated \$000	Housing Authority \$000
Year ended 30 June 2020	–	–
1 July 2019	–	–
Gross carrying amount	1,833,835	1,833,835
Accumulated depreciation	–	–
Carrying amount at start of period	1,833,835	1,833,835
Additions	30,416	30,416
Transfers from/(to) Property, plant and equipment	–	–
Transfers from/(to) Community housing organisations	–	–
Revaluation gains/(losses)	(32,013)	(32,013)
Disposals	–	–
Depreciation	(18,576)	(18,576)
Carrying amount at 30 June 2020	1,813,662	1,813,662
Gross carrying amount	1,813,662	1,813,662
Accumulated depreciation	–	–



5.5 Service concession assets

Scope

Service concession arrangement is an arrangement which involves an operator:

- that is contractually obliged to provide public services related to a service concession asset on behalf of the grantor
- managing at least some of those services under its own discretion, rather than at the direction of the grantor.

Whether an arrangement is providing a public service is a significant area of judgement, as the Standard does not define public services. The Standard, however, has identified the following indicators of public services:

- the services are necessary or essential to the general public
- generally expected to be provided by a public sector entity in accordance with government policy or regulation
- services provided by the asset are not wholly consumed by a public sector entity for the purpose of assisting in the delivery of public services and managed by an external party.

The provision of primary or ancillary services by assets in service concession arrangements are other key considerations that should be taken into account in assessing whether assets provide public services. Ancillary services are excluded from public services assessment as they relate to services that are insignificant to the arrangement as a whole.

Recognition

Control is an essential aspect in assessing whether an arrangement is a service concession arrangement. It is defined as the ability to exclude or regulate access to the benefits of an asset.

Control can be explicit or implicit. The grantor may have explicit control through rights held under the contractual arrangement or the grantor may have implicit control through regulation. It is not essential for the contract to specify the grantor's control. Explicit or implicit control over the asset would result in the arrangement falling within the scope of AASB 1059.

The grantor has control of the asset if, and only if:

- a) the grantor controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price, and
- b) the grantor controls significant residual interest in the asset at the end of the term of the arrangement.

Requirement (b) above is not applicable for assets that will be used in a service concession arrangement for its entire economic life or the major part of its economic life.



The grantor is considered to have control if they meet requirement (a) under this circumstance.

Assets recognised in a service concession arrangement include:

- existing assets of the operator or grantor provided for use in the arrangement
- asset constructed, developed, acquired or otherwise provided by the operator
- upgrade or replacement of a major component of any of the above assets.

Service concession arrangements may involve multiple assets, comprising of a primary asset that provides the principal public service, and a secondary asset that is used or mainly used to complement the primary asset. Both of which can fall within the scope of AASB 1059.

Where an arrangement contains several assets, the grantor should separately assess individual components of the assets within the arrangement that are:

- physically separable
- capable of being operated independently
- meet the definition of a cash-generating unit under AASB 136 'Impairment of Assets'.

In recognising a service concession asset, the grantor is required to recognise a corresponding liability.



Measurement

A service concession asset is initially measured at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement.

This same measurement approach applies to existing assets of an agency that has been reclassified as service concession assets at the date of reclassification. Any difference between the carrying amount of the asset and its current replacement cost will be accounted for as if it is a revaluation of the asset.

Subsequent to initial recognition or reclassification, a service concession asset is depreciated or amortised in accordance with AASB 116 'Property, Plant and Equipment' or AASB 136 'Intangible Assets', with any impairment recognised in accordance with AASB 136.

References to fair value in other Standards shall be read as references to current replacement cost in accordance with AASB 1059.

At the end of the service concession arrangement, the agency:

- a) reclassifies the asset based on its nature or function
- b) discontinue references to fair value in other Standards as current replacement cost under AASB 1059
- c) derecognises the asset in accordance with AASB 116 or AASB 138 when the agency loses control of the asset.

5.5. Non-current assets classified as held for sale

Table 46: Non-current assets classified as held for sale

Non-current assets classified as held for sale	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Opening Balance	–	–	–	–
Rental properties	11,568	8,159	11,568	8,159
Movement for the period	–	–	–	–
Reclassified from/(to) Rental properties	(6,407)	10,153	(6,407)	10,153
Less impairment	–	(362)	–	(362)
Impairment cost disposed	–	(6,382)	–	(6,382)
Total assets classified as held for sale	5,161	11,568	5,161	11,568



These properties are the Authority's New Living and Redevelopment programs properties that form part of the rental property class that are marketed and available for immediate sale in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations'. Assets held for sale are held at fair value less selling costs. Information on fair value measurements are provided in Note 8.3 Fair value measurements.

Non-current assets held for sale are those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next 12 months. Non-current assets held for sale are recognised at the lower of carrying amount of fair value less costs to sell and are disclosed separately in the Statement of financial position. Assets classified as held for sale are not depreciated or amortised.



6. Other assets and liabilities

This section sets out those assets and liabilities that arose from the agency's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

Table 47: Other assets and liabilities

Other assets and liabilities	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Loans and receivables	6.1	5,364,680	5,017,714	5,411,188	5,028,543
Deferred income tax asset	6.2	–	–	–	–
Other current assets	6.3	8,299	26,052	16,062	33,585
Other financial assets	6.4	250,052	200,104	10,439	10,953
Trade and other Payables	6.5	38,089	32,384	37,685	32,005
Provisions	6.6	147,388	88,541	146,728	88,092
Other liabilities	6.7	76,446	73,351	62,587	63,369



6.1 Loans and receivables

Table 48: Loans and receivables

Loans and receivables	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
General debtors	29,204	21,667	27,392	20,241
Rental and lease bonds	16,845	21,954	16,845	21,954
Rents from tenants and other rents	50,933	57,138	50,933	57,138
Loans to commercial organisations	575	311	576	2,160
Dividend receivable	–	–	155,837	62,708
Finance leases receivables	45,646	39,004	45,646	39,004
Joint operations receivables	2,083	1,514	2,083	1,514
Loans to homebuyers	768,899	593,671	–	–
Performance deposit receivable	–	–	–	–
GST receivable	5,478	4,718	5,353	4,612
Less allowance for impairment - receivables	(27,399)	(34,493)	(27,399)	(34,493)
Total current loans and receivables	892,264	705,484	277,266	174,838
Non-current	–	–	–	–
General	7,680	7,680	7,680	7,680
Loans to commercial organisations	2,173	2,929	9,248	9,643
Finance leases receivables	27,412	21,800	27,412	21,800
Joint operations receivables	82	82	82	82
Keystart preferential shares	–	–	5,089,500	4,814,500



Loans and receivables	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Loans to homebuyers	4,476,808	4,345,546	–	–
Less provision for impairment – loans to homebuyers	(41,739)	(65,807)	–	–
Total non-current loans and receivables	4,472,416	4,312,230	5,133,922	4,853,705
Total loans and receivables	5,364,680	5,017,714	5,411,188	5,028,543

General debtors – are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairment). Debts are due for settlement within 30 days with the exception of the following receivable categories:

Receivables rent from tenants - are carried at nominal amounts due less any provision for impairment. Rent receivable is due weekly in advance.

Receivables rental bonds - are carried at nominal amounts due less any provision for impairment.

Rental and lease bonds receivables - represent advances made to qualifying persons for the purpose of renting properties external to the Authority. Each advance is repayable in minimum fortnightly payments of \$15 for loans granted prior to 1 July 2009 and \$25 per fortnight for loans granted from 1 July 2009 with remaining balance being collectable on vacation of property unless an arrangement is entered into to repay over time.

Keystart preferential shares - The Western Australian Treasury Corporation has provided the Authority with a \$5,395m loan facility to fund Keystart Loans Ltd. The Authority has purchased redeemable preference shares in Keystart Loans Ltd to the same value as the drawn down loan facility as security over the funds. The terms and conditions of the shares reflect the terms and conditions of the loan facility. Keystart Loans Ltd. meets all principal, interest and other costs associated with the facility. To date \$5,090 million (June 2020: \$4,815 million) of this facility has been drawn down.

Commercial organisations - The non-current loans to commercial organisations represent acknowledgement of debt totalling \$7.075 million to Goldmaster Enterprises at an interest rate of 5.25 per cent.

Loans to homebuyers – Refer to Note 8.1 'Financial risk management' for an analysis of the Consolidated Entity's exposure to interest rate risk in relation to loans to



homebuyers and other receivables. Summarised analysis of the sensitivity of loan and other receivables to interest rate is illustrated in Note 8.1 'Financial risk management'.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

6.1.1 Movement in the allowance for impairment of loans and receivables

Table 49: Reconciliation of changes in the allowances for impairment of receivables

Reconciliation of changes in the allowances for impairment of receivables	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Balance at the start of the period	34,493	14,886	34,493	14,886
Expected credit loss expense	333	36,346	333	36,346
Reversal of opening allowance for impairment of receivables	–	(15)	–	(15)
Amounts written off during the period	(7,427)	(16,724)	(7,427)	(16,724)
Balance at the end of period	27,399	34,493	27,399	34,493

An allowance for expected credit losses for general debtors, rental and lease bonds and rents from tenants and other rents receivables are measured at the lifetime expected credit losses for each reporting date, adjusting for forward-looking factors specific to the debtors and economic environment.

**Table 50: Movement in allowance for impairment of loans to homebuyers**

Movement in allowance for impairment of loans to homebuyers	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Balance at the start of the period	65,807	33,013	–	–
Expected credit loss expense	(11,247)	48,862	–	–
Amounts written off during the period	(12,990)	(17,548)	–	–
Bad debts recovered	169	1,480	–	–
Balance at the end of period	41,739	65,807	–	–

As at 30 June 2021, loans to homebuyers with a nominal value of \$12.990 million (2020: \$17.548 million) were impaired and written off against the provision for impairment following disposal of mortgaged property. All loans and advances are reviewed and graded according to the anticipated level of credit risk.

There was a \$24.0 million reversal in expected credit loss provisions during 2020–21, predominately driven by accounts in COVID-19 hardship reaching the end of their hardship term with the majority maintaining scheduled repayments driven by improved economic conditions.

A Financial Hardship Scheme is offered to clients who require assistance because of changes in their financial situation. In most cases, assistance is granted for short terms under 12 months and the loans are regularly monitored and reviewed.

The table shows the position as at the end of the financial period for loans provided by Keystart.

**Table 51: Loans provided by Keystart**

Loans provided by Keystart	2021 Number	2021 \$000	2020 Number	2020 \$000
Financial hardship loans	175	54,606	2,006	703,595
Allowance for impairment	–	(4,618)	–	(25,878)

Repossessed loans

Mortgagee sales are considered as the last resort in relation to continually defaulting borrowers. The execution of the mortgagee sales must comply with the National Consumer Protection Credit Act 2009 and the National Credit Code, where appropriate.

Repossessed collateral is sold at best possible market price, with any surpluses being returned to the borrowers concerned. Any shortfalls are written off against the provision.

Table 52: Repossessed loans

Repossessed loans	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Outstanding balance on loans for which collateral will be repossessed	11,646	26,257	–	–
Balance	(4,234)	(12,948)	–	–

Table 53: Repossessed loans

Repossessed loans	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Fair value of collateral obtained in terms of the exercising of rights under the mortgages	14,569	27,725	–	–
Interest foregone on repossessed loans	654	1,844	–	–



Collateral held

Collateral is in the form of registered first mortgages over residential properties in Western Australia purchased with the proceeds of loans from Keystart. The parties granting the mortgage must be the same as the Keystart borrowers.

The terms and conditions associated with the use of collateral are such that should a borrower breach the terms and conditions of their mortgage, Keystart has the facility to recover all or part of the outstanding exposure by: exercising its rights under the mortgage, including the power of sale; and exercising any rights available under law.

The collateral held as security for loans that are past due or impaired is in the form of mortgaged residential property.

6.2. Deferred income tax asset

Table 54: Deferred income tax asset

Deferred income tax asset For Goldmaster Pty Ltd	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Numerical reconciliation of income tax expense to the prima facie tax payable:	–	–	–	–
Accounting profit/(loss) before income tax	(766)	(1,174)	–	–
Prima facie tax payable on profit/(loss) at 30%	(230)	(352)	–	–
Add/(less) tax effect of:	–	–	–	–
Current year taxable differences not recognised	–	–	–	–
Previously unrecognised taxable differences	–	–	–	–
Previously unrecognised tax losses	–	–	–	–
Write down of deferred tax asset	–	–	–	–
Deferred tax benefits not recognised	230	352	–	–
Income tax expense/(benefit)	–	–	–	–



The Goldmaster directors have considered the probability of taxable profits arising in the near future is remote and therefore have determined not to recognise any deferred tax assets relating to unused tax losses.

The company estimates it has accumulated income tax losses of \$35.703 million (2020: \$34.936 million). The benefit of these losses and timing difference will only be obtained if:

- the company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the loss to be realised
- the company continues to comply with the conditions for deductibility imposed by law
- no changes to tax legislation adversely affect the company in realising the benefit from the deduction for the loss.



6.3 Other current assets

Table 55: Other current assets

Other current assets	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Accrued revenue	–	–	–	–
Interest on cash at bank	345	146	345	146
Accrued housing sales	16	3,457	16	3,457
Accrued service level agreement recoup	–	13,393	–	13,393
Interest Keystart investments	–	–	7,763	7,542
Total	361	16,996	8,124	24,538
Prepayments	–	–	–	–
General	7,253	7,820	7,253	7,811
Development proposals	264	686	264	686
Joint operations	421	550	421	550
Total	7,938	9,056	7,938	9,047
Total other current assets	8,299	26,052	16,062	33,585

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term beyond that period.



6.4 Other financial assets

Table 56: Other financial assets

Other financial assets	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Current	–	–	–	–
Deposits at call (a)	250,028	200,080	–	–
Total current other financial assets	250,028	200,080	–	–
Non-current investments	–	–	–	–
Ellenbrook Management Pty Ltd Shares (b)	24	24	24	24
Goldmaster Enterprises Pty Ltd Shares (b)	–	–	5,126	5,640
Seacrest Corporation Pty Ltd	–	–	5,289	5,289
Total non-current other financial assets	24	24	10,439	10,953
Total other financial assets	250,052	200,104	10,439	10,953

- a) The fair values of the short-term deposits are determined using generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions. Information about the Consolidated Entity's exposure to market risk, credit risk and liquidity risk is provided in Note 8.1 'Financial risk management'.
- b) Interest is held in the following companies:

**Table 57: Interest held in companies**

Name	Principal activities	Types of shares	Percentage of each share class held 2021 %	Percentage of each share class held 2020 %	Dividends received \$000	Value of shares \$000
Ellenbrook Management Pty Ltd	Property development	Ord	47.47%	47.47%	–	24
Goldmaster Enterprises Pty Ltd	Property development	Ord	87.18%	87.18%	–	5,126
Seacrest Corporation Pty Ltd	Property development	Ord	100.00%	100.00%	–	5,289



6.5. Payables

Table 58: Payables

Payables	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Current	–	–	–	–
Accrued salaries	4,636	1,178	4,636	1,178
Contractors retention monies	3,399	2,422	3,399	2,422
Joint operations creditors	4,413	3,836	4,413	3,836
Rental tenants bonds	1	8	1	8
Trade creditors	25,358	24,916	24,954	24,537
Total current trade and other payables	37,807	32,360	37,403	31,981
Non-current	–	–	–	–
Joint operations creditors	282	24	282	24
Total non-current trade and other payables	282	24	282	24
Total trade and other payables	38,089	32,384	37,685	32,005



Also included in current trade creditors are the unspent funds associated with the Indian Ocean Territories (IOT) service delivery arrangements as per the following:

Table 59: Indian Ocean Territories unspent funds

Indian Ocean Territories unspent funds	2021 \$	2020 \$
Amounts carried forward from previous financial year	44,222	81,798
Payments made by the Commonwealth for IOT services	40,366	57,771
Cost of services	(29,455)	(95,347)
Amounts carried forward to following financial year	55,133	44,222

Payables are recognised at the amounts payable when the Authority becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days with the exception of the following classes of payables:

- Payables land deposits - are recognised on receipt of cash. When the sale becomes unconditional the Authority retains the deposit as part of the sale process.
- Payables construction retention monies - are repaid upon 100 per cent completion of the contract, with 2.5 per cent withheld to satisfactory agreement completion of maintenance.
- Payables rental bonds - tenant bonds are payable on the tenant vacating the premises. The ultimate amount to be paid is dependent upon the condition of the property upon the tenant vacating, but is not more than the carrying amount of the liability.
- Payables water consumption - liabilities are recognised for amounts to be paid in the future for water usage. Liabilities are settled on 90-day terms.

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Authority considers the carrying amount of accrued salaries to be equivalent to its fair value.



6.6. Provisions

Table 60: Provisions

Provisions	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Current	–	–	–	–
Development levies	–	–	–	–
Joint operations provisions	2,372	1,754	2,372	1,754
Native Title settlement provision	13,308	–	13,308	–
Other provisions	39,164	30,691	38,504	30,242
Leave provisions – transfer to Department of Communities	–	–	–	–
Total current provisions	54,844	32,445	54,184	31,996
Non-current	–	–	–	–
Development levies	2,313	2,843	2,313	2,843
Native Title settlement provision	46,042	–	46,042	–
Other provisions	44,189	53,253	44,189	53,253
Total non-current provisions	92,544	56,096	92,544	56,096
Total provisions	147,388	88,541	146,728	88,092



Table 61: Movement in Provisions

Movement in provisions	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Movements in each class of provisions during the period, are set out below	–	–	–	–
Other Provisions	–	–	–	–
Carrying amount at start of period	83,944	60,804	83,495	60,804
Additional provisions recognised	73,464	29,929	73,461	29,480
Payments	(74,055)	(6,789)	(74,263)	(6,789)
Carrying amount at end of period	83,353	83,944	82,693	83,495
Native Title settlement provision	–	–	–	–
Carrying amount at start of period	–	–	–	–
Additional provisions recognised	59,350	–	59,350	–
Payments	–	–	–	–
Carrying amount at end of period	59,350	–	59,350	–
Development levies	–	–	–	–
Carrying amount at start of period	2,843	3,107	2,843	3,107
Additional provisions recognised	1,734	1,358	1,734	1,358
Payments	(2,264)	(1,622)	(2,264)	(1,622)
Carrying amount at end of period	2,313	2,843	2,313	2,843
Joint operations provisions	–	–	–	–
Carrying amount at start of period	1,754	2,841	1,754	2,841
Additional provisions recognised	935	216	935	216



Movement in provisions	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Payments	(317)	(1,303)	(317)	(1,303)
Carrying amount at end of period	2,372	1,754	2,372	1,754

Provisions are liabilities of uncertain timing or amount. The Authority only recognises a provision where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Other provisions – other provisions include Development Management Agreement Success fees and development cost provisions. The success fee is calculated with reference to the sale proceeds of each lot less GST and any other fees. The provision represents the estimated liability of any fees payable in the future. The development cost provision represents the development managers on charge of development costs to the Authority.

Development levies - a provision calculated on lots sold and community projects representing fencing and landscaping incentives for first home buyers to purchase Authority land. The provision represents the estimated liability at balance sheet date for future claims by the purchasers against the Authority.

Native title settlement provision – a provision has been calculated to recognise the Authority's share of the South West Native Title settlement and the Yamatji Nation Indigenous Land Use Agreement settlement.

**6.7. Other liabilities****Table 62: Other liabilities**

Other liabilities	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Current	–	–	–	–
Administrative and general expenses	52,204	50,053	38,345	40,071
Joint operations liabilities	231	292	231	292
Unearned income	11,011	10,006	11,011	10,006
Total current other liabilities	63,446	60,351	49,587	50,369
Non-current	–	–	–	–
Unearned income	13,000	13,000	13,000	13,000
Total non-current other liabilities	13,000	13,000	13,000	13,000
Total other liabilities	76,446	73,351	62,587	63,369



7. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Group.

	Notes:
Borrowings	7.1
Lease liabilities	7.2
Service concession liabilities	7.3
Finance costs	7.4
Cash and cash equivalents	7.5
Reconciliation of cash	7.5.1
Reconciliation of operating activities	7.5.2
Commitments	7.6



7.1 Borrowings

Table 63: Borrowings

Borrowings	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Current	–	–	–	–
WATC	68,366	141,374	68,366	141,374
Commonwealth advances	17,589	17,327	17,589	17,327
Total current borrowings	85,955	158,701	85,955	158,701
Non-current	–	–	–	–
WATC	5,325,709	5,114,071	5,325,709	5,114,071
Commercial loan	62,280	62,280	62,280	62,280
Commonwealth advances	291,256	308,845	291,256	308,845
Total non-current borrowings	5,679,245	5,485,196	5,679,245	5,485,196
Total borrowings	5,765,200	5,643,897	5,765,200	5,643,897

Borrowings refer to interest bearing liabilities raised from public borrowings raised through Western Australian Treasury Corporation (WATC), Commonwealth advances, Westpac Bank (Commercial loan), finance leases and other interest bearing arrangements. Borrowings are classified as financial instruments. All interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Subsequent measurement is at amortised cost. The classification of interest bearing liabilities is determined at initial recognition.

The fair values for WATC borrowings have been calculated by Western Australian Treasury Corporation, based on market valuations. The State Nominated and Commonwealth advances have been calculated using a discount rate of 1.52 per cent which is the Commonwealth bond rate. (June 2020 0.92 per cent).

Commercial loan is a \$62.280 million liability payable to Westpac. The liability is for construction costs for the Osprey Key Workers Village

Commonwealth advances refer to the Commonwealth and State Housing Agreements. The Commonwealth made advances to the states from 1945 to the mid- to late-1980s to



provide financial assistance to Servicemen for building new public housing and low interest loans to home builders, as well as a range of other housing-related purposes.

Table 64: Borrowings

Borrowings	Total carrying amount 2021 \$000	Total carrying amount 2020 \$000	Aggregate net fair value 2021 \$000	Aggregate net fair value 2020 \$000
Consolidated	–	–	–	–
WATC	5,394,075	5,255,445	5,440,792	5,279,191
Commercial loan	62,280	62,280	66,914	70,536
Commonwealth advances	308,845	326,172	387,586	435,814
Total	5,765,200	5,643,897	5,895,292	5,785,541
Housing Authority	–	–	–	–
WATC	5,394,075	5,255,445	5,440,792	5,279,191
Commercial loan	62,280	62,280	66,914	70,536
Commonwealth advances	308,845	326,172	387,586	435,814
Total	5,765,200	5,643,897	5,895,292	5,785,541

WATC (Western Australian Treasury Corporation) are variable rate borrowings and repayable when due. Fixed rate borrowings are subject to interest payments only with the full loan being due on maturity.

Commonwealth advances are fixed rate borrowings and repayable on an annual basis with final instalments being due between July 2014 and June 2042.

Commercial loan is with Westpac and is an interest only variable rate borrowing repayable in full by July 2029.



7.2 Lease liabilities

Table 65: Lease liabilities

Lease liabilities	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Current	54,318	41,632	46,459	40,272
Non-current	28,110	30,652	28,110	22,793
Total lease liabilities	82,428	72,284	74,569	63,065

The Authority measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Authority uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Authority as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options (where these are reasonably certain to be exercised)
- payments for penalties for terminating a lease, where the lease term reflects the Authority exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the Authority if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the Authority in profit or loss in the period in which the condition that triggers those payment occurs.

This section should be read in conjunction with Note 5.3 'Right-of-use assets'.



Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

7.3 Service concession liabilities

Table 66: Service concession liabilities

Service concession liabilities	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Current	2,682	2,424	2,682	2,424
Non-current	118,190	99,776	118,190	99,776
Total service concession liabilities	120,872	102,200	120,872	102,200

7.4 Finance costs

Table 67: Finance costs

Finance costs	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Interest expense	50,269	114,270	50,269	114,270
Finance charges	3	3	–	–
Lease interest expense	1,317	1,320	1,145	1,320
Total finance costs	51,589	115,593	51,414	115,590

Finance costs include costs incurred in connection with the borrowing of funds and includes interest on short term and long term borrowings and the interest component of lease liability repayments, and the increase in financial liabilities. Finance costs are expensed when incurred and represents the total finance costs in the Statement of comprehensive income.



7. 5. Cash and cash equivalents

7.5.1. Reconciliation of cash

Table 68: Reconciliation of cash

Reconciliation of cash	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Cash at bank - operational	355,990	155,698	262,747	90,651
Cash advances	5	6	5	6
Total	355,995	155,704	262,752	90,657
Restricted cash:	–	–	–	–
Rental tenants bonds	1	8	1	8
Joint operations cash	16,107	13,926	16,107	13,926
Remote indigenous housing	13,895	5,960	13,895	5,960
Royalties for Regions fund	19,611	4,088	19,611	4,088
Total	49,614	23,982	49,614	23,982
Deposits at call	250,028	200,080	–	–
Total cash and cash equivalents	655,637	379,766	312,366	114,639

Rental tenants bonds represent bond monies received by the Authority from rental clients. These funds are held in trust in accordance with the Residential Tenancies Act.

Joint operations cash is restricted for the use of joint operations and is controlled by the respective management groups.

Remote indigenous cash - the Authority is a property manager for remote indigenous communities and does not have ownership of these properties. The cash held represents unspent funds for these properties.

Royalties for Regions - unspent funds for Royalties for Regions are committed to projects and programs in WA regional areas.

Deposits at call - the fair values of the Bank bills are determined using generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

For the purpose of the Statement of cash flows, cash and cash equivalents (and restricted cash and cash equivalents) and deposits at call comprise cash on hand and



short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

7.5.2. Reconciliation of net cost of services to net cash flows provided used in operating activities

Table 69: Reconciliation of net cost of services

Reconciliation of net cost of services	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Net profit/(loss) for the period	–	(41,706)	(288,051)	(41,949)	(287,509)
Non-cash items	–	–	–	–	–
Depreciation and amortisation expense	5.2.1	124,557	128,948	122,897	127,183
Expected credit loss expense	4.2	(10,678)	85,208	333	36,346
Loss on disposal of non-current assets	4.3	8,323	9,276	8,323	9,267
Impairment – Goldmaster	4.2	–	–	514	1,052
Impairment – non-current assets	4.2	125,626	7,687	125,626	7,377
Transfer of net assets	–	135,034	–	135,034	–
Cash items	–	–	–	–	–
Proceeds from state government	–	(203,101)	(109,538)	(321,213)	(251,260)
(Increase)/decrease in assets:	–	–	–	–	–
Receivables	–	(94,076)	31,089	(94,082)	31,092
Inventories	–	257,808	2,391	255,377	2,391
Other assets	–	(313,161)	(36,477)	(312,004)	(36,741)
Increase/(decrease) in liabilities:	–	–	–	–	–
Provisions	–	47,343	22,426	58,019	22,426



Reconciliation of net cost of services	Notes	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Payables	–	(12,353)	(68,769)	(105,480)	(57,923)
Net GST payments	–	(727)	1,023	(741)	1,027
Net cash flows provided by/(used in) operating activities	–	(22,889)	(214,787)	(169,346)	(395,272)



7.6 Commitments

7.6.1 Capital expenditure commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Table 70: Capital expenditure commitments

Capital expenditure commitments	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Within 1 year	157,498	124,523	157,498	124,523
Later than 1 year and not later than 5 years	57,536	5,853	57,536	5,853
Later than 5 years	–	–	–	–
Total	215,034	130,376	215,034	130,376
The capital commitments include amounts for the following:	–	–	–	–
Crisis accommodation program	3,933	4,069	3,933	4,069
Dwelling construction and upgrades	95,031	41,219	95,031	41,219
Joint operations land development (a)	12,116	7,453	12,116	7,453
Development Management Agreements (a)	16,989	11,074	16,989	11,074
Land development and redevelopment	5,186	5,134	5,186	5,134
New living	101	619	101	619
Affordable Housing	81,228	60,808	81,228	60,808
Facilities management	450	–	450	–
Balance at the end of period	215,034	130,376	215,034	130,376

(a) To be transferred to Development WA in 2021-22



7.6.2 Loan advance commitment

Table 71: Loan advance commitment

Loan advance commitment	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Approved loans not yet fully disbursed	492,503	212,857	–	–
Total	492,503	212,857	–	–
Loan advance commitment includes the following:	–	–	–	–
Loans to home buyers	492,503	212,857	–	–
Total	492,503	212,857	–	–



8. Risks and contingencies

This note sets out the key risk management policies and measurement techniques of the Group.

	Notes
Financial risk management	8.1
Contingent liabilities	8.2
Fair value measurements	8.3

8.1 Financial risk management

Financial instruments held by the group are cash and cash equivalents, other financial assets, loans to homebuyers, loans to commercial organisations, loans to local and statutory parties, State Nominated borrowings, WATC borrowings, Commonwealth Advances, rental deposits and tenant bonds. The group's overall risk management program focuses on managing the risks identified below.

(a) Summary of risks and risk management

Credit risk

The Consolidated Entity's maximum exposures to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of financial position. The Consolidated Entity's credit risk is spread over a significant number of parties and is concentrated only to the extent of the Western Australian residential market. The Consolidated Entity is therefore not materially exposed to any particular individual party or group of parties.

The Consolidated Entity's maximum credit risk exposure in relation to these is as follows:

The Consolidated Entity minimises concentrations of credit risk in relation to loans and advances by undertaking transactions with a number of borrowers, within specified maximum limits based upon the assessment of each borrower's ability to service a mortgage. The Consolidated Entity concentrates 100 per cent of its lending to purchase of residential real estate within Western Australia. Security is provided to the Consolidated Entity through a mortgage over the property.

The maximum exposure to credit risk at reporting date is the higher of the carrying value and fair value of each class of receivables.

Keystart

Credit risk arises from transactions that give rise to actual, contingent or potential claims against any borrower or counterparty.

Credit risk is managed on a group basis through having prudential lending policies to mitigate borrower risk. This includes having maximum debt servicing ratios and strict



income verification procedures. In addition to these credit policies, Keystart maintains adequate provisions for bad and doubtful debts and capital adequacy ratios to manage the effects of any losses. Counterparty credit risk arises from cash and cash equivalents, loans and receivable, derivative financial instruments and deposits with banks and financial institutions including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "P-1" (Moody's) are accepted. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. Counterparties must have Moody's long term rating of at least "Aa3" for authorised investments.

Housing Authority

In relation to other receivables (including rental and bond debtors), the Authority has a minimal credit risk due to the receivables debt being spread across a number of debtors exceeding 45,000. The collectability of rental receivables is reviewed on an ongoing basis in accordance with the Authority's policy and procedure manuals. These policy and procedure manuals are reviewed by management on a regular basis.

Liquidity risk

The Consolidated Entity is exposed to liquidity risk in respect of its payable, accrued employee expenses and government borrowings, in that the Consolidated Entity needs to be able to pay these amounts when they fall due. The Consolidated Entity has implemented and maintains robust cash management practices, including day-to-day monitoring and regular liquidity reporting to the Accountable Authority. These practices ensure cash resources are adequate to meet future commitments.

Keystart

Liquidity risk management safeguards the ability of the entity to meet all payment obligations when they become due. Liquidity risk arises when the entity's key assets and liabilities have different maturity profiles. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Risk Committee aims at maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the entity's liquidity reserve based on expected cash flow.



Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the group's income or the value of its holdings of financial instruments.

The group has minimal exposure to foreign exchange risk. The group's exposure to market risk for changes in interest rates relate primarily to long-term debt obligations.

Keystart

The entity's activities expose it to a variety of financial risks; market risk (including interest rate risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis (specifically VaR - Value at Risk model) in the case of interest rate risk and ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the Funding and Lending Committee under policies approved by the Keystart Board. The Funding and Lending Committee identifies, evaluates and hedges financial risks in close co-operation with the entity's operating units. The Keystart Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of liquidity.

(i) Interest rate risk

Borrowings issued at short-term rates expose the Consolidated Entity to interest rate risk if changes to rates are not passed on to customers. Borrowings issued at fixed rates expose Keystart to fair value interest rate risk.

During the financial year ending 30 June 2021 and the prior financial year, there were no hedges used by Keystart. Borrowings were denominated in Australian Dollars.

(ii) Summarised sensitivity analysis

The Consolidated Entity uses VaR Analysis to measure its sensitivity to movements in interest rates. VaR models are designed to measure market risk in a normal market environment. The VaR measure estimates the potential loss in profit over a given holding period for a specific confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognising offsetting positions and correlations between products. The main risk arises where the Consolidated Entity cannot pass on changes in borrowing interest rates to its loan receivables. The VaR for the Consolidated Entity is traditionally low because changes in lending and borrowing rates have generally moved in a similar direction.



The limitation of the VaR model is that historical data may not provide the best estimates of the risk factor changes in the future and may fail to capture the risk of possible extreme adverse market movements which have not occurred in past calculations.

Table 72: Summary of risks and risk management

Summary of risks and risk management	Weighted average interest rate 2021 %	Balance 2021 \$000	Weighted average interest rate 2020 %	Balance 2020 \$000
Variable rate loans	4.31	5,203,968	4.50	4,873,411
Short term deposits	0.24	250,028	1.11	200,081
Cash and liquid assets	0.05	91,808	0.58	64,390

While VaR captures the Consolidated Entity's exposure under normal market conditions, sensitivity and earnings at risk analysis is also performed.

Table 73: Historical VaR (99%, 20 day) by risk type

Historical VaR (99%, 20 day) by risk type	Average \$000	Minimum \$000	Maximum \$000	Year End \$000
2021	-	-	-	-
Total VaR Exposure	883	533	1,119	533
2020	-	-	-	-
Total VaR Exposure	1,394	672	2,680	1,138

**(b) Categories of financial instruments**

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

Table 74: Carrying amounts of financial assets and liabilities

Carrying amounts of financial assets and liabilities	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Financial assets	–	–	–	–
Cash and cash equivalents	355,995	155,704	262,752	90,657
Restricted cash and cash equivalents	49,614	23,982	49,614	23,982
Other financial assets through profit and loss	–	–	–	–
Non-current investments	24	24	10,439	10,953
Other financial assets at amortised cost	–	–	–	–
Deposits at call	250,028	200,080	–	–
Financial assets at amortised cost - comprising (a)	–	–	–	–
Keystart preference shares	–	–	5,089,500	4,814,500
General debtors	36,571	29,124	34,759	27,698
Rental and lease bonds	15,526	20,570	15,526	20,570
Rent from tenants and other rents	25,166	24,252	25,166	24,252
Loans to commercial organisations	2,748	3,240	9,824	11,803
Dividends receivable	–	–	155,837	62,708
Finance lease receivable	73,058	60,804	73,058	60,804
Joint operations receivable	2,165	1,596	2,165	1,596
Loans to homebuyers	5,203,968	4,873,410	–	–
Performance deposit receivable	–	–	–	–



Carrying amounts of financial assets and liabilities	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Other current assets at amortised cost	-	-	-	-
Accrued revenue	361	16,996	8,124	24,538
Total financial assets	6,015,224	5,409,782	5,736,764	5,174,061
Financial Liabilities at amortised cost – comprising:	-	-	-	-
Borrowings	-	-	-	-
WATC	5,394,075	5,255,445	5,394,075	5,255,445
Commercial loan	62,280	62,280	62,280	62,280
Commonwealth advances	308,845	326,172	308,845	326,172
Payables	-	-	-	-
General	38,088	32,376	37,684	31,997
Rental deposits and tenant bonds	1	8	1	8
Finance lease liabilities	82,428	72,284	74,569	63,065
Other current liabilities	65,435	63,345	51,576	53,363
Total financial liabilities	5,951,152	5,811,910	5,929,030	5,792,330

- a) The amount of financial assets at amortised cost - loans and receivables excludes GST recoverable from the Australian Taxation Office (statutory receivable).



(c) Credit risk exposure

Keystart

The following table details the credit risk exposure on the group's loans to homebuyers to different stages of the loans and advances portfolio below:

Loans to homebuyers

Loans to homebuyers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The collateral held for these loans is by a registered mortgage held over the property.

Recognition and derecognition

Loans and advances continue to be measured at amortised cost and transaction costs are expensed in the Statement of comprehensive income. Transaction costs, including loan origination expenses, are included in the measurement of all loans and advances. The loan origination fees are being amortised in equal instalments over the average life of the loans. Regular purchases and sales of financial assets are recognised on trade date, which is the date on which the Consolidated Entity commits to purchase or sell the assets.

Financial assets are derecognised (removed from the Statement of financial position) when the right to receive cash flows from the financial assets have expired; or have been transferred to a third party under a 'pass-through' arrangements and either the Consolidated Entity has transferred substantially all the risks and rewards of ownership or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss' category are presented in the Statement of comprehensive income in the period in which they arise.

Fair value

The fair value of the financial assets traded in active markets is based on quoted market prices at the Statement of financial position date. If the market for a financial asset is not active (and for unlisted securities), the Consolidated Entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.



Impairment of loans

The Consolidated Entity assesses on a forward-looking basis the expected credit loss (ECL) associated with its loans carried at amortised cost. The Consolidated Entity recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- the time value of money
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Three stage approach

AASB 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk regularly monitored by the Trust.
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is yet to be deemed credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is moved to 'Stage 3'.
- Financial instruments in 'Stage 1' have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from the default events possible within the next 12 months. Instruments in Stages 2 and 3 have their ECL measured based on expected credit losses on a lifetime basis.

An 'expected credit loss expense' is recognised as a movement in the allowance for impairment account. When a loan or advance is uncollectable, it is written off against the allowance account for loans and advances. Subsequent recoveries of amounts previously written off are credited against 'expected credit loss expense' in the Statement of comprehensive income.

Where possible, the consolidated entity seeks to restructure loans rather than take possession of collateral. This may involve extending or suspending payment arrangements while the borrower experiences financial difficulty. Management continuously reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subjected to an individual or collective impairment assessment, calculated using the loan's original interest rate.

The following table details the credit risk exposure on the Authority's debtors using a provision matrix.



Table 75: Credit risk exposure 2021

Credit risk exposure 2021	Days past due					
	Total \$000	Current \$000	<90 days \$000	91-180 days \$000	181-360 days \$000	>361 days \$000
Housing Authority General debtors	–	–	–	–	–	–
Expected credit loss rate	–	0.30%	0.37%	0.58%	0.78%	1.43%
Estimated total gross carrying amount at default	35,072	9,127	3,396	598	6,802	15,149
Expected credit losses	313	28	12	3	53	217
Rent from tenants and other	–	–	–	–	–	–
Expected credit loss rate	–	5.90%	12.73%	14.99%	15.75%	86.58%
Estimated total gross carrying amount at default	50,933	21,378	839	352	298	28,066
Expected credit losses	25,767	1,260	107	53	47	24,300
Rental and lease bonds	–	–	–	–	–	–
Expected credit loss rate	–	7.75%	2.69%	4.19%	6.36%	12.12%
Estimated total gross carrying amount at default	16,845	15,109	279	286	245	926
Expected credit losses	1,319	1,171	8	12	16	112
Total Expected Credit Loss Allowance	27,399	2,459	127	68	116	24,629



Table 76: Credit risk exposure 2020

Credit risk exposure 2020	Days past due					
	Total \$000	Current \$000	<90 days \$000	91-180 days \$000	181-360 days \$000	>361 days \$000
General debtors	–	–	–	–	–	–
Expected credit loss rate	–	0.51%	0.58%	0.62%	0.76%	2.34%
Estimated total gross carrying amount at default	27,185	11,139	99	6,852	5,748	3,347
Expected credit losses	222	57	1	42	44	78
Rent from tenants and other	–	–	–	–	–	–
Expected credit loss rate	–	5.24%	23.82%	35.47%	48.18%	94.78%
Estimated total gross carrying amount at default	57,136	22,420	947	413	590	32,766
Expected credit losses	32,887	1,175	226	146	284	31,056
Rental and lease bonds	–	–	–	–	–	–
Expected credit loss rate	–	5.70%	3.40%	4.82%	7.23%	16.70%
Estimated total gross carrying amount at default	21,953	19,734	278	234	502	1,205
Expected credit losses	1,382	1,125	9	11	36	201
Total Expected Credit Loss Allowance	34,491	2,357	236	199	364	31,335



Loans and receivables

An expected credit loss expense is recognised as the movement in the allowance for impairment. The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date.

The Authority has established a provision matrix that is based on its historical credit loss experience. The loss allowance for receivables reflects the lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting the Authority's debtors, and relevant industry data form part of the impairment assessment. Refer to Note 6.1 'Reconciliation of changes in the allowance for impairment of receivables'. For 2020-21 and 2019-20 the Authority has applied a COVID-19 impact across its debtor categories to recognise the impact that it has had on the macro-economic environment.

The Authority uses a provision matrix to measure the expected credit losses on debtors. Loss rates are calculated separately for groupings of customers with similar loss patterns. The Authority has determined there are three material groupings for measuring expected credit losses reflecting the different customer profiles for different revenue streams. The material groupings are for general debtors, rent from tenants debtors and rental and lease bond (bond assistance) debtors.



(d) Liquidity risk and interest rate exposure

The following table details the Authority's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Table 77: Interest rate exposure and maturity analysis of financial assets and financial liabilities – Consolidated 2021

Consolidated 2021	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure Fixed interest rate \$000	Interest rate exposure Variable interest rate \$000	Interest rate exposure Non-interest bearing \$000	Nominal amount \$000	Contractual Maturity dates Within 1 year \$000	Contractual Maturity dates 1-5 years \$000	Contractual Maturity dates Greater than 5 years \$000
Financial assets	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	0.26%	355,995	–	355,995	–	355,995	355,995	–	–
Restricted cash and cash equivalents	0.33%	49,614	–	49,614	–	49,614	49,614	–	–
Other financial assets	–	–	–	–	–	–	–	–	–
• deposits at call	0.24%	250,028	–	250,028	–	250,028	250,028	–	–
• other assets	–	24	–	–	24	–	–	–	–
Receivables	–	–	–	–	–	–	–	–	–
• general debtors	–	36,571	–	–	36,571	36,571	36,571	–	–
• rental and lease bonds	–	15,526	–	–	15,526	15,526	15,526	–	–
• rent from tenants and other rents	–	25,166	–	–	25,166	25,166	25,166	–	–



Disclosures and legal compliance

Consolidated 2021	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure Fixed interest rate \$000	Interest rate exposure Variable interest rate \$000	Interest rate exposure Non-interest bearing \$000	Nominal amount \$000	Contractual Maturity dates Within 1 year \$000	Contractual Maturity dates 1-5 years \$000	Contractual Maturity dates Greater than 5 years \$000
• loans to commercial organisations	–	2,748	–	–	2,748	2,748	575	2,173	–
• finance lease receivable	1.33%	73,058	73,058	–	–	75,297	47,087	24,978	3,232
• joint operations receivable	–	2,165	–	–	2,165	1,596	1,596	–	–
• loans to homebuyers	4.31%	5,203,968	–	5,203,968	–	5,235,960	72	2,307	5,233,581
• performance deposit receivable	–	–	–	–	–	–	–	–	–
Other current assets	0.33%	361	–	345	16	361	361	–	–
Total financial assets		6,015,224	73,058	5,859,950	82,216	6,048,862	782,591	29,458	5,236,813
Financial liabilities	–	–	–	–	–	–	–	–	–
Borrowings	–	–	–	–	–	–	–	–	–
• WATC	2.38%	5,394,075	226,339	5,167,736	–	5,462,096	990,068	4,269,586	202,442
• Commercial loan	2.38%	62,280	–	62,280	–	71,173	1,482	5,929	63,762
• Commonwealth advances	4.61%	308,845	308,845	–	–	433,441	31,452	119,783	282,206
Payables	–	–	–	–	–	–	–	–	–



Consolidated 2021	Weighted average effective interest rate	Carrying amount	Interest rate exposure Fixed interest rate	Interest rate exposure Variable interest rate	Interest rate exposure Non-interest bearing	Nominal amount	Contractual Maturity dates Within 1 year	Contractual Maturity dates 1-5 years	Contractual Maturity dates Greater than 5 years
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
• general	–	38,088	–	–	38,088	38,088	38,088	–	–
• rental deposits and tenant bonds (a)	–	1	–	–	1	1	1	–	–
Finance lease liabilities	1.37%	82,428	82,428	–	–	85,602	49,458	29,584	6,560
Other current liabilities	–	65,435	–	–	65,435	65,435	65,435	–	–
Total financial liabilities	–	5,951,152	617,612	5,230,016	103,524	6,155,836	1,175,984	4,424,882	554,970

(a) Rental deposits and tenant bonds are repayable only when the tenant vacates the rental property. The full amount owing is not necessarily the amount that will be paid on vacation as this money can be offset against any outstanding rental payments or other payments that are outstanding.



Table 78: Interest rate exposure and maturity analysis of financial assets and financial liabilities – Consolidated 2020

Consolidated 2020	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure Fixed interest rate \$000	Interest rate exposure Variable interest rate \$000	Interest rate exposure Non-interest bearing \$000	Nominal amount \$000	Contractual Maturity dates Within 1 year \$000	Contractual Maturity dates 1-5 years \$000	Contractual Maturity dates Greater than 5 years \$000
Financial assets	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	0.87%	155,704	–	155,704	–	155,704	155,704	–	–
Restricted cash and cash equivalents	1.05%	23,982	–	23,982	–	23,982	23,982	–	–
Other financial assets	–	–	–	–	–	–	–	–	–
• deposits at call	1.11%	200,080	–	200,080	–	200,080	200,080	–	–
• other assets	–	24	–	–	24	24	–	–	24
Receivables	–	–	–	–	–	–	–	–	–
• general debtors	–	29,124	–	–	29,124	29,124	29,124	–	–
• rental and lease bonds	–	20,570	–	–	20,570	20,570	20,570	–	–
• rent from tenants and other rents	–	24,252	–	–	24,252	24,252	24,252	–	–
• loans to commercial organisations	–	3,240	–	–	3,240	3,240	311	2,929	–



Disclosures and legal compliance

Consolidated 2020	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure Fixed interest rate \$000	Interest rate exposure Variable interest rate \$000	Interest rate exposure Non- interest bearing \$000	Nominal amount \$000	Contractual Maturity dates Within 1 year \$000	Contractual Maturity dates 1-5 years \$000	Contractual Maturity dates Greater than 5 years \$000
• finance lease receivable **	1.82%	60,804	60,804	–	–	62,119	39,699	20,634	1,786
• joint operations receivable	–	1,596	–	–	1,596	1,596	1,514	82	–
• loans to homebuyers	4.50%	4,873,410	–	4,873,410	–	4,931,795	60	2,352	4,929,383
• performance deposit receivable	–	–	–	–	–	–	–	–	–
Other current assets	1.05%	16,996	–	146	16,850	16,996	16,996	–	–
Total financial assets	–	5,409,782	60,804	5,253,322	95,656	5,469,482	512,292	25,997	4,931,193
Financial liabilities	–	–	–	–	–	–	–	–	–
Borrowings	–	–	–	–	–	–	–	–	–
• WATC	1.94%	5,255,445	510,258	4,745,187	–	5,341,150	1,266,816	3,603,237	471,097
• Commercial loan	3.55%	62,280	–	62,280	–	76,017	1,527	6,107	68,383
• Commonwealth advances	4.80%	326,172	326,172	–	–	469,410	31,969	121,885	315,556
Payables	–	–	–	–	–	–	–	–	–
• general	–	32,376	–	–	32,376	32,376	32,376	–	–



Disclosures and legal compliance

Consolidated 2020	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure Fixed interest rate \$000	Interest rate exposure Variable interest rate \$000	Interest rate exposure Non- interest bearing \$000	Nominal amount \$000	Contractual Maturity dates Within 1 year \$000	Contractual Maturity dates 1-5 years \$000	Contractual Maturity dates Greater than 5 years \$000
• rental deposits and tenant bonds (a)	—	8	—	—	8	8	8	—	—
Finance lease liabilities	1.86%	72,284	72,284	—	—	73,694	42,542	26,113	5,039
Other current liabilities	—	63,345	—	—	63,345	63,345	63,345	—	—
Total financial liabilities	—	5,811,910	908,714	4,807,467	95,729	6,056,000	1,438,583	3,757,342	860,075

(a) Rental deposits and tenant bonds are repayable only when the tenant vacates the rental property. The full amount owing is not necessarily the amount that will be paid on vacation as this money can be offset against any outstanding rental payments or other payments that are outstanding.



Table 79: Interest rate exposure and maturity analysis of financial assets and financial liabilities – Housing Authority 2021

Housing Authority 2021	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure Fixed interest rate \$000	Interest rate exposure Variable interest rate \$000	Interest rate exposure Non-interest bearing \$000	Nominal amount \$000	Contractual Maturity dates Within 1 year \$000	Contractual Maturity dates 1-5 years \$000	Contractual Maturity dates Greater than 5 years \$000
Financial assets	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	0.33%	262,752	–	262,752	–	262,752	262,752	–	–
Restricted cash and cash equivalents	0.33%	49,614	–	49,614	–	49,614	49,614	–	–
Other financial assets	–	–	–	–	–	–	–	–	–
• other assets	–	10,439	–	–	10,439	10,439	–	–	10,439
Receivables	–	–	–	–	–	–	–	–	–
• Keystart preference shares	1.12%	5,089,500	–	–	5,089,500	5,463,452	1,018,849	4,227,010	217,593
• general debtors	–	34,759	–	–	34,759	34,759	27,079	7,680	–
• rental and lease bonds	–	15,526	–	–	15,526	15,526	15,526	–	–
• rent from tenants and other rents	–	25,166	–	–	25,166	25,166	25,166	–	–



Disclosures and legal compliance

Housing Authority 2021	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure Fixed interest rate \$000	Interest rate exposure Variable interest rate \$000	Interest rate exposure Non-interest bearing \$000	Nominal amount \$000	Contractual Maturity dates Within 1 year \$000	Contractual Maturity dates 1-5 years \$000	Contractual Maturity dates Greater than 5 years \$000
• loans to commercial organisations	5.38%	9,824	–	–	9,824	9,824	576	9,248	–
• dividends receivable	–	155,837	–	–	155,837	155,837	155,837	–	–
• finance lease receivable	1.33%	73,058	73,058	–	–	75,297	47,087	24,978	3,232
• joint operations receivable	–	2,165	–	–	2,165	1,596	1,596	–	–
• performance deposit receivable	–	–	–	–	–	–	–	–	–
Other current assets	4.14%	8,124	–	8,108	16	8,124	8,124	–	–
Total financial assets	–	5,736,764	73,058	320,474	5,343,232	6,112,386	1,612,206	4,268,916	231,264
Financial liabilities	–	–	–	–	–	–	–	–	–
Borrowings	–	–	–	–	–	–	–	–	–
• WATC	2.38%	5,394,075	226,339	5,167,736	–	5,462,096	990,068	4,269,586	202,442
• Commercial loan	2.38%	62,280	–	62,280	–	71,173	1,482	5,929	63,762



Disclosures and legal compliance

Housing Authority 2021	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure Fixed interest rate \$000	Interest rate exposure Variable interest rate \$000	Interest rate exposure Non-interest bearing \$000	Nominal amount \$000	Contractual Maturity dates Within 1 year \$000	Contractual Maturity dates 1-5 years \$000	Contractual Maturity dates Greater than 5 years \$000
• Commonwealth advances	4.61%	308,845	308,845	—	—	433,441	31,452	119,783	282,206
Payables	—	—	—	—	—	—	—	—	—
• general	—	37,684	—	—	37,684	37,684	37,684	—	—
• rental deposits and tenant bonds	—	1	—	—	1	1	1	—	—
Finance lease liabilities	1.37%	74,569	74,569	—	—	76,878	47,936	25,704	3,238
Other current liabilities	—	51,576	—	—	51,576	51,576	51,576	—	—
Total financial liabilities	—	5,929,030	609,753	5,230,016	89,261	6,132,849	1,160,199	4,421,002	551,648



Table 80: Interest rate exposure and maturity analysis of financial assets and financial liabilities – Housing Authority 2020

Housing Authority 2020	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure Fixed interest rate \$000	Interest rate exposure Variable interest rate \$000	Interest rate exposure Non-interest bearing \$000	Nominal amount \$000	Contractual Maturity dates Within 1 year \$000	Contractual Maturity dates 1-5 years \$000	Contractual Maturity dates Greater than 5 years \$000
Financial assets	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	1.05%	90,657	–	90,657	–	90,657	90,657	–	–
Restricted cash and cash equivalents	1.05%	23,982	–	23,982	–	23,982	23,982	–	–
Other financial assets	–	–	–	–	–	–	–	–	–
• other assets	–	10,953	–	–	10,953	10,953	–	–	10,953
Receivables	–	–	–	–	–	–	–	–	–
• Keystart preference shares	1.77%	4,814,500	–	–	4,814,500	5,153,044	1,383,985	3,668,289	100,770
• General debtors	–	27,698	–	–	27,698	27,698	27,698	–	–
• rental and lease bonds	–	20,570	–	–	20,570	20,570	20,570	–	–
• rent from tenants and other rents	–	24,252	–	–	24,252	24,252	24,252	–	–
• loans to commercial organisations	5.06%	11,803	8,767	–	3,036	11,803	2,160	9,643	–
• dividends receivable	–	62,708	–	–	62,708	62,708	62,708	–	–
• finance lease receivable	1.82%	60,804	60,804	–	–	62,119	39,699	20,634	1,786



Housing Authority 2020	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure Fixed interest rate \$000	Interest rate exposure Variable interest rate \$000	Interest rate exposure Non- interest bearing \$000	Nominal amount \$000	Contractual Maturity dates Within 1 year \$000	Contractual Maturity dates 1-5 years \$000	Contractual Maturity dates Greater than 5 years \$000
• joint operations receivable	–	1,596	–	–	1,596	1,596	1,514	82	–
• performance deposit receivable	–	–	–	–	–	–	–	–	–
Other current assets	2.58%	24,538	–	7,688	16,850	24,538	24,538	–	–
Total financial assets	–	5,174,061	69,571	122,327	4,982,163	5,513,920	1,701,763	3,698,648	113,509
Financial liabilities	–	–	–	–	–	–	–	–	–
Borrowings	–	–	–	–	–	–	–	–	–
• WATC	2.61%	5,255,445	510,258	4,745,187	–	5,341,150	1,266,816	3,603,237	471,097
• Commercial loan	2.45%	62,280	–	62,280	–	76,017	1,527	6,107	68,383
• Commonwealth advances	4.60%	326,172	326,172	–	–	469,410	31,969	121,885	315,556
Payables	–	–	–	–	–	–	–	–	–
• general	–	31,997	–	–	31,997	31,997	31,997	–	–
• rental deposits and tenant bonds (a)	–	8	–	–	8	8	8	–	–
Finance lease liabilities	1.86%	63,065	63,065	–	–	64,479	41,015	21,664	1,800
Other current liabilities	–	53,363	–	–	53,363	41,541	41,541	–	–
Total financial liabilities	–	5,792,330	899,495	4,807,467	85,368	6,024,602	1,414,873	3,752,893	856,836



(a) Rental deposits and tenant bonds are repayable only when the tenant vacates the rental property. The full amount owing is not necessarily the amount that will be paid on vacation as this money can be offset against any outstanding rental payments or other payments that are outstanding.



(e) Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Consolidated Entity's financial assets and liabilities at the end of the reporting period on the profit for the period and equity for a one per cent change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period. The Consolidated Entity's exposure to market interest rates relates primarily to the Consolidated Entity's long-term debt obligations.

Table 81: Interest rate sensitivity analysis - Consolidated

Consolidated	Carrying amount \$000	Interest rate risk Profit -1% \$000	Interest rate risk Equity -1% \$000	Interest rate risk Profit 1% \$000	Interest rate risk Equity 1% \$000
Financial assets 2021	-	-	-	-	-
Cash and cash equivalents	355,995	(3,560)	(3,560)	3,560	3,560
Restricted cash and cash equivalents	49,614	(496)	(496)	496	496
Deposits at call	250,028	(2,500)	(2,500)	2,500	2,500
Loans to homebuyers	5,203,968	(52,040)	(52,040)	52,040	52,040
Financial liabilities 2021	-	-	-	-	-
Borrowings	-	-	-	-	-
WATC floating	5,167,736	51,677	51,677	(51,677)	(51,677)
WATC fixed (a)	226,339	-	-	-	-
Commercial loan	62,280	623	623	(623)	(623)
Commonwealth advances (a)	308,845	-	-	-	-
Total Increase/ (Decrease)	-	(6,296)	(6,296)	6,296	6,296



Consolidated	Carrying amount \$000	Interest rate risk Profit -1% \$000	Interest rate risk Equity -1% \$000	Interest rate risk Profit 1% \$000	Interest rate risk Equity 1% \$000
Financial assets 2020	-	-	-	-	-
Cash and cash equivalents	155,704	(1,557)	(1,557)	1,557	1,557
Restricted cash and cash equivalents	23,982	(240)	(240)	240	240
Deposits at call	200,080	(2,001)	(2,001)	2,001	2,001
Loans to homebuyers	4,873,410	(48,734)	(48,734)	48,734	48,734
Financial liabilities 2020	-	-	-	-	-
Borrowings	-	-	-	-	-
WATC floating	4,745,187	47,452	47,452	(47,452)	(47,452)
WATC fixed (a)	510,258	-	-	-	-
Commercial loan	62,280	623	623	(623)	(623)
Commonwealth advances (a)	326,172	-	-	-	-
Total Increase/ (Decrease)	-	(4,457)	(4,457)	4,457	4,457

(a) Commonwealth Advances and WATC (fixed) are fixed interest loans that are not affected by interest rates.

**Table 82: Interest rate sensitivity analysis – Housing Authority**

Housing Authority 2021	Carrying amount \$000	Interest rate risk Profit -1% \$000	Interest rate risk Equity -1% \$000	Interest rate risk Profit 1% \$000	Interest rate risk Equity 1% \$000
Financial Assets	-	-	-	-	-
Cash and cash equivalents	262,752	(2,628)	(2,628)	2,628	2,628
Restricted cash and cash equivalents	49,614	(496)	(496)	496	496
Keystart preference shares	5,089,500	(50,895)	(50,895)	50,895	50,895
Loans to commercial organisations	9,824	(98)	(98)	98	98
Financial Liabilities	-	-	-	-	-
Borrowings	-	-	-	-	-
WATC floating	5,167,736	51,677	51,677	(51,677)	(51,677)
WATC fixed (a)	226,339	-	-	-	-
Commercial loan	62,280	623	623	(623)	(623)
Commonwealth advances (a)	308,845	-	-	-	-
Total Increase/ (Decrease)	-	(1,817)	(1,817)	1,817	1,817

**Table 83: Interest rate sensitivity analysis – Housing Authority**

Housing Authority 2020	Carrying amount \$000	Interest rate risk Profit -1% \$000	Interest rate risk Equity -1% \$000	Interest rate risk Profit 1% \$000	Interest rate risk Equity 1% \$000
Financial Assets	-	-	-	-	-
Cash and cash equivalents	90,657	(907)	(907)	907	907
Restricted cash and cash equivalents	23,982	(240)	(240)	240	240
Keystart preference shares	4,814,500	(48,145)	(48,145)	48,145	48,145
Loans to commercial organisations	11,803	(118)	(118)	118	118
Financial Liabilities	-	-	-	-	-
Borrowings	-	-	-	-	-
WATC floating	4,745,187	47,452	47,452	(47,452)	(47,452)
WATC fixed *	510,258	-	-	-	-
Commercial loan	62,280	623	623	(623)	(623)
Commonwealth advances (a)	326,172	-	-	-	-
Total Increase/ (Decrease)	-	(1,335)	(1,335)	1,335	1,335

(a) Commonwealth Advances and WATC (fixed) are fixed interest loans that are not affected by interest rates.



8.2. Contingent liabilities

Contaminated sites

Under the Contaminated Sites Act 2003, the Authority is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated - remediation required or possibly contaminated – investigation required, the Authority may have a liability in respect of investigation or remediation expenses. There is one site that has been identified as 'Contaminated - remediation required' and one site classified as 'Contaminated - investigation required'.

The Authority has identified five “Suspected contaminated” sites of which three sites had been listed “Possibly contaminated – investigation required” and two other sites are awaiting classification. The Authority is unable to assess the likely outcome of the classification process, and accordingly, it is not practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows.

While there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the Authority may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

Litigation in progress

The value of legal actions and claims against the Authority involving asbestos related illnesses is estimated at \$800,000. Liability is being denied in each matter and the proceedings defended.



8.3. Fair value measurements

Table 84: Assets measured at fair value

Assets measured at fair value	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair value at end of period \$000
2021	–	–	–	–
Non-current assets classified as held for sale (Note 5.6)	–	5,161	–	5,161
Land (Note 5.2)	–	5,807,958	–	5,807,958
Buildings and improvements (Note 5.2)	–	5,367,433	–	5,367,433
Total	–	11,180,552	–	11,180,552
2020	–	–	–	–
Non-current assets classified as held for sale (Note 5.6)	–	11,568	–	11,568
Land (Note 5.2)	–	5,946,324	–	5,946,324
Buildings and improvements (Note 5.2)	–	5,520,404	–	5,520,404
Total	–	11,478,296	–	11,478,296

There were no transfers between Levels 1, 2 and 3 during the current and previous periods.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of non-current assets held for sale, land and buildings are derived using the market approach. Market evidence of sales prices of comparable land and buildings in close proximity is used to determine price per square metre.

Non-current assets held for sale have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.



Valuation processes

There were no changes in valuation techniques during the period.

Fair value for restricted use land is based on market value, by either using market evidence of sales of comparable land that is unrestricted less restoration costs to return the site to a vacant and marketable condition (low restricted use land) or, comparison with market evidence for land with low level utility (high restricted use land).



9. Other disclosures

This section includes additional material disclosures, pertaining to the Consolidated Entity and the Housing Authority, required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	9.1
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9.1 Events occurring after the end of the reporting period

On 22 November 2019 Cabinet enacted a change to Housing Authority's core functions through a Machinery of Government (MOG) restructure. The restructure aimed to separate functions which support social policy objectives from the commercial activities that provide a return to Government. The commercial activities, including land development activities were transferred to a new non-statutory State Authority, Development WA.

The terms of the arrangement required that the transfer would be executed via an Equity transfer. The earmarked land and building assets were grouped into two Tranches with the transfers taking place sequentially as follows:

- Tranche 1 Assets: As at the reporting date, the transfer to Development WA, excluding one project with a carrying value of \$55 million, was executed by and recognised accordingly in the financial statements.
- Tranche 2 Assets: The transfer to Development WA was executed subsequent to 30 June 2021. The equity transfer of \$420 million (assets) and associated liabilities of \$83 million with regards to Tranche 2 Assets was effective 1 July 2021, with formal registrations to be finalised in the 2022 financial year.



9.2 Reinstatement upon adoption of new accounting standard AASB 1059 – Service Concession Arrangements

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 is effective for financial years commencing on and after 1 January 2020. The standard addresses the accounting for service concession arrangements by a grantor that is a public sector entity by prescribing the accounting for the arrangements from the grantor's perspective. The Housing Authority has elected to apply the modified retrospective approach with initial application on 1 July 2019.

As a result, the cumulative effect of initially applying the new standard has been adjusted against opening retained earnings as at 1 July 2019. The nature and effect of the changes as a result of the adoption of this new accounting standard are described below.

Scope of AASB 1059

AASB 1059 applies to grantors in service concession arrangements, which involve an operator;

- (a) providing public services related to a service concession asset on behalf of a grantor
- (b) managing at least some of those services under its own discretion, rather than at the direction of the grantor.

Transition to AASB1059

Based on the Authority's assessment, the Authority has approximately 10,000 properties under contractual arrangements with Community Housing Organisations (CHOs). Under these arrangements the CHOs provide the public service of social and affordable housing on behalf of the Authority. The majority of the contractual arrangements have been deemed to meet the recognition criteria under AASB 1059, especially in the circumstances where the Authority has 100% ownership.

The contractual arrangements that have been deemed not to meet the recognition criteria are those in which the Authority has joint arrangements or equity interests over the properties with the significant residual interest in the arrangement only determined toward the end of the arrangement, subject to agreement by the CHO and the Authority, and the term of the arrangements are significantly less than the economic life of the properties. There are two arrangements in which the Authority has no ownership, however these contractual arrangements meet the recognition criteria in that the contracts are more than likely to exist for the economic life of the properties.

**Impact on the statement of financial position (increase/(decrease))**

On initial adoption of AASB1059, the Authority recognised service concession assets of \$1,834 million where \$1,202 million relates to reclassification of existing land and buildings to service concession assets at the current replacement cost and \$113 million as result of recognition of properties owned and provided by the CHOs. The recognition of properties owned by the CHOs resulted in the recognition of a service concession liability of \$104 million under the grant of a right to the operator model (“GORTO”).

The remaining balance is recognised in retained earnings per AASB 1059 C4(d)]. For arrangements where the ownership of the properties have been transferred to the CHO by the Authority, the Authority has recognised a service concession asset of \$604 million and an adjustment to opening revaluation reserve of \$83 million and opening retained earnings of \$521 million.

Table 85: Correction of prior period errors / changes in accounting policy

Correction of prior period errors / changes in accounting policy	AASB 1059 \$000	Adjustments \$000	Previous AAS \$000
Consolidated - Assets	–	–	–
Non-current assets	–	–	–
Service concession asset (SCA)	1,807,716	1,807,716	-
Property, plant and equipment excluding SCA	10,045,929	(1,807,716)	11,853,645
Total property, plant and equipment	11,853,645	–	11,853,645
Current liabilities	–	–	–
Service concession liabilities	2,682	2,682	–
Non-current liabilities	–	–	–
Service concession liabilities	118,190	118,190	–
Equity	–	–	–
Transfer from reserves	6,093,800	(2,023)	6,095,823
Retaining earnings	3,749,975	529,442	3,220,533
Net result	9,843,775	527,419	9,316,356
Housing Authority - Assets	–	–	–
Non-current assets	–	–	–
Service concession asset (SCA)_	1,807,716	1,807,716	-
Property, plant and equipment excluding SCA	10,043,490	(1,807,716)	11,851,206
Total property, plant and equipment	11,851,206	–	11,851,206



Correction of prior period errors / changes in accounting policy	AASB 1059 \$000	Adjustments \$000	Previous AAS \$000
Current liabilities	–	–	–
Service concession liabilities	2,682	2,682	–
Non-current liabilities	–	–	–
Service concession liabilities	118,190	118,190	–
Equity	–	–	–
Transfer from reserves	6,093,087	(2,023)	6,095,110
Retained earnings	3,551,158	529,442	3,021,716
Net result	9,644,245	527,419	9,116,826



9.3 Future impact of Australian Accounting Standards not yet operative

The Housing Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Authority has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Authority. Where applicable, the Authority plans to apply the following Standards from their application date.

AASB 17 Insurance Contracts

Insurance Contracts

This Standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts.

The Agency has not assessed the impact of the Standard.

Operative for reporting periods beginning on/after 1 January 2023.

AASB 1060 General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-for-Profit Tier 2 Entities

This Standard sets out a new, separate disclosure standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053.

There is no financial impact.

Operative for reporting periods beginning on/after 1 January 2021.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

There is no financial impact.

Operative for reporting periods beginning on/after 1 January 2023.

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

This Standard amends: (a) AASB 1 to simplify the application of AASB 1; (b) AASB 3 to update a reference to the Conceptual Framework for Financial Reporting; (c) AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability; (d) AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset; (e) AASB 137 to specify the costs that an entity includes when



assessing whether a contract will be loss-making; and (f) AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value.

There is no financial impact.

Operative for reporting periods beginning on/after 1 January 2022.

AASB 2020-5 **Amendments to Australian Accounting Standards –
Insurance Contracts**

This Standard amends AASB 17 to reduce the costs of applying AASB 17 by simplifying some of its requirements.

The Agency has not assessed the impact of the Standard.

Operative for reporting periods beginning on/after 1 January 2021.

AASB 2020-6 **Amendments to Australian Accounting Standards –
Classification of Liabilities as Current or Non-current – Deferral to
Effective Date**

This Standard amends AASB 101 to defer requirements for the presentation of liabilities in the statement of financial position as current or non-current that were added to AASB 101 in AASB 2020-1.

There is no financial impact.

Operative for reporting periods beginning on/after 1 January 2022.

AASB 2020-7 **Amendments to Australian Accounting Standards –
Covid-19-Related Rent Concessions: Tier 2 Disclosures**

This Standard adds new disclosure requirements to AASB 1060.

There is no financial impact

Operative for reporting periods beginning on/after 1 January 2021.

AASB 2021-2 **Amendments to Australian Accounting Standards –
Disclosure of Accounting Policies and Definition of Accounting
Estimates**

This Standard amends: (a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; (b) AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies; (c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; (d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and (e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.



There is no financial impact.

Operative for reporting periods beginning on/after 1 January 2023.

**AASB 2021-3 Amendments to Australian Accounting Standards –
Covid-19-Related Rent Concessions beyond 30 June 2021**

This Standard amends AASB 16 to extend by one year the application period of the practical expedient added to AASB 16 by AASB 2020-4.

There is no financial impact. This Standard amends AASB 16 to extend by one year the application period of the practical expedient added to AASB 16 by AASB 2020-4.

There is no financial impact.

Operative for reporting periods beginning on/after 1 April 2021.

9.4 Key management personnel

The Authority has determined that key management personnel include Ministers, and senior officers of the Authority. However, the Authority is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Housing Authority for the reporting period are presented within the following bands:

Table 86: Compensation of senior officers

Compensation band	2021	2020
\$100,001 - \$110,000	–	1
\$120,001 - \$130,000	–	1
\$130,001 - \$140,000	1	–
Employee Benefits	–	–
Short-term employee benefits	116,000	187,000
Post-employment benefits	11,000	19,000
Other long-term benefits	13,000	22,000
Terminations benefits	–	–
Total compensation of key management personnel	140,000	228,000



Compensation band allocations and total key management personnel's compensation disclosed reflect the key management personnel's total compensation. Where the key management person performs services across the Department of Communities, Disability Services Commission and/or the Authority, the person's compensation is included in the Department of Communities Annual Report.

The total compensation includes the superannuation expense incurred by the Authority in respect of senior officers.

9.5 Related party transactions

The Authority is a not-for-profit entity and is wholly controlled by the State of Western Australia in conducting its activities.

Related parties of the Authority include:

- all Ministers and their close family members, and their controlled or jointly controlled entities
- all senior officers and their close family members, and their controlled or jointly controlled entities
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements
- the Government Employees Superannuation Board (GESB)
- subsidiaries including Keystart and Goldmaster.

Material transactions with Western Australian State Government entities:

The Authority is a not-for-profit entity and is wholly controlled by the State of Western Australia in conducting its activities. The Authority transacts with a number of Western Australian State Government authorities, agencies and government trading enterprises. Transactions with these entities include, but are not limited to: borrowings and repayment of money, sales and purchase of goods, property and other assets, payment of rates, use of utilities, other government fees and charges. These transactions are generally based on the standard terms and conditions that apply to all agencies.



The Housing Authority has no related party transactions with key management personnel for disclosure. Total annual transactions with related parties include:

Table 87: Revenue and/or receipts from government-related entities

Revenue and/or receipts from government-related entities	Transaction value for year ended 2021 \$000	Transaction value for year ended 2020 \$000
Department of Treasury	–	–
Appropriations and disbursements	108,166	21,315
Royalty for Regions funding	75,971	63,878
Department of Regional Development	–	–
Grants revenue	7,355	2,581
GROH	–	–
Revenue	86,002	88,138
Keystart	–	–
Revenue	211,287	143,773
Western Australian Treasury Corporation	–	–
Proceeds from Borrowings	1,350,000	1,776,000
Department of Communities	–	–
Overhead allocations recoup	–	5,425
Disability Services Commission	–	–
Overhead allocations recoup	–	7,968
Mental Health Commission	–	–
Grant revenue	–	1,750
Funding for Step Up Step Down program	6,909	6,419



Material transactions with other related parties

Outside of normal citizen type transactions with the Authority, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

Table 88: Expenditure and/or payments to government-related entities

Expenditure and/or payments to government-related entities	Transaction value for year ended 2021 \$000	Transaction value for year ended 2020 \$000
Water Corporation	–	–
Water rates and water consumption	52,067	50,973
Department of Regional Development	–	–
Repayment of Royalty for Regions funding	1,659	–
Western Australian Treasury Corporation	–	–
Repayment of borrowings	1,202,429	1,287,204
Interest on borrowings	31,155	72,319
Guarantee fees	2,972	29,422
Government Employees' Superannuation Board	–	–
Superannuation contributions	16,123	22,557
Department of Finance	–	–
Office accommodation, State Fleet rental and payroll tax	18,673	20,221
Department of Communities	–	–
Overhead allocations recoup	7,093	–

Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the Basis of Consolidation in Note 1.

Keystart, a fully owned subsidiary, is financed by the Authority. The Authority purchases preferential shares from Keystart at rates and conditions that mirror the loans that the Authority obtains from the Western Australian Treasury Corporation.



The following are related party transactions/balances of Keystart:

Table 89: Related party transactions/balances of Keystart

Related party transactions/balances of Keystart	Notes	2021 \$000	2020 \$000
Preferential shares	6.1	5,089,500	4,814,500
Interest revenue	3.4	55,450	81,065
Dividends	3.5	155,837	62,708
Other current assets	6.3	7,763	7,542
Distribution of equity	9.1	36,000	19,136

Seacrest Corporation Pty Ltd, is a fully-owned subsidiary of the Authority. The following are related party balances of Seacrest Pty Ltd:

Table 90: Related party balances of Seacrest Pty Ltd

Related party balances of Seacrest Pty Ltd	Notes	2021 \$000	2020 \$000
Other financial assets	6.4	5,289	5,289

Goldmaster, a controlled subsidiary entity is financed by the Authority. The Authority has provided three loans to Goldmaster for the development of property in Cockburn. Two loans have been fully repaid (in 2015 and 2021).

The following are related party transactions/balances of Goldmaster:

Table 91: Related party transactions/balances of Goldmaster

Related party transactions/balances of Goldmaster	Notes	2021 \$000	2020 \$000
Interest revenue	3.4	421	467
Impairment assets – Goldmaster	4.2	514	1,052
Other financial assets	6.4	5,125	5,640
Loans and receivables	6.1	7,075	8,563



9.6 Services provided free of charge

During the year the following services were provided to other agencies free of charge for functions outside the normal operations of the Authority:

Table 92: Municipal and essential services account

Municipal and essential services account	2021 \$000	2020 \$000
WA Police – office accommodation	1,443	–



9.7 Administered transactions – remote indigenous housing

Table 93: Administered transactions – remote indigenous housing

Housing Authority	2021 \$000	2020 \$000
Balance at start of the period	5,960	3,364
Receipts	–	–
Transfer of internal funds	14,704	13,000
Other receipts	12,461	12,089
Payments	(19,230)	(22,493)
Balance at end of period	13,895	5,960

The Remote Indigenous Housing fund is used to record rental revenue and repairs and maintenance for houses in remote communities managed by Aboriginal Housing Services. These transactions are recorded separately as they are not income of the Authority. The use of the rent collected is restricted to repairs and maintenance in the Aboriginal community in which it was collected. Additional funding is provided by the Authority as rental revenue is not sufficient to cover all repairs and maintenance costs.



9.8 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

Table 94: Remuneration of auditors

Remuneration of auditors	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Auditing the accounts, controls, financial statements and key performance indicators	592	558	425	394
Total	592	558	425	394

9.9 Act of Grace payments

During the reporting period there were no Act of Grace payments made under the authority of the Minister.

9.10 Equity

Contributed equity

The Western Australian Government holds the equity interest in the Authority on behalf of the community. Equity represents the residual interest in the net assets of the Authority. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.



Table 95: Contributed equity

Contributed equity	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Balance at start of period	2,489,954	2,478,524	2,445,684	2,453,390
Contributions by owners	–	–	–	–
Capital contributions	173,264	5,332	173,264	5,332
Other contributions by owner	–	–	–	–
Royalties for Regions Fund - Regional Infrastructure and Headworks Account	1,000	304	1,000	304
Department of Training and Workforce Development	–	–	–	–
Mental Health Commission	6,909	6,190	6,909	6,190
Total contributions by owners	181,173	11,826	181,173	11,826
Transfer of net assets to other agencies	–	–	–	–
Royalties for Regions Fund - Regional Infrastructure and Headworks Account	(1,659)	–	(1,659)	–
Department of Communities	(1,284)	(396)	(1,284)	(396)
Development WA	(135,034)	–	(135,034)	–
Keystart capital adequacy payment	–	–	(36,000)	(19,136)
Total distributions to owners	(137,977)	(396)	(173,977)	(19,532)
Balance at end of period	2,533,150	2,489,954	2,452,880	2,445,684



Table 96: Equity reserves

Reserves	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
(i) Asset revaluation reserve	–	–	–	–
Balance brought forward from prior period	6,289,716	6,651,944	6,289,716	6,651,944
Initial application of AASB 1059 (Note 9.2)	–	(2,023)	–	(2,023)
Restated balance at start of period	6,289,716	6,649,921	6,289,716	6,649,921
Transferred to retained earnings	(53,793)	(71,761)	(53,793)	(71,761)
Land inventory prior year eliminations	–	–	–	–
Revaluations during the period	(142,836)	(288,444)	(142,836)	(288,444)
Impairment loss on rental properties	–	–	–	–
Closing balance	6,093,087	6,289,716	6,093,087	6,289,716
Revaluations recognised during the year were in respect of:	–	–	–	–
Rental properties - current	(105,754)	(219,704)	(105,754)	(219,704)
Community housing properties - current	(3,513)	(21,888)	(3,513)	(21,888)
Shared equity properties - current	(7,468)	(12,969)	(7,468)	(12,969)
Other properties - current	2,583	(1,870)	2,583	(1,870)
Service concessions - current	(28,684)	(32,013)	(28,684)	(32,013)
Total	(142,836)	(288,444)	(142,836)	(288,444)
Transferred to retained earnings	–	–	–	–
Revaluation amount of rental properties - sold	(30,767)	(58,573)	(30,767)	(58,573)



Reserves	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Revaluation amount of rental properties - demolished	(19,094)	(7,877)	(19,094)	(7,877)
Revaluation amount of community housing properties - sold	1,337	82	1,337	82
Revaluation amount of other properties - sold	(819)	(1,001)	(819)	(1,001)
Revaluation amount of shared equity properties - sold	(4,450)	(4,392)	(4,450)	(4,392)
Transfer from asset revaluation reserve upon disposal in respect of prior year periods	–	–	–	–
Total	(53,793)	(71,761)	(53,793)	(71,761)
(ii) Interest Assistance Lowstart reserve	–	–	–	–
Balance brought forward from prior year	716	718	–	–
Transfer to retained profits	(3)	(2)	–	–
Closing balance	713	716	–	–
Total reserves	6,093,800	6,290,432	6,093,087	6,289,716

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy Note 5.1.

**Retained earnings****Table 97: Retained earnings**

Retained earnings	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Balance at start of period	3,737,787	3,424,496	3,539,314	3,225,620
Initial application of AASB 1059	–	529,442	–	529,442
Restated balance at start of period (a)	3,737,787	3,953,938	3,539,314	3,755,062
Transfer from asset revaluation reserve upon disposal	53,793	71,747	53,793	71,761
Transfer from asset revaluation reserve during the period	–	–	–	–
Transfer from Interest Assistance Lowstart reserve	3	2	–	–
Net profit/(loss) for the year	(41,608)	(287,900)	(41,949)	(287,509)
Total retained earnings	3,749,975	3,737,787	3,551,158	3,539,314

(a) Refer to Note 9.2 for changes in accounting policies and correction of prior period errors.



9.11 Equity attributable to non-controlling interest

Table 98: Equity attributable to non-controlling interest

Equity attributable to non-controlling interest - Goldmaster	Consolidated 2021 \$000	Consolidated 2020 \$000	Housing Authority 2021 \$000	Housing Authority 2020 \$000
Opening equity for non-controlling interest	740	891	–	–
Non-controlling loss ending 30 June	(98)	(151)	–	–
Movement in equity attributable to contributed equity	–	–	–	–
Other changes to non-controlling interest	–	–	–	–
Total non-controlling interest	642	740	–	–

9.12 Supplementary financial information

Write offs

Bad debts written off by the Accountable Authority in the year ended 30 June 2021 totalled \$7.426 million (2020: \$16.724 million)

Losses to the Housing Authority through thefts, defaults or other causes

Cashier shortages incurred for the year ended 30 June 2021 was nil. (2020: nil).

Reportable thefts in the year ended 30 June 2021 was nil (apart from the fraud disclosed last financial year, there was no reportable thefts in the year ended June 2020).

Amounts recovered during the year ended 30 June 2021 was nil (2020: nil).

Gifts of public property

In the year ended 30 June 2021 the Housing Authority made no gifts of public property.



9.13. Explanatory statement

All variances between annual estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances, which are greater than 10% and 1% of Total expenses for the Statement of comprehensive income and Statement of cash flows (i.e. 1% of \$1.194 billion) and are greater than 10% and 1% of total assets for the Statement of financial position (i.e. 1% of \$18.267 billion).

Table 99: Statement of comprehensive income variances – Housing Authority

Statement of comprehensive income variances – Parent	Note	Estimate 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Variance between actual and estimate \$000	Variance between actual results for 2021 and 2020 \$000
Revenue and Income	–	–	–	–	–	–
Sales	1, a	278,484	321,710	162,836	43,226	158,874
Rental revenue	–	274,343	247,566	269,221	(26,777)	(21,655)
Grants, contributions and subsidies	–	123,053	125,623	122,182	2,570	3,441
Interest revenue	–	4,742	3,035	3,227	(1,707)	(192)
Other revenue	2, b	21,047	46,157	32,761	25,110	13,396
Total income	–	701,669	744,091	590,227	42,422	153,864
Expenses	–	–	–	–	–	–
Cost of sales	c	188,414	206,020	121,598	17,606	84,422
Rental expenses	3, d	359,696	266,903	317,794	(92,793)	(50,891)



Disclosures and legal compliance

Statement of comprehensive income variances – Parent	Note	Estimate 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Variance between actual and estimate \$000	Variance between actual results for 2021 and 2020 \$000
Community support expense	4, e	160,047	105,609	128,121	(54,438)	(22,512)
Employee benefit expense	–	163,541	172,387	180,928	8,846	(8,541)
Supplies and services	–	61,992	51,652	56,700	(10,340)	(5,048)
Depreciation and amortisation expense	–	121,510	122,897	127,183	1,387	(4,286)
Finance costs	5, f	88,253	51,414	115,590	(36,839)	(64,176)
Accommodation expenses	–	7,020	9,571	15,854	2,551	(6,283)
Loss on disposal of non-current assets	–	5,175	8,323	9,267	3,148	(944)
Other expenses	6, g	86,681	280,577	121,237	193,896	159,340
Total expenses	–	1,242,329	1,275,353	1,194,272	33,024	81,081
Loss before grants and subsidies from State Government	–	(540,660)	(531,262)	(604,045)	9,398	72,783
Income from State Government	–	–	–	–	–	–
Service appropriation	h	104,844	108,166	15,983	3,322	92,183
Income from other public sector entities	7, i	272,803	305,895	236,242	33,092	69,653



Statement of comprehensive income variances – Parent	Note	Estimate 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Variance between actual and estimate \$000	Variance between actual results for 2021 and 2020 \$000
Royalties for Regions Fund	–	75,996	74,971	63,878	(1,025)	11,093
Services received	–	-	281	433	281	(152)
Total income from State Government	–	453,643	489,313	316,536	35,670	172,777
Surplus / (deficit) for the period	–	(87,017)	(41,949)	(287,509)	45,068	245,560
Other comprehensive income	–	–	–	–	–	–
Changes in asset revaluation surplus	–	–	(142,836)	(288,444)	(142,836)	145,608
Total other comprehensive income	–	–	(142,836)	(288,444)	(142,836)	145,608
Profit/(loss) attributable to:	–	–	–	–	–	–
Consolidated equity	–	–	–	–	–	–
Non-controlling interest	–	–	–	–	–	–
Total	–	–	–	–	–	–
Total comprehensive income attributable to:	–	–	–	–	–	–
Consolidated equity	–	–	–	–	–	–
Non-controlling interest	–	–	–	–	–	–



Statement of comprehensive income variances – Parent	Note	Estimate 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Variance between actual and estimate \$000	Variance between actual results for 2021 and 2020 \$000
Total	–	–	–	–	–	–
Total comprehensive income for the period	–	(87,017)	(184,785)	(575,953)	(97,768)	391,168

Major Estimate and Actual (2020) variance explanations

1. Sales are higher than budget by \$43.2 million (15.5%) largely due to the uptake of recent State and Commonwealth Governments housing stimulus initiatives, resulting in higher sales volume than budgeted.
2. The increase in other revenue compared to budget of \$25.1 million (1.0%) is a result of the Housing Authority bringing forward prior years GST recoveries which were budgeted to be received in future years.
3. Rental expenses are lower than budget by \$92.8 million (25.8%) mainly resulting from lower maintenance expenditure due to limited trade availability and low vacancy rates reducing the frequency of vacated property maintenance.
4. Community support expense is lower than budget by \$54.4 million (34.0%) due to Covid-19 restrictions preventing access to remote communities. The Housing Authority also faced difficulties in recruiting and retaining service crew staff, impacting on the community support expenditure.
5. Finance costs are under budget by \$36.8 million (41.7%) mainly due to a reduction to the cash rate made by the Reserve Bank of Australia (RBA) in 2020-21 lowering Keystart's cost of borrowings. Keystart is 100% owned by the Housing Authority.
6. Other expenses are over budget by \$193.9 million (223.7%) primarily due to assets transfers from the South West Native Title Settlement in 2020-21, which was unbudgeted for.



7. Income from other public sector entities is higher than budget by \$33.1 million (12.1%) due to a higher than expected Keystart dividend which arose from Keystart's lower cost of borrowings.

Major Actual (2020) and Comparative (2019) Variance explanations – Housing Authority

- a. Sales increased by \$158.9 million (97.6%) largely due to the uptake of recent State and Commonwealth Governments housing stimulus initiatives, resulting in higher sales volumes.
- b. The increase in other revenue compared to prior year by \$13.4 million (40.9%) is a result of the Housing Authority bringing forward prior years GST recoveries.
- c. Cost of goods sold has increased by \$84.4 million (69.4%) largely due to the uptake of recent State and Commonwealth Governments housing stimulus initiatives, resulting in higher sales volumes.
- d. Rental expenses are lower than prior year by \$50.9 million (16.0%) mainly as a result of lower maintenance expenditure due to limited trade availability and low vacancy rates reducing the frequency of vacated property maintenance.
- e. Community support expense is lower than prior by \$22.5 million (17.6%) due to COVID-19 restrictions preventing access to remote communities. The Housing Authority also faced difficulties in recruiting and retaining service crew staff, impacting on the community support expenditure.
- f. Finance costs are lower than prior year by \$64.2 million (55.5%) mainly due to a reduction to the cash rate made by the Reserve Bank of Australia (RBA) in 2020-21, lowering Keystart's cost of borrowings. Keystart is 100% owned by the Housing Authority.
- g. Other expenses are higher than prior year by \$159.3 million (131.4%) primarily due to assets transfers from the South West Native Title Settlement in 2020-21.
- h. The increase of \$92.1 million (576.8%) in service appropriation from prior year is primarily a result of the Social Housing and Economic Recovery Package (SHERP) in 2020-21, which was a new funding program advanced by Treasury.
- i. Income from other public sector entities increased from prior year by \$69.7 million (29.5%) due to a higher than expected Keystart dividend which arose from Keystart's lower cost of borrowings.



Table 100: Statement of financial position – Housing Authority

Statement of financial position – Housing Authority Assets	Notes	Estimate 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Variance between actual and estimate \$000	Variance between actual results for 2021 and 2020 \$000
Current assets	–	–	–	–	–	–
Cash and cash equivalents	–	89,294	262,752	90,657	173,458	172,095
Restricted cash and cash equivalents	–	21,627	49,614	23,982	27,987	25,632
Inventories	1	534,828	200,628	269,263	(334,200)	(68,635)
Loans and receivables	2	982,968	277,266	174,838	(705,702)	102,428
Other current assets	–	42,700	16,062	33,585	(26,638)	(17,523)
Non-current assets classified as held for sale	–	11,568	5,161	11,568	(6,407)	(6,407)
Other financial assets	–	–	–	–	–	–
Total current assets	–	1,682,985	811,483	603,893	(871,502)	207,590
Non-current assets	–	–	–	–	–	–
Inventories	3	717,233	495,958	683,667	(221,275)	(187,709)
Loans and receivables	–	4,900,085	5,133,922	4,853,705	233,837	280,217
Other financial assets	–	10,953	10,439	10,953	(514)	(514)
Property, plant and equipment	–	11,429,988	10,043,490	10,294,117	(1,386,498)	(250,627)
Right-of-use assets	–	2,523	1,480	2,276	(1,043)	(796)



Statement of financial position – Housing Authority Assets	Notes	Estimate 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Variance between actual and estimate \$000	Variance between actual results for 2021 and 2020 \$000
Intangible assets	–	1,793	278	5,069	(1,515)	(4,791)
Service concession assets	4	–	1,807,716	1,813,662	1,807,716	(5,946)
Total non-current assets	–	17,062,575	17,493,283	17,663,449	430,708	(170,166)
Total assets	–	18,745,560	18,304,766	18,267,342	(440,794)	37,424
Liabilities	–	–	–	–	–	–
Current liabilities	–	–	–	–	–	–
Payables	–	30,487	37,403	31,981	6,916	5,422
Borrowings	–	158,237	85,955	158,701	(72,282)	(72,746)
Lease liabilities	–	595	46,459	40,272	45,864	6,187
Service concession liabilities	–	–	2,682	2,424	2,682	258
Provisions	–	31,996	54,184	31,996	22,188	22,188
Other current liabilities	–	34,199	49,587	50,369	15,388	(782)
Total current liabilities	–	255,514	276,270	315,743	20,756	(39,473)
Non-current liabilities	–	–	–	–	–	–
Payables	–	24	282	24	258	258
Borrowings	5	6,452,077	5,679,245	5,485,196	(772,832)	194,049



Statement of financial position – Housing Authority Assets	Notes	Estimate 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Variance between actual and estimate \$000	Variance between actual results for 2021 and 2020 \$000
Service concession liabilities	–	–	118,190	99,776	118,190	18,414
Provisions	–	50,666	92,544	56,096	41,878	36,448
Lease liabilities	–	155,737	28,110	22,793	(127,627)	5,317
Other non-current liabilities	–	–	13,000	13,000	13,000	–
Total non-current liabilities	–	6,658,504	5,931,371	5,676,885	(727,133)	254,486
Total liabilities	–	6,914,018	6,207,641	5,992,628	(706,377)	215,013
Net assets	–	11,831,542	12,097,125	12,274,714	265,583	(177,589)
Equity	–	–	–	–	–	–
Contributed equity	–	2,576,696	2,452,880	2,445,684	(123,816)	7,196
Reserves	–	6,302,805	6,093,087	6,289,716	(209,718)	(196,629)
Retained earnings	–	2,952,041	3,551,158	3,539,314	599,117	11,844
Total equity attributable to the consolidated entity	–	11,831,542	12,097,125	12,274,714	265,583	(177,589)
Non-controlling interest	–	–	–	–	–	–
Total equity	–	11,831,542	12,097,125	12,274,714	265,583	(177,589)



Major Estimate and Actual (2021) variance narratives – Housing Authority

1. Current inventories are \$334.2 million (62.5%) lower than budget as a result of stronger than expected housing market conditions during 2020-21 which led to increased sales activity. Inventories also decreased as a result of Tranche 1 Assets transfers to Development WA that arose from Machinery of Government changes.
2. Current loans and receivables are \$705.7 million (71.8%) lower than budget largely due to changes in the maturity profile of Keystart's non-guaranteed borrowings.
3. Non-current inventories are \$221.3 million (30.9%) under budget as a result of stronger than expected housing market conditions during 2020-21 which led to increased sales activity. Inventories also decreased as a result of Tranche 1 Assets transfers to Development WA that arose from Machinery of Government changes.
4. Non-current service concession assets are \$1,807.7 million over budget due to the adoption of new accounting standard AASB 1059. No budgeting information regarding AASB 1059 was available at the time of finalising the 2020-21 budgets.
5. Non-current borrowings are \$772.8 million (12.0%) lower than budget due to changes in the maturity profile of Keystart's non-guaranteed borrowings.

**Table 101: Statement of cash flows variances – Housing Authority**

Statement of cash flows variances – Housing Authority	Notes	Estimate 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Variance between actual and estimate \$000	Variance between actual results for 2021 and 2020 \$000
Cash flows from operating activities – Receipts	–	–	–	–	–	–
Rental receipts	–	274,343	253,451	264,546	(20,892)	(11,095)
Grants, contributions and subsidies	–	123,053	125,623	121,096	2,570	4,527
Interest received	–	4,742	2,615	9,614	(2,127)	(6,999)
Inventory receipts on sales	1, a	283,687	318,980	164,794	35,293	154,186
Other receipts	2	19,754	61,216	70,669	41,462	(9,453)
GST receipts on sales	–	19,301	17,296	11,493	(2,005)	5,803
GST receipts from taxation authority	–	31,746	35,004	29,576	3,258	5,428
Cash flows from operating activities – Payments	–	–	–	–	–	–
Rental property payments	3, b	(372,206)	(259,547)	(312,066)	112,659	52,519
Community support payments	4, c	(160,047)	(100,880)	(128,121)	59,167	27,241
Employee benefits	d	(163,541)	(169,220)	(196,413)	(5,679)	27,193
Supplies and services	5, e	(61,992)	(48,725)	(35,091)	13,267	(13,634)
Finance costs	6, f	(88,722)	(60,355)	(121,126)	28,367	60,771



Statement of cash flows variances – Housing Authority	Notes	Estimate 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Variance between actual and estimate \$000	Variance between actual results for 2021 and 2020 \$000
Accommodation	–	(7,020)	(9,382)	(12,569)	(2,362)	3,187
Purchase and development of inventory	7, g	(302,153)	(133,237)	(92,644)	168,916	(40,593)
GST payments on purchases	–	(31,746)	(35,837)	(26,951)	(4,091)	(8,886)
GST payments to taxation authority	–	(19,301)	(17,280)	(11,690)	2,021	(5,590)
Other payments	8, h	(81,291)	(149,068)	(130,389)	(67,777)	(18,679)
Net cash provided by / (used in) operating activities		(531,394)	(169,346)	(395,272)	362,048	225,926
Cash flows from investing activities – Receipts	–	–	–	–	–	–
Proceeds from the sale of non-current physical assets	i	64,552	66,278	88,194	1,726	(21,916)
Home loan repayments received	–	–	–	–	–	–
Cash flows from investing activities – Payments	–	–	–	–	–	–
Purchase of non-current physical assets	9, j	(319,119)	(91,040)	(46,497)	228,079	(44,543)
New home loans advanced	–	–	–	–	–	–
Other investing payments	10, k	(746,596)	(275,000)	(495,000)	471,596	220,000



Statement of cash flows variances – Housing Authority	Notes	Estimate 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Variance between actual and estimate \$000	Variance between actual results for 2021 and 2020 \$000
Net cash used in investing activities	–	(1,001,163)	(299,762)	(453,303)	701,401	153,541
Cash flows from financing activities – Receipts	–	–	–	–	–	–
Proceeds from borrowings WA Treasury Corporation	11, l	2,186,596	1,350,000	1,776,000	(836,596)	(426,000)
Finance leases	–	56,708	63,083	63,587	6,375	(504)
Cash flows from financing activities – Payments	–	–	–	–	–	–
Repayment of borrowings from:	–	–	–	–	–	–
WA Treasury Corporation	–	(1,202,384)	(1,202,429)	(1,287,204)	(45)	84,775
Commonwealth Government	–	(17,327)	(17,327)	(17,006)	–	(321)
Principal elements of lease payments	–	(57,464)	(64,906)	(65,934)	(7,442)	1,028
Net cash provided by financing activities	–	966,129	128,421	469,443	(837,708)	(341,022)
Cash flows from State Government	–	–	–	–	–	–
Service appropriation	m	104,844	108,166	15,983	3,323	92,183
Net capital appropriation and Equity contribution / distribution	n	137,804	142,230	(7,706)	4,426	149,936
Funds from other public sector entities	12	246,872	213,047	235,277	(33,825)	(22,230)



Statement of cash flows variances – Housing Authority	Notes	Estimate 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Variance between actual and estimate \$000	Variance between actual results for 2021 and 2020 \$000
Royalties for Regions fund	–	75,996	74,971	63,878	(1,025)	11,093
Net cash provided by State Government	–	565,516	538,414	307,432	(27,102)	230,982
Net increase/(decrease) in cash and cash equivalents	–	(912)	197,727	(71,700)	198,639	269,427
Cash and cash equivalents at the beginning of the period	–	111,836	114,639	186,339	2,803	(71,700)
Cash and cash equivalents at end of the period	–	110,924	312,366	114,639	201,442	197,727

Major Estimate and Actual (2021) variance narratives

1. Inventory receipts on sales are over budget by \$35.3 million (12.4%) largely due to the uptake of recent State and Commonwealth Government's housing stimulus initiatives, resulting in higher sales volumes.
2. The increase in other receipts of \$41.5 million (209.9%) is a result of the Housing Authority bringing forward prior years GST recoveries which were budgeted to be received in future years.
3. Rental property payments are under budget by \$112.7 million (30.3%) mainly as a result of lower maintenance expenditure due to limited trade availability and low vacancy rates reducing the frequency of vacated property maintenance.
4. Community support payments are under budget by \$59.2 million (37.0%) due to COVID-19 restrictions preventing access to remote communities. The Housing Authority also faced difficulties in recruiting and retaining service crew staff, impacting on the community support expenditure.



5. Supplies and services are under budget by \$13.3 million (21.4%) due to the classification for professional expenses budgeted under this category, while the actuals expenditure classed against other payments.
6. Finance costs were lower than budget by \$28.4 million (32.0%) mainly due to a reduction to the cash rate made by the Reserve Bank of Australia (RBA) in 2020-21, lowering Keystart's cost of borrowings. Keystart is 100% owned by the Housing Authority.
7. Purchase and development of inventory is lower than budget by \$168.9 million (55.9%) primarily due to the overheated market in 2020-21 which resulted in tight land supply in WA which also limited the Department's spending in built form programs. During the year, the Department also reviewed the built form programs to repurpose dwellings towards Social Housing in response to the rental market crisis.
8. Other payments were over budget by \$67.8 million (83.4%) as a result of higher expenditure in Joint Venture and Development Management Agreements Projects, which was largely the impact from Government stimulus packages introduced. Also included in other payments is the classification of professional expenses noted in the above point (5).
9. Purchase of non-current assets is lower than budget by \$228.1 million (71.5%) primarily due to lower expenditure across the total capital works program, particularly for the Social Housing Economic Recovery Package and the Housing and Homelessness Investment Package, with lack of trade availability posing significant delivery challenges for the Department .
10. Other investing payments were under budget by \$471.6 million (63.2%) due to Keystart's cost of debt for 2020-21 being lower than the 2020-21 budget process.
11. Proceeds from Borrowings WA Treasury Corporation is less than budgeted by \$836.6 million (38.3%) due to it being market driven by demand for Keystart customer loans. The 2019-20 growth Keystart had could not be retained throughout 2020-21 although it was budgeted for.
12. Receipts from other public service entities are under budget by \$33.8 million (13.7%) due to lower Keystart interest received arising from lower RBA cash rate.



Major Actual (2021) and Comparative (2020) Variance narratives

- a. Inventory receipts on sales increased by \$154.2 million (93.6%) largely due to the uptake of recent State and Commonwealth Government's housing stimulus initiatives, resulting in higher sales receipts.
- b. Rental property payments are lower by \$52.5 million (16.8%) mainly arising from lower maintenance expenditure due to limited trade availability and low vacancy rates reducing the frequency of vacated property maintenance.
- c. Community support payments were lower by \$27.2 million (21.3%) due to COVID-19 restrictions preventing access to remote communities. The Housing Authority also faced difficulties in recruiting and retaining service crew staff, impacting on the community support expenditure.
- d. The decrease in employee benefit expenses of \$27.2 million (13.8%) was due to the timing of inter-agency employee benefits recoups under the Communities umbrella with cash receipts settled in 2020-21.
- e. Supplies and services expenses were higher by \$13.6 million (38.9%) mainly due to an increase in grants and subsidies payments.
- f. Finance cost expenses have gone down compared to the prior year by \$ 60.8 million (50.2%) mainly due to a reduction to the cash rate made by the Reserve Bank of Australia (RBA) in 2020-21, lowering Keystart's cost of borrowings. Keystart is 100% owned by the Housing Authority.
- g. The purchase and development of inventory increased by \$40.6 million (43.8%) as a result of higher expenditure in Joint Venture and Development Management Agreements Projects, which was largely the impact from Government stimulus packages introduced.
- h. Other payments were higher by \$18.7 million (14.3%) as a result of higher expenditure in Joint Venture and Development Management Agreements Projects, which was largely the impact from Government stimulus packages introduced.
- i. The decrease in proceeds from the sale of non-current physical assets of \$21.9 million (24.8%) is a result of the Government's priority to retain properties for the use of social housing due to shortages in the supply of these properties.



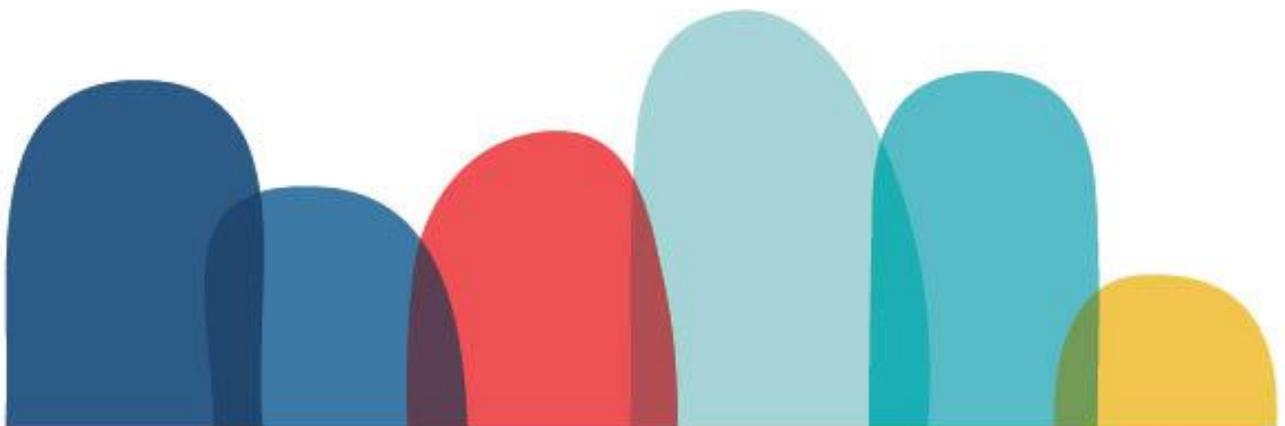
- j. The increase in purchase of non-current physical assets of \$44.5 million (95.8%) is a result of the Government's priority to retain properties for the use of social housing to address shortages in the supply of these properties.
- k. The decrease in other investing payments of \$220.0 million (44.4%) is a result of decreased borrowings in 2020-21 from Keystart.
- l. Proceeds from Borrowings WA Treasury Corporation decreased by \$426.0 million (24.0%) due to it being market driven by demand for Keystart customer loans. The 2019-20 growth Keystart had could not be retained throughout 2020-21.
- m. The increase in service appropriations received of \$92.2 million (576.8%) is primarily a result of the Social Housing and Economic Recovery Package (SHERP) in 2020-21, which was a new funding program advanced by Treasury.
- n. The increase in capital appropriation and equity receipts compared to the prior year of \$149.9 million (1945.7%) is due to funding for the Social Housing and Economic Recovery Package (SHERP) and the Housing and Homelessness Investment Program (HHIP).

Section 40 estimates

In accordance with Treasurer's Instruction 953, the section 40 estimates are available on Communities' website.



Key Performance Indicators





Key performance indicators

Certification of key performance indicators

For the reporting period ended 30 June 2021

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Housing Authority's performance, and fairly represent the performance of the Housing Authority and its subsidiary for the financial year ended 30 June 2021.

Mike Rowe
Chief Executive Officer
Accountable Authority
11 November 2021



Outcome based management reporting framework

State government goal

The Housing Authority, as part of the Department of Communities, contributes to the State Government goal of “Strong communities: Safe communities and supported families”.

Outcome 1: Affordable housing options are available to eligible Western Australians

The Housing Authority seeks to enhance the quality of life and wellbeing of all people throughout Western Australia by satisfying the basic need for shelter. In the wider context, affordable, available and appropriate housing assists in contributing to positive social outcomes in health, education and employment.

The Housing Authority contributes to this Government Goal by providing housing through its rental housing, home finance, home ownership, and land development activities for eligible Western Australians who may not otherwise be able to obtain housing. Through the provision of Government Regional Officers’ Housing, the Housing Authority also provides government employees with suitable and appropriate housing in regional and remote areas to support the delivery of public services such as education and policing.

Eligibility for public rental housing and for home loans is determined by assessable income limits and other eligibility criteria. The opportunity to purchase the Housing Authority’s land, priced in the low to moderate price bracket, is available to all Western Australians. In addition, the Housing Authority makes available loans to cover the cost of security bonds so that income-eligible applicants can access housing in the private rental market.

It is a key strategy of the Housing Authority to ease the pressure on the waiting list for public housing by expanding the range and diversity of housing products and services for people on low to moderate incomes. Varying alternatives provide new entry points for clients, as well as new and evolving options that support their transition along the housing continuum as their circumstances improve.



Key effectiveness indicators

Total housing assistances provided relative to public rental waiting list

This indicator measures the Housing Authority's capacity to respond to expressed unmet housing demand. It is calculated as the ratio of the total number of units of housing assistance provided each year, to the number on the waiting list at 30 June of the previous year. The higher the ratio, the greater the assistances provided in relation to expressed unmet demand.

Housing assistances comprise of: people housed from the waiting list into public housing or community housing options; bond assistance loans; new home loans; and land sales (lower quartile). The Housing Authority's public rental housing waiting list is used to represent total expressed unmet housing demand, as the other forms of housing assistance do not have a waiting list.

Table 102: Total housing assistances provided relative to public rental waiting list

Reporting year	Target total housing assistances	Actual total housing assistances	Target total rental waiting list as at 30 June (prior financial year)	Actual total rental waiting list as at 30 June (prior financial year)	Target ratio	Actual ratio
2020–21	14,799	11,039	14,409	14,409	1.03	0.77
2019–20	17,184	15,813	14,000	13,795	1.23	1.15
2018–19	19,739	17,180	13,300	13,912	1.48	1.23
2017–18	–	20,120	–	16,516	1.38	1.22
2016–17	–	21,585	–	18,530	0.95	1.16

Notes:

- For 2020–21 the total units of housing assistance comprises (2019–20 result indicated within brackets): number of people (applications) allocated from the waiting list into community housing options: 269 (283); number of new home loans approved: 3,977 (2,816); number of Housing Authority (including Joint Venture partner) land sales below \$170,000 (a): 608 (242); number of public rental occupations: 1,758 (2,721); number of bond assistance loans approved: 4,427 (9,751).
 - The benchmark cut-off for the lower end of the market (2020–21: \$170,000; 2019–20: \$170,000) is the final December quarter lower quartile for Western Australia (State) residential land sales.



From 2018-19, this figure has been sourced directly from the Real Estate Institute of Western Australia. Previous lower quartile prices were derived from the Real Estate Institute of Western Australia's Market Update Report (March quarter), which contained the final December quarter lower quartile (2016–17: \$182,500, 2017–18: \$179,000).

Excluded from the lower quartile lot sales are multiple sales to the same person; lots over 1,000 square metres; sales to companies or other government departments; and internal transfers.

2. The total number of applications recorded on the public rental waiting list varies over time as applicants' eligibility changes. Applications may be withdrawn from the waiting list if applicants fail to meet ongoing eligibility requirements or re-instated if they are later considered eligible. The number of applications to calculate this indicator is based on the waiting list as at 30 June in the previous financial year.

Comment on performance

In 2020–21, the ratio of total housing assistances provided relative to public rental waiting list was 25 per cent lower than the target and 33 per cent lower than the previous year. This was mainly due to a 55 per cent decrease of bond assistance loans approved in 2020–21 compared to the previous year and a 48 per cent reduction when compared to the 2020–21 target. The lower than normal bond assistance demand reflected the persistence of lower than usual private market stock supplies, with rental listings reaching historic lows in January 2021, and largely unchanged Communities stocks which resulted in a reduction in new tenancies.

Waiting times for accommodation – applicants housed

This indicator measures the Housing Authority's capacity to provide public rental housing to eligible applicants who are on the waiting list. Waiting times for accommodation measures the time between an applicant being listed on the waiting list and when they are housed. The greater the capacity to meet demand, the shorter the waiting time. The waiting time indicator includes properties that are head leased to community housing providers.

Table 103: Waiting times for accommodation in weeks – applicants housed

Reporting year	Target average	Target median	Actual average	Actual median
2020–21	95	49	102	58
2019–20	120	60	94	48
2018–19	110	70	95	45
2017–18	144	110	113	60
2016–17	145	113	139	93

**Table 104: Waiting times for accommodation – proportion of applicants by waiting period**

Reporting year	< 1 month (%)	1–12 months (%)	1–3 years (%)	3–5 years (%)	5+ years (%)
2020–21	7.28	40.22	31.57	10.13	10.81
2019–20	7.06	45.24	28.67	9.89	9.15
2018–19	8.26	45.37	26.31	10.01	10.05
2017–18	7.97	39.19	26.60	12.76	13.47
2016–17	5.48	30.29	30.72	14.80	18.72

Comment on performance

In 2020-21, the average waiting time for accommodation was seven per cent longer than the target and nine per cent longer than the previous year, and the median waiting time was 18 per cent longer than the target and 21 per cent longer than the previous year. Wait times were longer, due to lower than normal new vacancies and increased wait list volume. These vacancy rates persisted through the COVID-19 emergency period (which ended 28 March 2021). External market factors created limited choice for potential applicants who may have taken up private market options in other years, contributing to an increase in overall wait times due to tightened rental market conditions.



Key efficiency indicators

Service 1: Rental housing

This service contributes to the Housing Authority's outcome by providing eligible Western Australians with:

- public rental housing
- community housing managed properties: rental properties managed by not-for-profit housing companies, community organisations, housing associations, and local governments through the Housing Authority's joint venture and community housing and crisis accommodation programs
- rental housing for key workers in regional Western Australia
- properties for remote Aboriginal communities.

Average operating cost per public rental property

The average operating cost per rental property measures the cost efficiency of rental housing and is calculated by dividing the total cost of the service (total expenses) by the total number of rental properties. The total operating cost of the Rental Housing Service comprises:

- administration costs (employee benefits, supplies and services, and accommodation)
- rental expenses
- finance costs
- depreciation and amortisation
- other expenses
- community support (includes the repair and maintenance of infrastructure, as well as power, water and wastewater in Aboriginal communities and town reserves, which cannot be directly attributed to a property).

Expenses relating to community housing managed properties are borne by both the Housing Authority and the community housing organisations.

**Table 105: Average operating cost per public rental property**

Reporting year	Target cost	Actual cost
2020–21	\$17,070	\$17,207
2019–20	\$14,550	\$17,175
2018–19	\$15,658	\$15,513
2017–18	\$15,236	\$15,631
2016–17	\$16,261	\$15,176

Comment on performance

In 2020–21 the average operating cost per public rental property was consistent with both the target and the previous year.

Average operating cost per government regional officers' housing (GROH) rental property

This indicator measures the cost efficiency of providing government regional officers' housing. It is calculated by dividing the total cost of the service (total expenses) by the total number of properties at the end of the year.

The total operating costs of the Government Regional Officers' Housing Service comprise:

- administration costs (employee benefits, supplies and services, and accommodation)
- depreciation and amortisation
- finance costs
- rental expenses
- other expenses.

This service is operated on a cost neutral basis with costs being fully recovered from client agencies.

**Table 106: Average operating cost per government regional officers' housing (GROH) rental property**

Reporting year	Target cost	Actual cost
2020–21	\$15,227	\$12,167
2019–20	\$14,929	\$14,784
2018–19	\$27,710	\$24,735
2017–18	\$29,101	\$25,170
2016–17	\$31,843	\$25,363

Comment on performance

In 2020-21, the average operating cost per Government Regional Officers Housing (GROH) rental property was lower than both the 2020-21 target and the previous year. In 2020-21, the government injected funding to infrastructure projects which included the Social Housing and Economy Recovery Program (SHERP) which also affected GROH properties. Expenditure expected to occur with the GROH SHERP Program in 2020-21 did not occur, resulting in the significant expenditure reduction in 2020-21 compared to the budget expectations and previous results. Accordingly, whilst GROH property numbers have been consistent across the year, the less than expected expenditure in 2020-21 has resulted in the lower than expected Average Operating Cost per GROH Rental Property. The underspend in 2020-21 has however been re-profiled to 2021-22.



Service 2: Home loans

This service contributes to the Housing Authority's outcome by providing home ownership schemes for eligible applicants.

Average operating cost per current loan account

The average operating cost per current loan account measures the cost efficiency in home ownership products and services. It is calculated by dividing the total cost of the service (total expenses) by the total number of loans (Keystart and other loan products).

The total operating cost of the Home Loans Service comprises:

- administration costs (employee benefits, supplies and services, and accommodation)
- depreciation and amortisation
- other expenses.

Keystart finance costs for loan advances to clients are excluded as borrowing costs are incurred and borne by clients and do not relate to the resources required to approve and process loan applications and manage loan accounts.

Table 107: Average operating cost per current loan account

Reporting year	Target cost	Actual cost
2020–21	\$2,888	\$1,145
2019–20	\$2,501	\$4,214
2018–19	\$2,644	\$3,083
2017–18	\$2,613	\$2,540
2016–17	\$2,299	\$2,397

Comment on performance

In 2020-21, the average operating cost per current loan account was lower than both the 2020-21 target and the previous year, mainly due to lower credit losses in 2020-21 compared to the target and the previous year. In 2019-20, with the onset of the COVID-19 pandemic, Keystart significantly increased its expected credit loss provision as over 2,000 customers entered financial hardship. Over the course of 2020-21 economic conditions improved, as recovery efforts took hold and governments injected significant levels of financial stimulus, and Keystart reversed most of the expected credit loss provision, reducing the overall cost to the service in 2020-21.



Service 3: Land and housing supply

This service contributes to the Housing Authority's outcome by developing land for housing and providing housing for sale to the market.

Average operating cost per lot developed

This indicator measures the cost efficiency of the Housing Authority's land development activities. It is calculated by dividing the total cost of the land component of the service by the number of lots or dwelling unit equivalents developed. The Housing Authority's land development activities include joint venture partnerships, urban development, urban renewal and urban redevelopment.

The total operating cost of the land supply component of the Land and Housing Supply Service does not include 'cost of sales' and comprises:

- administration costs (employee benefits, supplies and services, and accommodation)
- depreciation and amortisation
- finance costs
- other expenses.

Table 108: Average operating cost per lot developed

Reporting year	Target cost	Actual cost
2020–21	\$26,325	\$19,096
2019–20	\$22,746	\$36,188
2018–19	\$25,867	\$46,645
2017–18	\$20,644	\$33,680
2016–17	\$21,937	\$41,950

Comment on performance

The 2020-21 average operating cost per lot developed was lower than both the target and the previous year. The decrease is largely due to the fixed nature of expenditure for the development functions undertaken by the Housing Authority, however the number of lots delivered in 2020-21 was significantly higher than 2019-20 actual and 2020-21 budget expectations, resulting in lower average costs per lot developed.



Average operating cost per property sold

This indicator measures the cost efficiency in supplying housing for purchase by home buyers. It is calculated by dividing the total expenses of the housing supply component of the service by the number of properties sold.

The Housing Authority has a number of programs which supply housing to the market including house and land sales, affordable housing programs including the SharedStart shared equity program and other housing built for sale through the Housing Authority's development activities.

The total operating cost for the housing supply component of the Land and Housing Supply Service does not include 'cost of sales' and comprises:

- administration costs (employee benefits, supplies and services, and accommodation)
- depreciation and amortisation
- finance costs
- other expenses.

Table 109: Average operating cost per property sold

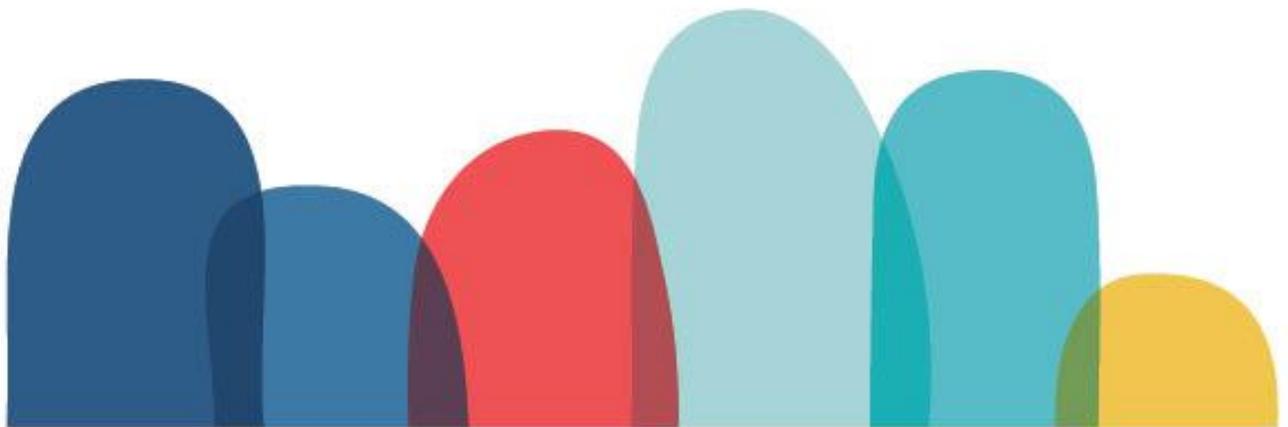
Reporting year	Target cost	Actual cost
2020–21	\$25,929	\$24,826
2019–20	\$26,647	\$44,380
2018–19	\$15,906	\$35,916
2017–18	\$15,291	\$32,325
2016–17	\$23,645	\$32,289

Comment on performance

The 2020-21 average cost per property sold was lower than both the target and the previous year. This is largely attributed to a pause in sales in January 2021 approved by the Expenditure Review Committee, in response to emerging pressures in the WA housing market and in anticipation of a shift in the program priority towards delivering more social houses, rather than sale to market. This resulted in the variance to the approved budget. The reduction in operational expenditure compared to prior financial year and budget target is consistent with the methodology adopted for the 2020-21 Budget and 2020-21 Actual KPI calculations and better reflects the actual and expected costs associated with this KPI relative to the 2019-20 Financial Year Results.



Other requirements





Other Requirements

Subsidiaries

The Authority is the instigator of the Keystart Housing Scheme.

The Board of Directors of the Keystart group of companies comprises one director from the Department of Communities and five directors from the private sector. The Authority holds 100 per cent of the total shareholding in:

- Keystart Bonds Ltd[^]
- Keystart Loans Ltd
- Keystart Support Pty Ltd[^]
- Keystart Support (Subsidiary) Pty Ltd.[^]
- Keystart Loans Ltd owns 100 per cent of Keystart Scheme Management Pty Ltd.

[^]In the process of being wound up. On 27 August 2021, the Directors of the Company executed a number of Deeds to commence the winding up of the Company. There are a number of steps to be completed before the winding up and the Directors of the company are reasonably confident these steps will be completed before 30 June 2022.

The Authority is the sole beneficiary of the following Trusts and owns all shareholdings of the Trustee companies for each of the Trusts:

- Keystart Housing Scheme Trust
- Homeswest Loans Scheme Trust[^]
- Keystart Support Trust[^]

[^]In the process of being wound up. On 27 August 2021, the Directors of the Trustee Company executed a number of Deeds to commence the winding up of the Trust. There are a number of steps to be completed before the winding up and the Directors of the Trustee Company are reasonably confident these steps will be completed before 30 June 2022.

The Authority also holds interests in the following incorporated entities (joint ventures):

- Seacrest Corporation Pty Ltd: 100 per cent
- Goldmaster Enterprises Pty Ltd: 87.18 per cent
- Dalyellup Beach Pty Ltd: 50 per cent
- Ellenbrook Management Pty Ltd: 47.14 per cent
- Ocean Springs Pty Ltd: 46.78 per cent



Compliance with public sector standards and ethical codes

The Chief Executive Officer uses the resources of Communities to perform the functions of the Authority. As an agency subject to section 31(2) of the *Public Sector Management Act 1994*, Communities' compliance reporting obligations are met by completing the relevant periodic returns requested by the Public Sector Commission (PSC):

In accordance with the guidelines included on page 5 of PSC's 'Annual report guidelines for 2020-21' dated 7 May 2021.

Ministerial directives

No ministerial directives were received during 2020-21.

Act of Grace payments

As at 30 June 2021, there were no Act of Grace payments recorded.

Unauthorised use of credit cards

In accordance with Treasurer's Instruction 321, officers are prohibited from using government-issued credit cards for personal purposes. Treasurer's Instructions 903(13) (iv) requires the Authority to disclose information relating to personal use. Table 110 details the personal expenditure using government-issued credit cards in 2020–21.

**Table 110: Personal expenditure using government-issued credit cards in 2020-21**

Personal expenditure	2020-21
Number of instances the Western Australian Government purchasing card has been used for a personal purpose	15
Aggregate amount of personal use expenditure for the reporting period	\$847.02
Aggregate amount of personal use expenditure settled by the due date	\$98.60
Aggregate amount of personal use expenditure settled after the period required by the due date	\$748.42
Aggregate amount of personal use expenditure outstanding at the end of the reporting period	–
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	–



Advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the Authority incurred expenditure in advertising and media advertising. Total expenditure for 2020–21 was \$717,788.

Table 111: Advertising expenditure for 2020–21

Expenditure	Organisation	Amount	Total
Advertising	Mymedia Intelligence Pty Ltd	\$50,518	\$50,518
Market research	–	–	–
Polling	–	–	–
Direct mail	–	–	–
Media advertising	Carat Australia Media Services Pty Ltd	\$515,681	\$515,681
–	Initiative Media Australia Pty Ltd	\$120,535	\$120,535
–	Bbc Entertainment	\$672	\$672
–	Facebook	\$18,214	\$18,214
–	Google adds	\$10,269	\$10,269
–	Linkedin	\$550	\$550
–	Marsh Agencies	\$545	\$545
–	Optima Press	\$805	\$805
Total	–	–	\$717,788

Disability Access and Inclusion Plan

The Authority is committed to ensuring its services, facilities and information are accessible and inclusive for people with disability, their families and carers.

This commitment is demonstrated in its disability access and inclusion plan, which is reported in Communities' Annual Report for 2020–21.



Recordkeeping plan

The Authority's recordkeeping plan is reported in Communities' Annual Report for 2020–21.

Board and committee remuneration

Nil.

Occupational safety, health and injury management

The Authority is committed to providing, maintaining and promoting safe and healthy work practices in all aspects of its business.

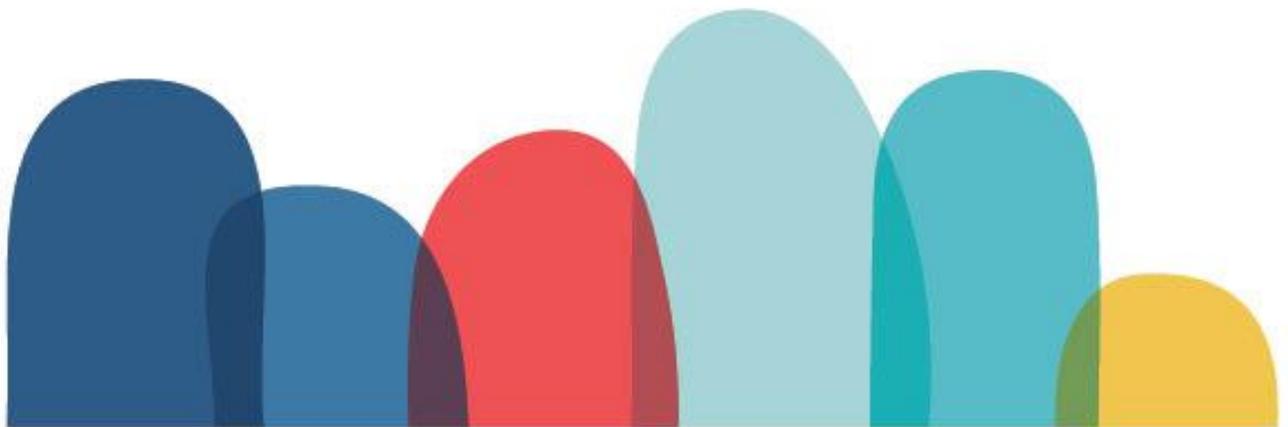
Communities' Annual Report for 2020–21 provides information on the workers' compensation and injury management performance.

WA multicultural framework

The Authority's WA multicultural framework is reported in Communities' Annual Report for 2020–21.



Appendix



Appendix

Housing head maintenance contracts

In accordance with the recommendations of the Public Accounts Committee (report numbers 8 and 13), each year the Authority publishes information in relation to the head maintenance contract model, providing an overview of the head contractors' performance to demonstrate how the Authority is realising better maintenance outcomes in the areas of timeliness, reduced costs, and quality of workmanship. Relevant information for 2020–21 can be found below.

Maintaining properties

Maintenance services are performed on over 50,000¹ residential properties across the State, including GROH dwellings and 112 remote and town-based Aboriginal communities.

In 2020–21, Communities issued an average of approximately 19,000 job orders per month and spent \$170.1 million² on day-to-day maintenance, vacated maintenance, refurbishments and improvements, planned and cyclical maintenance, estate maintenance and insurance work.

Asbestos management

The Authority is committed to protecting the health and safety of tenants, staff, maintenance contractors and visitors from the risks associated with asbestos-containing materials within its assets. All known asbestos in public housing and in properties owned and controlled by the Authority are documented in asbestos registers, which are updated annually and when the condition of the asbestos changes. An asbestos management and awareness strategy has been implemented to manage and control asbestos in accordance with legislative requirements. An asbestos management framework was also in development.

¹ Property housing types comprise public housing, community housing, Government Regional Officers Housing, Aboriginal housing and non-government organisation housing.

² This figure does not include any expenditure related to the Social Housing Economic Recovery Package.

Head maintenance contracts

Maintenance services are delivered via the Authority's three head maintenance contractors:

- Lake Maintenance (Western Australia) Pty Ltd – East and West Kimberley, Goldfields and Wheatbelt regions
- Programmed Facility Management Pty Ltd – South Metropolitan, South West, Great Southern, Midwest, Gascoyne and Pilbara regions
- Spotless Facility Services Pty Ltd – North Metropolitan and East Metropolitan regions.

Head contractors are managed under a performance management framework that operates on an incentive and abatement process, including following up non-compliance issues. Key performance indicators are used to assist in identifying performance issues and informing business improvement opportunities.

Pindan Contracting Pty Ltd, which entered voluntary administration on 18 May 2021, held the contract for the Midwest, Gascoyne and Pilbara regions until 2 August 2021, when the contract was novated to Pindan Asset Management Pty Ltd and the latter became a wholly owned subsidiary of Programmed Facility Management Pty Ltd.

Maintenance audit methodology and statistics

The Authority publishes information in relation to the head maintenance contract model, which includes:

- a description of its audit methodology
- the number of works orders valued under \$500 that are audited each year
- confirmation of the total number (and percentage) of non-compliant works orders
- a breakdown of this number (and percentage) for each area of non-compliance
- a summary of the strategies it is undertaking to address non-compliance issues
- a clear explanation of each of the key performance indicators, including confirmation as to which of the five overarching performance categories (safety, timeliness, tenant satisfaction, quality and participation) each key performance indicator applies
- publication of the target (benchmark) figure for each key performance indicator along with the actual level of performance achieved
- a table for each of the four current head contractors indicating the level of performance against all key performance indicators.

Head maintenance contract audit methodology

The head maintenance contract audit methodology consists of:

- inspections and works order audits by the head contractor (head contractor quality assurance system)
- inspections by the Authority prior to payment (Authority payment authorisations)
- physical review and desktop audits on paid works to the head contractor (Authority quality assurance audits).

The methodology is outlined below:

Preventative controls

Works orders completed:

- confirm works order have been satisfactorily completed for billing
- provide compliance and assurance results to the Authority as supporting information for works orders billed.

Head Maintenance Contractors (HMC) quality system:

Compliance and assurance activities 1809001:2008 standards:

- onsite inspections
- desktop analysis
- tenant satisfaction surveys
- All (100 per cent of) vacant properties inspected.

Invoice verification:

- check accuracy of works orders billed
- check physical completion of works orders billed.

Housing Authority (Client Services):

Payment authorisation checks of invoices for consistency against:

- schedule of rates
- budget codes
- documentation.



Physical inspections for following works orders:

- void (vacant) properties
- tenant liability charges
- budget code of insurance, planned or cyclical
- safety device or appliance
- asbestos removal and remediation
- over \$500 for a metro region (excluding travel)
- over \$1,000 for a country region (excluding travel).

Detective controls

Post-payment quality assurance:

- check works orders delivered to technical specifications and quality
- provide remediation actions and feedback business improvement activities to HMCs
- recoup incorrectly billed works order amounts.

Housing Authority, Head Maintenance Contractor Performance (HMCP):

Five per cent of paid works orders

Sample selection criteria

Testing regime including:

- onsite inspections
- desktop audits (process)
- work orders reviews (technical).

Testing checklist, results and actions from sample selection criteria:

- rectify
- recoup
- business improvement activities
- contract management.



Audited works orders statistics 2020-21

Table 112: Paid works orders audited 1 July 2020–30 June 2021

Measure	Works orders	Percentage (1)
Number of paid works orders	224,864	–
Number of audited works orders over \$500	6,955	3%
Number of audited works orders under \$500	4,523	2%
Number of non-compliant audited works orders over \$500	2,251	32%
Number of non-compliant audited works orders under \$500	802	18%

Note:

(1) The calculation of this percentage is the number of non-compliant audited works orders over \$500, divided by the number of audited works orders over \$500 to gain the percentage.

Head maintenance contract key performance indicators

Key performance indicator definitions

The Authority measures the performance of the head contractors against 15 key performance indicators as explained in Table 110.

Table 113: Explanation of the head maintenance contract key performance indicators assessed throughout 2020–21 including overarching performance categories and target

Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 1	Safety	Health, Safety and Environmental Management Plan	Plan complied with including: <ul style="list-style-type: none"> • safety Inspections carried out for each Category of Work accord with safety inspections • contractor has an internal corporate occupational safety and health representative with relevant training and qualifications • Safety Work Method Statement completed for all high-risk construction work • Take five safety check (or equivalent) completed for all schedule of rates work. 	100% of Health, Safety and Environmental Management Plan provided.



Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 2	Safety	Statutory Notices	Provision of statutory notices to the Principal.	100% of statutory notices provided to the Principal immediately (and no later than five hours from receipt of the notice from a regulator).
KPI 3	Timeliness	Emergency	Attend and restore or repair life threatening safety issue within 8 hours of issue of the works order to the contractor.	100% of paid emergency works orders completed within eight hours of issue of the works orders to the contractor.
KPI 4	Timeliness	Urgent	Attend and restore or repair essential service(s) within 24 hours of issue of the works order to the contractor.	95% of paid urgent works orders completed within 24 hours of issue of the works orders to the contractor.
KPI 5	Timeliness	Priority	Attend and repair within 48 hours of issue of the works order to the contractor.	95% of paid priority works orders completed within 48 hours of issue of the works orders to the contractor.
KPI 6	Timeliness	Void	Attend and complete void maintenance activity within 14 days of issue of the works order to the contractor.	Average of 14 days for the completion of paid void maintenance works orders for the relevant performance review quarter.
KPI 7	Timeliness	Routine	Attend and repair within 28 days of issue of the works order to the contractor.	95% of paid routine works orders completed within 28 days of issue of the works orders to the contractor.



Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 8	Timeliness	Timeliness of invoices (Payment claims)	Submission of compliant payment claims (compliant with all requirements of the contract) within 14 days following completion of all maintenance works and services the subject of a works order.	90% of payment claims submitted within 14 days of completion of all maintenance works and services the subject of a works order.
KPI 8a	Timeliness	Quoted (Instruction)	Provide required number of Tender Evaluation Plans within timeframe as per General Specification.	95%
KPI 8b	Timeliness	Quoted (Works)	Attend and complete quoted work activity within agreed timeframe.	95%
KPI 9 (1)	–	–	–	–
KPI 10	Quality	Non-defective works	Non-defective works orders as a percentage of total maintenance works and services works orders completed in the relevant performance review quarter.	90%
KPI 11	Quality	Improvement Notices	Number of Improvement Notices achieving the outcome sought to the satisfaction of the Principal in the agreed time for completion against the number issued for the relevant performance review quarter.	95%



Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 12	Quality	Compliance Notices	Number of Compliance Notices achieving the outcome sought to the satisfaction of the Principal in the agreed time for completion against the number issued for the relevant performance review quarter.	100%
KPI 12a	Quality	Maintenance Works and Services Target Inspections	Number of inspections completed as a percentage of the number of inspections undertaken to be completed in the contractor's Operational Plan.	100%
KPI 13	Participation	Industry Participation Plan	Plan complied with.	100% compliance.
KPI 14	Participation	Indigenous Employment and Enterprise Plan	Plan complied with.	100% compliance.
KPI 14a	Participation	Indigenous Employment	Number of indigenous personnel engaged in performing work in connection with the contract during the relevant performance review quarter as a percentage of all personnel engaged in performing work in connection with the contract during the relevant performance review quarter.	The benchmark is dependent on the region, ranging from 5% to 20%.



Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 14b	Participation	Indigenous Enterprise	Number of indigenous businesses engaged as subcontractors in performing work in connection with the contract during the relevant performance review quarter as a percentage of all businesses engaged in performing work in connection with the contract during the relevant performance review quarter.	The benchmark is dependent on the region, ranging from 5% to 20%.
KPI 15	Participation	Apprenticeship Plan	Plan complied with.	100% compliance.
KPI 15a	Participation	Apprenticeships	Number of apprentices engaged by the contractor or its subcontractors who are performing work in connection with the contract during the relevant performance review quarter achieves the ratio of at least 1 apprentice for each \$1m in payments made by the Principal to the contractor under the contract in the relevant performance review quarter (rounded up to nearest \$1 million).	100% Compliance.

(1) KPI 9 removed as a standalone KPI in contract year 4 and incorporated into new key performance indicator 12A.



Head contractor performance 2020–21

The Authority measures, monitors and reports head contractor performance under the head maintenance contract against individual contract areas on a quarterly basis. This reporting process provides the most accurate measurement of performance because it is measuring fixed quarterly performance against each contract area in line with the contract's performance management framework. This reporting is outlined by quarter in Tables 114 to 121.

Head contractor performance 2020–21

Table 114: Head maintenance contract key performance indicator performance: Part 1, year 7 quarter 1 (1 July 2020–30 September 2020)

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 1 Health, safety and environmental management plan	100%	0.0%	100.0%	0.0%	0.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	96.3%	93.0%	95.1%	91.3%	98.3%	99.4%
KPI 4 Urgent (24 hours)	95%	81.3%	85.1%	75.6%	88.6%	86.8%	94.7%
KPI 5 Priority (48 hours)	95%	88.1%	79.0%	83.7%	87.4%	86.6%	94.6%
KPI 6 Void (average days)	14	7.1	7.5	8.9	6.3	10.6	8.1
KPI 7 Routine (28 days)	95%	94.3%	97.9%	96.8%	95.2%	78.7%	86.7%
KPI 8 Timeliness of invoices	90%	96.9%	98.3%	97.5%	96.0%	89.7%	94.4%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	91.7%	100.0%
KPI 8b Quoted (works)	95%	93.3%	100.0%	66.7%	100.0%	77.8%	100.0%
KPI 10 Non-defective works	90%	98.4%	97.6%	97.4%	98.5%	99.6%	98.6%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	99.5%	97.2%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	17.4%	5.0%	15.7%	3.6%	6.0%	8.6%
KPI 14b† Indigenous enterprise	5-20%	27.3%	16.7%	33.3%	4.1%	7.4%	21.2%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.



**Table 115: Head maintenance contract key performance indicator performance: Part 2, year 7 quarter 1
(1 July 2020–30 September 2020)**

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	98.8%	94.4%	98.2%	97.6%	98.0%
KPI 4 Urgent (24 hours)	95%	81.1%	75.0%	68.0%	97.6%	95.7%
KPI 5 Priority (48 hours)	95%	82.8%	80.3%	74.7%	91.5%	90.2%
KPI 6 Void (average days)	14	9.8	13.2	10.9	8.8	8.2
KPI 7 Routine (28 days)	95%	76.4%	80.7%	84.8%	86.0%	80.3%
KPI 8 Timeliness of invoices	90%	90.0%	92.7%	97.8%	90.3%	89.9%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 8b Quoted (works)	95%	91.7%	100.0%	100.0%	100.0%	100.0%
KPI 10 Non-defective works	90%	97.7%	97.2%	98.3%	98.8%	98.5%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%



Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	6.4%	10.8%	16.6%	5.0%	3.2%
KPI 14b† Indigenous enterprise	5-20%	8.8%	8.0%	22.7%	10.0%	9.5%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

Table 116: Head maintenance contract key performance indicator performance: Part 1, year 7 quarter 2 (1 October 2020–31 December 2020)

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 1 Health, safety and environmental management plan	100%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	95.2%	96.2%	96.3%	95.0%	98.5%	99.0%
KPI 4 Urgent (24 hours)	95%	77.4%	80.2%	72.8%	85.0%	93.8%	96.2%
KPI 5 Priority (48 hours)	95%	83.2%	83.9%	83.2%	86.1%	90.0%	96.5%
KPI 6 Void (average days)	14	8.4	5.7	10	6.3	9.5	8.8
KPI 7 Routine (28 days)	95%	92.3%	96.7%	92.5%	95.8%	85.6%	88.3%
KPI 8 Timeliness of invoices	90%	93.5%	96.4%	95.4%	92.0%	90.8%	94.5%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	89.7%	100.0%
KPI 8b Quoted (works)	95%	88.9%	100.0%	83.3%	90.0%	0.0%	83.3%
KPI 10 Non-defective works	90%	98.0%	97.8%	97.2%	97.4%	99.6%	98.4%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	99.4%	100.0%	100.0%	100.0%



Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	11.0%	7.8%	15.7%	5.4%	6.4%	8.7%
KPI 14b† Indigenous enterprise	5-20%	18.9%	14.6%	23.2%	10.0%	7.4%	22.6%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.



**Table 117: Head maintenance contract key performance indicator performance: Part 2, year 7 quarter 2
(1 October 2020–31 December 2020)**

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	0.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	97.9%	95.3%	91.8%	97.6%	97.1%
KPI 4 Urgent (24 hours)	95%	89.3%	79.4%	69.8%	97.1%	95.7%
KPI 5 Priority (48 hours)	95%	94.1%	84.2%	72.6%	91.9%	86.9%
KPI 6 Void (average days)	14	8.9	12.7	14	10.3	11.6
KPI 7 Routine (28 days)	95%	81.8%	79.3%	80.2%	79.2%	76.6%
KPI 8 Timeliness of invoices	90%	90.5%	92.9%	95.9%	87.2%	78.9%
KPI 8a Quoted (instruction)	95%	100.0%	96.4%	100.0%	100.0%	100.0%
KPI 8b Quoted (works)	95%	92.9%	100.0%	100.0%	66.7%	50.0%
KPI 10 Non-defective works	90%	98.0%	97.4%	97.8%	98.0%	96.3%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	95.5%	97.2%



Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	6.4%	10.6%	20.1%	5.5%	3.5%
KPI 14b† Indigenous enterprise	5-20%	9.1%	9.9%	20.9%	10.3%	10.5%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

**Table 118: Head maintenance contract key performance indicator performance: Part 1, year 7 quarter 3
(1 January 2021–31 March 2021)**

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	92.3%	94.0%	95.3%	91.6%	97.4%	99.1%
KPI 4 Urgent (24 hours)	95%	87.8%	83.8%	66.8%	78.1%	89.0%	96.8%
KPI 5 Priority (48 hours)	95%	87.1%	77.8%	72.3%	81.6%	90.1%	97.4%
KPI 6 Void (average days)	14	10.9	7	12.6	7.7	10.4	8.8
KPI 7 Routine (28 days)	95%	94.0%	95.0%	90.0%	93.6%	84.6%	90.8%
KPI 8 Timeliness of invoices	90%	91.2%	94.7%	93.0%	91.4%	87.3%	96.8%
KPI 8a Quoted (instruction)	95%	100.0%	71.4%	100.0%	100.0%	95.7%	100.0%
KPI 8b Quoted (works)	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 10 Non-defective works	90%	98.5%	98.2%	97.6%	97.7%	99.5%	98.9%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	11.6%	7.6%	15.8%	5.4%	6.1%	8.7%
KPI 14b† Indigenous enterprise	5-20%	18.9%	13.3%	21.1%	9.7%	6.9%	21.9%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

**Table 119: Head maintenance contract key performance indicator performance: Part 2, year 7 quarter 3
(1 January 2021–31 March 2021)**

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	0.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	98.4%	88.7%	91.0%	94.6%	95.8%
KPI 4 Urgent (24 hours)	95%	93.4%	76.5%	61.6%	95.0%	93.6%
KPI 5 Priority (48 hours)	95%	92.8%	79.9%	72.0%	90.2%	83.6%
KPI 6 Void (average days)	14	8.7	13.1	16.2	10.3	12.1
KPI 7 Routine (28 days)	95%	86.5%	76.2%	80.7%	75.7%	68.5%
KPI 8 Timeliness of invoices	90%	91.7%	91.0%	94.3%	80.4%	78.0%
KPI 8a Quoted (instruction)	95%	100.0%	95.2%	100.0%	90.0%	95.7%
KPI 8b Quoted (works)	95%	80.0%	100.0%	100.0%	100.0%	100.0%
KPI 10 Non-defective works	90%	97.4%	98.0%	98.2%	98.4%	97.6%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%



Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	6.1%	12.5%	20.7%	4.6%	5.7%
KPI 14b† Indigenous enterprise	5-20%	9.1%	12.5%	21.8%	9.8%	11.8%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

**Table 120: Head maintenance contract key performance indicator performance: Part 1, year 7 quarter 4
(1 April 2020–30 June 2020)**

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 1 Health, safety and environmental management plan (a)	100%	100.0%	0.0%	100.0%	0.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	95.8%	95.1%	94.1%	89.8%	93.7%	98.1%
KPI 4 Urgent (24 hours)	95%	76.9%	78.6%	75.2%	70.6%	83.3%	91.6%
KPI 5 Priority (48 hours)	95%	82.4%	76.7%	77.3%	75.6%	87.0%	91.5%
KPI 6 Void (average days)	14	13.2	7.4	15.1	8.2	9.8	16
KPI 7 Routine (28 days)	95%	87.7%	88.5%	85.5%	89.8%	83.2%	77.6%
KPI 8 Timeliness of invoices	90%	93.2%	93.3%	95.6%	93.4%	84.8%	91.0%
KPI 8a Quoted (instruction)	95%	100.0%	95.3%	88.9%	100.0%	92.9%	100.0%
KPI 8b Quoted (works)	95%	100.0%	100.0%	100.0%	100.0%	90.0%	94.7%
KPI 10 Non-defective works	90%	98.4%	98.5%	97.0%	98.4%	99.5%	98.5%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	66.7%	66.7%	66.7%	66.7%	100.0%	100.0%



Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	12.5%	9.1%	17.1%	5.2%	6.1%	9.5%
KPI 14b† Indigenous enterprise	5-20%	17.5%	14.3%	20.3%	9.5%	6.7%	20.6%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

**Table 121: Head maintenance contract key performance indicator performance: Part 2, Year 7 quarter 4
(1 April 2021–30 June 2021)**

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	0.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	98.0%	89.9%	86.0%	95.9%	97.2%
KPI 4 Urgent (24 hours)	95%	86.3%	55.8%	42.0%	94.3%	91.9%
KPI 5 Priority (48 hours)	95%	91.1%	65.0%	62.2%	89.9%	86.1%
KPI 6 Void (average days)	14	10.4	19.5	17.4	9.5	12.6
KPI 7 Routine (28 days)	95%	89.9%	63.9%	75.5%	68.4%	58.3%
KPI 8 Timeliness of invoices	90%	94.4%	83.2%	91.8%	85.9%	81.1%
KPI 8a Quoted (instruction)	95%	80.0%	100.0%	100.0%	100.0%	100.0%
KPI 8b Quoted (works)	95%	100.0%	100.0%	90.0%	95.5%	100.0%
KPI 10 Non-defective works	90%	97.7%	97.8%	97.7%	98.5%	97.2%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%



Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	6.6%	12.4%	18.3%	5.1%	4.7%
KPI 14b† Indigenous enterprise	5-20%	9.4%	11.3%	21.6%	9.5%	8.1%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

Head contractor quality assurance system

Under the maintenance contracts, the head contractors must have a quality system that includes a minimum number of inspections on all completed works comprising on-site inspections, desktop analysis and tenant satisfaction surveys. In addition to this, 100 per cent of vacant properties (voids) are physically inspected.

Compliance and assurance activities to ISO 9001:2008 standards are a key component of the head maintenance contract. ISO 9001:2008 is focused on meeting customer expectations and delivering customer satisfaction.

Quality assurance audits

The Authority's agreed audit methodology for sampling and selecting physical and desktop compliance inspections on paid works orders per head contractor includes:

- identification of high risk/high volume works orders, for example electrical safety devices, emergency premium claims and travel claims
- trend analysis (month to month) across all licensed and general trades based on previous audit findings
- seasonal issues, for example room heaters, flues, gutters and roof leaks.

The Authority's maintenance technical advisors (which includes licensed electricians, plumbers/gas fitters and experienced general tradespeople) conduct physical inspections on works orders to identify compliance, check measurements, quantity and review of workmanship and quality. Qualified advisors conduct reviews to identify works order claims that do not comply with contractual business rules, general and technical specifications. Desktop audits are conducted to identify issues relating to the accuracy and appropriateness of quantity or measurements and document compliance. Any issues identified are raised directly with the head contractor to rectify or can result in a physical inspection to verify.

Each of these audit methods may result in the Authority issuing a direction to the head contractor to re-perform or correct any matters identified.

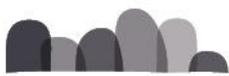
Payment authorisations

The Authority reviews works orders prior to payment for the following:

- correct schedule of rates applied for location, quantities and measurements are claimed (including travel)
- correct budget codes have been applied
- required documentation is supplied in line with schedule of rates requirements.

In addition, a physical inspection of the works must be completed where the works order contains any of the following criteria:

- void (vacant properties)



- tenant liability charges (where tenants have been charged for repairs)
- any budget code for insurance, refurbishment, improvement, planned or cyclical (quoted works)
- any safety device or appliance installed
- asbestos removal and remediation
- works orders over \$500 for a metropolitan region or over \$1,000 for a country region (excluding travel).

Works found to be non-compliant are referred to the head contractor for rectification prior to payment being made.

Addressing head contractor non-compliance

Non-compliance issues identified are followed up by the Authority. Actions undertaken include:

- pursued recoups and refunds in relation to incorrect measurements claimed
- directed head contractors to supply missing items when details were not provided as required
- where work was not to technical specifications, directions were given to re-perform or correct non-compliant works
- the Authority identified recoups to the value of \$601,148.73 during 2020-21.

The Authority has also undertaken several approaches to validate the self-reported performance results of the head contractors, which provide opportunities for continuous improvement. This includes but is not limited to:

- engaging qualified tradesmen, compliance and business improvement officers to undertake on-site quality audit inspections and desktop audits
- operational and quality assurance meetings with the head contractors to address any issues relating to non-compliance matters
- supporting tools and materials, such as the development of business rules, which are circulated as and when required
- toolbox workshop collaborative sessions between the Authority and head contractors
- embedding the Authority's Quality Assurance Framework
- monthly audit reports capturing monthly trends and issues.

Table 122: Non-compliant audited works orders 1 July 2020–31 December 2020 number (and percentage) for each area of non-compliance

Non-compliance reason	Works orders	Category	Percentage
Labour added by head contractor exceeds authority limit	3	1	0.1%
Labour added by head contractor without details	25	2	0.8%
Labour value incorrectly claimed	32	3	1.0%
Material added by head contractor exceeds authority limit	0	1	0.0%
Material added by head contractor without details provided	11	2	0.4%
Material value incorrectly claimed	104	3	3.4%
Schedule of rates incorrectly claimed	973	3	31.4%
Schedule of rates added not related to original task	140	1	4.5%
Duplication of schedule of rates	79	3	2.5%
Detail not provided as required by schedule of rates	271	2	8.7%
Included in other schedule of rates claimed	739	3	23.8%
Incorrect measurement or quantity claimed	297	3	9.6%
Workmanship non-compliant	104	4	3.4%
Task not done or incomplete	32	4	1.0%
Task not done and not required	65	4	2.1%
Head contractor claimed schedule of rate above self-variation threshold	7	1	0.2%
System issue	0	2	0.0%
Variable travel	129	3	4.2%
Emergency premium	92	3	3.0%



Non-compliant items definitions

The following list provides definitions for each of the non-compliant items within the head maintenance contract.

Labour claimed without authority

Head contractor has added a labour claim to a works order without authorisation from the Authority.

Labour issued without details

The Authority has added a labour schedule of rates without sufficient detail.

Material value incorrectly claimed

Receipt produced by head contractor does not match the value being claimed on the works order.

Schedule of rates incorrectly claimed

Schedule of rates item has either been issued incorrectly by the Authority or incorrectly claimed by head contractor.

Incorrect measurement claimed

As a result of an audit of works, measurements have been found to be incorrect.

Schedule of rates added not related to original task

Head contractor has added an additional schedule of rates task to the works order, which does not relate to the original task requested by the Authority.

Duplication of schedule of rates

Schedule of rates item has been duplicated either by issuing officer (the Authority) or by head contractor duplicating schedule of rates item when returning works order.

Multiple of schedule of rates cannot be claimed

The Authority's business rules do not allow for more than one of the schedule of rates items to be claimed on each works order.

Incorrect or illogical location

Location listed on works order at the time of issuance, or when returned by head contractor, does not reflect the correct location of works undertaken. This only affects the Authority's historical records.

Detail not provided as required by schedule of rates

The Authority's specifications require certain documents to be returned upon completion of works. Documents may include receipts, inspection reports and compliance certificates.



Included in other schedule of rates claimed

New schedule of rates task has been added to the works order. New works incorporate the original task, which has not been removed prior to returning the works order to the Authority.

Incorrect schedule of rates issued

Incorrect schedule of rates issued by the Authority. The head contractor has not corrected the works order prior to returning to the Authority. Incorrect issuance may be as a result of information supplied by tenant.

Incorrect measurement issued

The Authority has issued works order with incorrect measurement or quantity, and head contractor has not amended prior to returning works order. Incorrect measurement or quantity may be as a result of information supplied by the tenant.

Faulty workmanship

Works are of poor quality e.g. painting light switches.

Task on works order not done

The head contractor has omitted to do the task on the works order.

Task on works order not complete

The head contractor has not completed the task on the works order.

Work not to technical specifications

The required work was not completed to technical specifications.

Warranty management

Appliances or products that are covered under warranty have been removed and new products installed or have had service works completed when warranty should have covered the works.

Product or manufacturer defect

There was a product or manufacturer defect causing the item or works order task to be non-compliant.

System issue

A system issue caused the works order to be non-compliant.

Variable travel

The head contractor has claimed travel in conflict with the agreed travel rules.

Emergency premium

The head contractor has claimed an emergency premium payment in conflict with the agreed business rules.

Table 123: Non-compliant audited works orders by issue 1 January 2021–30 June 2021 number (and percentage) for each area of non-compliance (1)

Non-compliance reason	Works order issues	Percentage	Category
Head contractor claimed schedule of rates above self-variation threshold – correctly claimed	0	0.00%	1
Head contractor claimed schedule of rates above self-variation threshold – incorrectly claimed	2	0.09%	1
Schedule of rates added by the head contractor is not task related	77	3.50%	1
Schedule of rates added by the head contractor without details provided	153	6.96%	2
Documentation not provided or incorrectly completed as required by schedule of rates	219	9.97%	2
Schedule of rates incorrectly claimed	1,370	62.36%	3
Warranty Issue	8	0.36%	3
Incorrect measurement or quantity claimed	270	12.29%	3
Task on work order not done and not required	19	0.86%	3
Work non-compliant	65	2.96%	4
Task on works order not done or incomplete	14	0.64%	4

(1) Appendix: Head maintenance contract, Table 124, provides descriptions of non-compliance items as listed in this table.



Table 124: Non-compliant items definitions and category

Issue Type	Category	Definition
Head contractor claimed schedule of rates above self-variation threshold – correctly claimed	1	Head contractor has added a schedule of rates to a works order without authorisation from the Authority. However, the schedule of rates was <u>correctly</u> claimed.
Head contractor claimed schedule of rate above self-variation threshold – incorrectly claimed	1	Head contractor has added a schedule of rates to a works order without authorisation from the Authority and the schedule of rates was <u>incorrectly</u> claimed.
Schedule of rates added by the head contractor is not task related	1	Head contractor has added an additional schedule of rates task to the works order, which does not relate to the original task requested by the Authority.
Schedule of rates added by the head contractor without details provided	2	The head contractor has added an additional schedule of rates to the works order without sufficient detail for justification.
Documentation not provided or incorrectly completed as required by schedule of rates	2	The Authority’s specifications require certain documents to be returned by the head contractor upon completion of works. Documents may include receipts, inspection reports and compliance certificates.
Schedule of rates incorrectly claimed	3	Schedule of rates item has been incorrectly claimed by the head contractor or is a duplication of another schedule of rates already claimed on the works order.
Warranty Issue	3	Head contractor has incorrectly claimed a schedule of rates which is still under warranty.
Incorrect measurement or quantity claimed	3	Head contractor has claimed measurements or quantities which are incorrect, within the self-variation threshold.
Task on works order not done and not required	3	The head contractor has not completed the task on the works order however, the task was not required. The schedule of rates was claimed in error and requires recoup.
Work non-compliant	4	Works are non-compliant with requirements of the technical specifications, are of poor quality and/or not in line with Australian standards and regulatory/safety requirements.
Task on works order not done or incomplete	4	The head contractor has omitted to do the task on the works order or has partially completed task requirements.

