



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

Housing Authority

# Annual Report

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2021-22

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# Statement of compliance



Hon John Carey MLA

Minister for Housing; Lands; Homelessness; Local Government.

For the year ended 30 June 2022

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 2022.

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



**Mike Rowe**  
**Chief Executive Officer**  
**Accountable Authority**  
28 November 2022



# Acknowledgement of Country

The Housing Authority (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 and present.

## Accessibility statement

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](mailto:enquiries@communities.wa.gov.au)

## 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 2021–22. 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

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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**

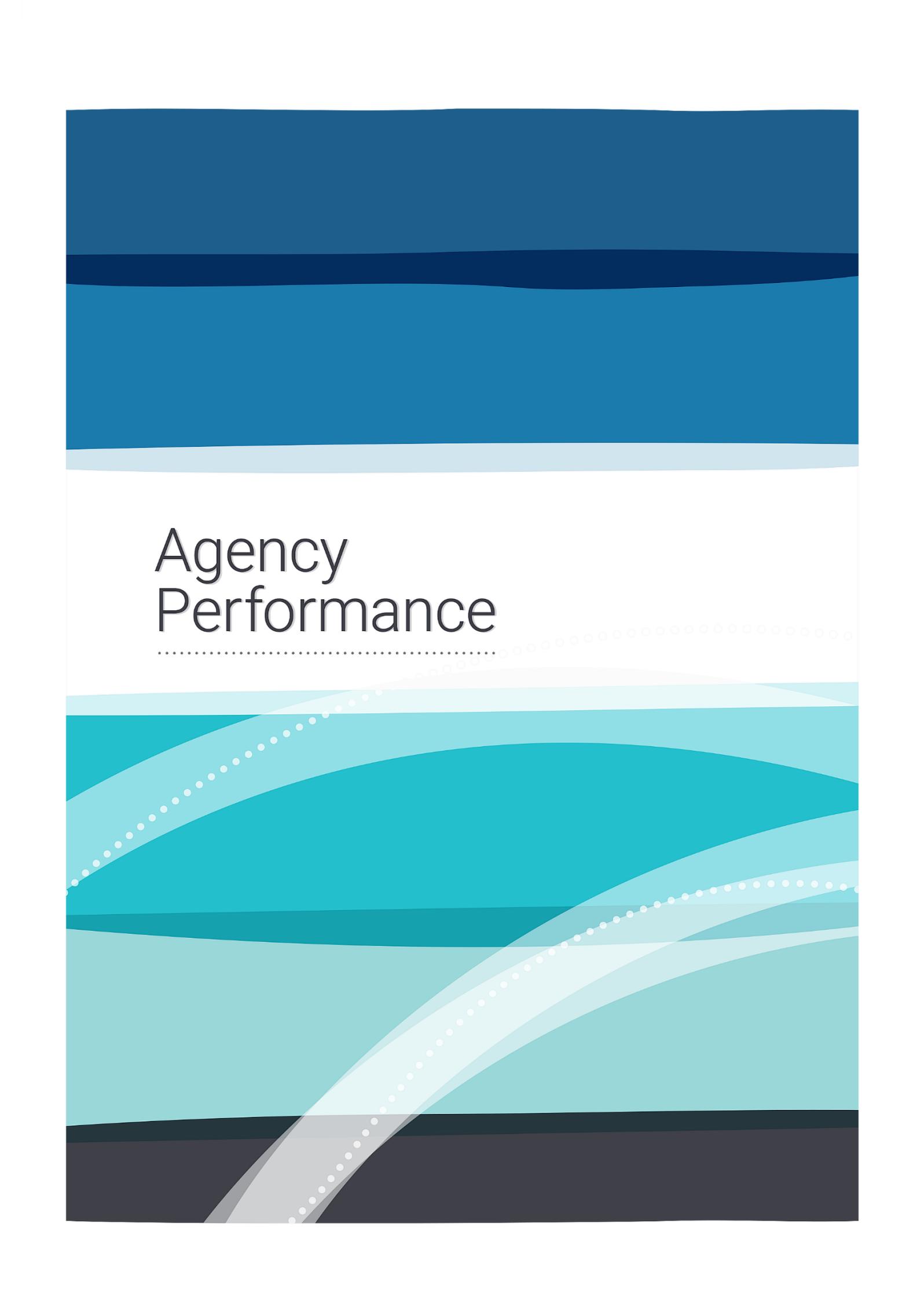
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**TTY number**

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**SMS relay number**

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# Agency Performance

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# Agency performance

## Report on operations

The activities of the Authority have been reported in the Department of Communities' Annual Report for 2021–22.



## 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 2021–22 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**

Effectiveness key performance indicator	2020–21 actual	2021–22 target	2021–22 actual	Explanation of significant variance
1.1 Responsiveness – Total housing assistances provided relative to the public rental waiting list	0.77	0.55	0.50	There was a significant reduction in both the number of bond assistance loans approved and the number of new Keystart home loans approved, when compared to the previous year and target, reflective of market conditions.
1.2 Waiting times for accommodation – applicants housed: Average (in weeks)	102	103	116	Wait list demand has persisted post COVID-19, with the wait list increasing by 11 per cent when compared to the same period last year (as at 30 June 2021). External factors such as labour and material shortages have continued to impact turnover of vacant stock, impacting wait times.



<b>Effectiveness key performance indicator</b>	<b>2020–21 actual</b>	<b>2021–22 target</b>	<b>2021–22 actual</b>	<b>Explanation of significant variance</b>
1.2 Waiting times for accommodation – applicants housed: Median (in weeks)	58	62	81	Wait list demand has persisted post COVID-19, with the wait list increasing by 11 per cent when compared to the same period last year (as at 30 June 2021). External factors such as labour and material shortages have continued to impact turnover of vacant stock, impacting wait times.

**Table 2: Service 7. Rental housing**

<b>Efficiency key performance indicator</b>	<b>2020–21 actual</b>	<b>2021–22 target</b>	<b>2021–22 actual</b>	<b>Explanation of significant variance</b>
7.1 Average operating cost per public rental property	\$17,207	\$18,109	\$15,947	This is primarily due to a combination of trade scarcity and lower vacancy rates, resulting in a reduction in expenditure on social housing maintenance throughout 2021–22.
7.2 Average operating cost per Government Regional Officers' Housing (GROH) rental property	\$12,167	\$12,844	\$13,583	

**Table 3: Service 8. Home loans**

<b>Efficiency key performance indicator</b>	<b>2020–21 actual</b>	<b>2021–22 target</b>	<b>2021–22 actual</b>	<b>Explanation of significant variance</b>
8.1 Average operating cost per current loan account	\$1,145	\$2,986	\$802	The result is mainly due to a reduction in bad debts and credit loss compared to the target, which was set at the onset of the pandemic, due to improved economic conditions including lower unemployment and higher property prices.

**Table 4: Service 9. Land and housing supply**

<b>Efficiency key performance indicator</b>	<b>2020–21 actual</b>	<b>2021–22 target</b>	<b>2021–22 actual</b>	<b>Explanation of significant variance</b>
9.2 Average operating cost per property sold	\$24,826	\$16,354	\$125,502	The variance is primarily due to costs associated with the Department's focus on repurposing current housing stock, in recognition of pressures in the Western Australian Housing market.



# Disclosures and Legal Compliance

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# Disclosures and legal compliance

## Certification of financial statements

For the reporting period ended 30 June 2022

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 2022 and the financial position as at 30 June 2022.

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.

**Wayne Millen**  
**Chief Finance Officer**  
24 November 2022

**Mike Rowe**  
**Chief Executive Officer**  
**Accountable Authority**  
25 November 2022



# Auditor General's opinion



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 Housing Authority

To the Parliament of Western Australia

## Report on the audit of the financial statements

### Basis for qualified opinion

The Housing Authority (Authority) has overpaid \$11,966,000 to the Department of Communities for the Authority's incurred salaries and wages during the year. The Authority has recognised a receivable balance (within Note 6.1 Loans and receivables – Other debtors) for the overpayment. The Authority did not seek repayment from the Department during the period. The overpayment of funds for expenses that have not been incurred breaches the legislative provisions of section 18(2) of the *Financial Management Act 2006* and section 24 of the *Government Employee's Housing Act 1964*.

As noted in my report on the audit of controls below, there were deficiencies in cash management controls implemented by the Housing Authority during the reporting period.

### Opinion

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

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matters described in the Basis for qualified opinion section of my report, 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 2022 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 believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



### **Emphasis of matter – restatement of comparative figures**

I draw attention to Note 9.2 of the financial statements which states that the amounts reported in the previously issued 30 June 2021 financial statements have been restated and disclosed as comparatives in the current year's financial statements. My opinion is not modified in this regard.

### **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 it determines 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](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **Report on the audit of controls**

### **Basis for qualified opinion**

I identified the following significant weaknesses in controls by the Housing Authority:

- In the cash management controls as designed and implemented. Funds intended for salaries and wages expenses were paid by the Authority to the Department of Communities in excess of the actual salaries and wages expenses incurred.



- In the controls to mitigate significant weaknesses in the entity providing services to the Authority, related to the management of access to the network and key systems. These weaknesses leave the information technology environment at the risk of unauthorised or inappropriate access to the network and business systems. The general computer controls were therefore not adequate throughout the year.
- In the payroll controls as implemented. 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.

### 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 Chief Executive Officer are those policies and procedures established 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).

In my opinion, except for the possible effects of the three matters described in the Basis for qualified opinion paragraphs, in all material respects, 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 2022.

### 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 2022. 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 2022.

### 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 report on financial statements, 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 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report

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

This auditor's report relates to the financial statements and key performance indicators of the Housing Authority for the year ended 30 June 2022 included in the annual report 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 the annual report. If users of the financial statements 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.

Caroline Spencer  
Auditor General for Western Australia  
Perth, Western Australia  
25 November 2022



# Financial statements

## Statement of comprehensive income

For the year ended 30 June 2022

**Table 5: Statement of comprehensive income**

Expenses and income	Notes	Consolidated 2022 \$000	Consolidated Restated 2021(a) \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000
<b>Revenue and Income</b>	–	–	–	–	–
Sales	3.1	63,048	324,789	61,807	321,710
Rental revenue	3.2	267,685	247,566	267,685	247,566
Grants, contributions and subsidies	3.3	130,067	125,623	130,067	125,623
Interest revenue	3.4	200,652	224,450	3,038	3,035
Gain on disposal of non-current assets	4.4	1,400	–	1,400	–
Other income	3.5	17,981	51,867	13,173	46,157
<b>Total income</b>	–	<b>680,833</b>	<b>974,295</b>	<b>477,170</b>	<b>744,091</b>
<b>Expenses</b>	–	–	–	–	–
Cost of sales (a)	3.1	40,870	193,388	39,226	190,399
Rental expenses	4.2	315,283	266,903	315,283	266,903
Community support expense	4.2	106,830	105,609	106,830	105,609
Employee benefit expense	4.1	172,408	172,824	172,026	172,387
Supplies and services	4.2	55,921	57,136	48,783	51,652
Depreciation and amortisation expense	5.2, 5.3, 5.4, 5.5	118,884	124,557	117,230	122,897



Expenses and income	Notes	Consolidated 2022 \$000	Consolidated Restated 2021(a) \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000
Finance costs	7.3	49,875	51,589	49,670	51,414
Grants and subsidies	4.3	47,304	14,468	47,304	14,468
Accommodation expenses	4.2	17,714	9,972	17,329	9,571
Loss on disposal of non-current assets	4.4	–	8,323	–	8,323
Other expenses	4.2	25,535	273,637	31,445	266,109
<b>Total expenses</b>	–	<b>950,624</b>	<b>1,278,406</b>	<b>945,126</b>	<b>1,259,732</b>
<b>Loss before income from State Government</b>	–	<b>(269,791)</b>	<b>(304,111)</b>	<b>(467,956)</b>	<b>(515,641)</b>
<b>Income from State Government</b>	–	–	–	–	–
Service appropriation	3.6	81,434	108,166	81,434	108,166
Income from other public sector entities	3.6	104,214	94,608	302,488	305,895
Royalties for Regions Fund	3.6	96,996	74,971	96,996	74,971
Resources received	3.6	229	281	229	281
<b>Total income from State Government</b>	–	<b>282,873</b>	<b>278,026</b>	<b>481,147</b>	<b>489,313</b>
<b>Surplus/(deficit) for the period</b>	7.4.2	<b>13,082</b>	<b>(26,085)</b>	<b>13,191</b>	<b>(26,328)</b>
<b>Other comprehensive income</b>	–	–	–	–	–
Changes in asset revaluation surplus	9.10	1,090,789	(142,836)	1,090,789	(142,836)



Expenses and income	Notes	Consolidated 2022 \$000	Consolidated Restated 2021(a) \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000
<b>Total other comprehensive income</b>	–	<b>1,090,789</b>	<b>(142,836)</b>	<b>1,090,789</b>	<b>(142,836)</b>
Profit/(loss) attributable to:					
Consolidated equity	–	13,192	(25,987)	–	–
Non-controlling interest	9.11	(110)	(98)	–	–
<b>Total</b>	–	<b>13,082</b>	<b>(26,085)</b>	–	–
Total comprehensive income attributable to:					
Consolidated equity	–	1,103,981	(168,823)	–	–
Non-controlling interest	9.11	(110)	(98)	–	–
<b>Total</b>	–	<b>1,103,871</b>	<b>(168,921)</b>	–	–
<b>Total comprehensive income for the period</b>	–	<b>1,103,871</b>	<b>(168,921)</b>	<b>1,103,980</b>	<b>(169,164)</b>

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

(a) Refer to Note 9.2 Correction of prior period errors.



## Statement of financial position

As at 30 June 2022

**Table 6: Statement of financial position**

Assets and liabilities	Notes	Consolidated 2022 \$000	Consolidated Restated(a) 2021 \$000	Consolidated Restated(a) 2020 \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000	Housing Authority Restated(a) 2020 \$000
<b>Assets</b>	–	–	–	–	–	–	–
<b>Current assets</b>	–	–	–	–	–	–	–
Cash and cash equivalents	7.4	311,905	355,995	155,704	137,724	262,752	90,657
Restricted cash and cash equivalents	7.4	19,614	49,614	23,982	19,614	49,614	23,982
Inventories (a)	5.1	114,339	236,104	291,448	114,339	234,541	287,555
Loans and receivables	6.1	1,137,017	893,906	705,484	288,744	278,908	174,838
Other current assets	6.3	13,086	8,299	26,052	22,629	16,062	33,585
Non-current assets classified as held for sale	5.6	7,233	5,161	11,568	7,233	5,161	11,568
Other financial assets	6.4	250,102	250,028	200,080	–	–	–



Assets and liabilities	Notes	Consolidated 2022 \$000	Consolidated Restated(a) 2021 \$000	Consolidated Restated(a) 2020 \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000	Housing Authority Restated(a) 2020 \$000
<b>Total current assets</b>	–	<b>1,853,296</b>	<b>1,799,107</b>	<b>1,414,318</b>	<b>590,283</b>	<b>847,038</b>	<b>622,185</b>
<b>Non-current assets</b>	–	–	–	–	–	–	–
Inventories	5.1	289,649	510,818	698,581	278,849	495,958	683,667
Loans and receivables	6.1	3,057,871	4,472,416	4,312,230	4,034,495	5,133,922	4,853,705
Other financial assets	6.4	24	24	24	5,150	10,439	10,953
Property, plant and equipment (a)	5.2	11,110,776	10,030,049	10,281,455	11,108,432	10,027,610	10,278,721
Right-of-use assets	5.3	6,607	6,885	8,502	1,971	1,480	2,276
Intangible assets	5.4	1,217	650	5,694	114	278	5,069
Service concession assets (a)	5.5	2,033,960	1,856,367	1,862,313	2,033,960	1,856,367	1,862,313
<b>Total non-current assets</b>	–	<b>16,500,104</b>	<b>16,877,209</b>	<b>17,168,799</b>	<b>17,462,971</b>	<b>17,526,054</b>	<b>17,696,704</b>
<b>Total assets</b>	–	<b>18,353,400</b>	<b>18,676,316</b>	<b>18,583,117</b>	<b>18,053,254</b>	<b>18,373,092</b>	<b>18,318,889</b>
<b>Liabilities</b>	–	–	–	–	–	–	–
<b>Current liabilities</b>	–	–	–	–	–	–	–



Assets and liabilities	Notes	Consolidated 2022 \$000	Consolidated Restated(a) 2021 \$000	Consolidated Restated(a) 2020 \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000	Housing Authority Restated(a) 2020 \$000
Payables	6.5	65,573	89,153	80,808	53,329	74,890	70,447
Borrowings	7.1	72,914	85,955	158,701	72,914	85,955	158,701
Lease liabilities	7.2	67,607	54,318	41,632	61,078	46,459	40,272
Provisions	6.6	23,627	54,844	32,445	22,587	54,184	31,996
Other current liabilities (a)	6.7	16,734	16,784	14,687	16,734	16,784	14,687
<b>Total current liabilities</b>	–	<b>246,455</b>	<b>301,054</b>	<b>328,273</b>	<b>226,642</b>	<b>278,272</b>	<b>316,103</b>
<b>Non-current liabilities</b>	–	–	–	–	–	–	–
Payables	6.5	251	282	24	251	282	24
Borrowings	7.1	4,513,785	5,679,245	5,485,196	4,513,785	5,679,245	5,485,196
Lease liabilities	7.2	37,264	28,110	30,652	37,264	28,110	22,793
Provisions	6.6	38,560	92,544	56,096	38,560	92,544	56,096
Other non-current liabilities (a)	6.7	153,432	141,904	123,490	153,432	141,904	123,490
<b>Total non-current liabilities</b>	–	<b>4,743,292</b>	<b>5,942,085</b>	<b>5,695,458</b>	<b>4,743,292</b>	<b>5,942,085</b>	<b>5,687,599</b>



Assets and liabilities	Notes	Consolidated 2022 \$000	Consolidated Restated(a) 2021 \$000	Consolidated Restated(a) 2020 \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000	Housing Authority Restated(a) 2020 \$000
<b>Total liabilities</b>	–	<b>4,989,747</b>	<b>6,243,139</b>	<b>6,023,731</b>	<b>4,969,934</b>	<b>6,220,357</b>	<b>6,003,702</b>
<b>Net assets</b>	–	<b>13,363,653</b>	<b>12,433,177</b>	<b>12,559,386</b>	<b>13,083,320</b>	<b>12,152,735</b>	<b>12,315,187</b>
<b>Equity</b>	–	–	–	–	–	–	–
Contributed equity	9.10	2,359,755	2,533,150	2,489,954	2,279,485	2,452,880	2,445,684
Reserves (a)	9.10	7,168,171	6,095,103	6,292,219	7,168,171	6,094,390	6,291,503
Retained earnings (a)	9.10	3,835,195	3,804,282	3,776,473	3,635,664	3,605,465	3,578,000
<b>Total equity attributable to the consolidated entity</b>	–	<b>13,363,121</b>	<b>12,432,535</b>	<b>12,558,646</b>	<b>13,083,320</b>	<b>12,152,735</b>	<b>12,315,187</b>
Non-controlling interest	9.11	532	642	740	–	–	–
<b>Total equity</b>	–	<b>13,363,653</b>	<b>12,433,177</b>	<b>12,559,386</b>	<b>13,083,320</b>	<b>12,152,735</b>	<b>12,315,187</b>

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

(a) Refer to Note 9.2 Correction of prior period errors.



## Statement of changes in equity

For the year ended 30 June 2022

**Table 7: Statement of changes in equity**

Changes in equity	Notes	Consolidated 2022 \$000	Consolidated Restated(a) 2021 \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000
<b>Balance of equity at start of year</b>	–	<b>12,432,535</b>	<b>12,518,173</b>	<b>12,152,735</b>	<b>12,274,714</b>
<b>Contributed equity</b>	9.10	–	–	–	–
<b>Balance at start of the year</b>	–	<b>2,533,150</b>	<b>2,489,954</b>	<b>2,452,880</b>	<b>2,445,684</b>
Transactions with owners in their capacity as owners:	–	–	–	–	–
Capital contribution	–	98,859	173,264	98,859	173,264
Other contributions by owners	–	2,003	7,909	2,003	7,909
Distributions to owners	–	(274,257)	(137,977)	(274,257)	(173,977)



Changes in equity	Notes	Consolidated 2022 \$000	Consolidated Restated(a) 2021 \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000
<b>Balance at end of the period</b>	–	<b>2,359,755</b>	<b>2,533,150</b>	<b>2,279,485</b>	<b>2,452,880</b>
<b>Reserves</b>	9.10	–	–	–	–
<b>Balance at start of the year</b>	–	<b>6,095,103</b>	<b>6,290,432</b>	<b>6,094,390</b>	<b>6,289,716</b>
Correction of prior period errors (a)	9.2	–	1,787	–	1,787
Restated balance at start of the year	–	6,095,103	6,292,219	6,094,390	6,291,503
Correction of prior period errors (a)	9.2	–	(484)	–	(484)
Asset revaluation decrement	–	1,090,789	(142,836)	1,090,789	(142,836)
Transfer to retained earnings	–	(17,721)	(53,796)	(17,008)	(53,793)
<b>Balance at end of the period</b>	–	<b>7,168,171</b>	<b>6,095,103</b>	<b>7,168,171</b>	<b>6,094,390</b>
<b>Retained earnings</b>	<b>9.10</b>	–	–	–	–



Changes in equity	Notes	Consolidated 2022 \$000	Consolidated Restated(a) 2021 \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000
Balance at start of the year	–	3,804,282	3,737,787	3,605,465	3,539,314
Correction of prior period error	9.2	–	38,686	–	38,686
Restated balance at start of period (a)	–	3,804,282	3,776,473	3,605,465	3,578,000
Transfer from reserves	–	17,721	53,796	17,008	53,793
Profit/(loss) for the period	–	13,192	(25,987)	13,191	(26,328)
<b>Balance at end of the period</b>	<b>–</b>	<b>3,835,195</b>	<b>3,804,282</b>	<b>3,635,664</b>	<b>3,605,465</b>
<b>Equity attributable to equity holder Housing Authority</b>	<b>–</b>	<b>13,363,121</b>	<b>12,432,535</b>	<b>13,083,320</b>	<b>12,152,735</b>
Equity attributable to non–controlling interest	9.11	532	642	–	–
<b>Balance of equity at the end of the period</b>	<b>–</b>	<b>13,363,653</b>	<b>12,433,177</b>	<b>13,083,320</b>	<b>12,152,735</b>

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

(a) Refer to Note 9.2 Correction of prior period errors.



# Statement of cash flows

For the year ended 30 June 2022

**Table 8: Statement of cash flows**

Cash flows	Notes	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Cash flows from operating activities – Receipts</b>	–	–	–	–	–
Rental receipts	–	265,576	253,451	265,576	253,451
Grants, contributions and subsidies	–	130,067	125,623	130,067	125,623
Interest received	–	1,739	224,029	1,083	2,615
Inventory receipts on sales	–	60,553	321,611	59,261	318,980
Other receipts	–	19,882	59,727	19,882	61,216
GST receipts on sales	–	15,708	17,310	15,708	17,296
GST receipts from taxation authority	–	18,548	35,004	18,548	35,004
<b>Cash flows from operating activities – Payments</b>	–	–	–	–	–
Rental property payments	–	(316,684)	(259,547)	(316,684)	(259,547)
Community support payments	–	(109,013)	(100,880)	(109,013)	(100,880)
Employee benefits	–	(166,658)	(169,220)	(166,658)	(169,220)
Supplies and services	–	(94,925)	(79,060)	(50,102)	(48,725)
Finance costs	–	(69,892)	(60,355)	(47,968)	(60,355)
Accommodation	–	(17,142)	(9,382)	(17,142)	(9,382)
Grants and Subsidies	–	(47,574)	(13,849)	(47,574)	(13,849)



Cash flows	Notes	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Purchase and development of inventory	–	(82,664)	(133,237)	(82,664)	(133,237)
GST payments on purchases	–	(22,434)	(35,837)	(22,434)	(35,837)
GST payments to taxation authority	–	(14,189)	(17,280)	(14,155)	(17,280)
Other payments	–	(53,214)	(135,219)	(53,214)	(135,219)
<b>Net cash provided by / (used in) operating activities</b>	7.4.2	<b>(482,316)</b>	<b>22,889</b>	<b>(417,483)</b>	<b>(169,346)</b>
<b>Cash flows from investing activities – Receipts</b>	–	–	–	–	–
Proceeds from the sale of non-current physical assets	–	47,868	66,278	47,868	66,278
Home loan repayments received	–	2,398,578	855,546	–	–
Other investing receipts	–	–	–	1,100,814	–
<b>Cash flows from investing activities – Payments</b>	–	–	–	–	–
Purchase of non-current physical assets	–	(289,764)	(91,333)	(288,244)	(91,040)
New home loans advanced	–	(960,620)	(1,160,973)	–	–
Other investing payments	–	–	–	–	(275,000)
<b>Net cash used in investing activities</b>	–	<b>1,196,062</b>	<b>(330,482)</b>	<b>860,438</b>	<b>(299,762)</b>



Cash flows	Notes	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Cash flows from financing activities – Receipts</b>	–	–	–	–	–
Proceeds from borrowings WA Treasury Corporation	–	450,000	1,350,000	450,000	1,350,000
Finance lease receipts	–	77,175	63,083	76,910	63,083
<b>Cash flows from financing activities – Payments</b>	–	–	–	–	–
Repayment of borrowings from	–	–	–	–	–
WA Treasury Corporation	–	(1,613,317)	(1,202,429)	(1,613,317)	(1,202,429)
Repayment of Commonwealth borrowings	–	(17,589)	(17,327)	(17,589)	(17,327)
Principal elements of lease payments	–	(79,907)	(66,165)	(78,577)	(64,906)
<b>Net cash provided by financing activities</b>	–	<b>(1,183,638)</b>	<b>127,162</b>	<b>(1,182,573)</b>	<b>128,421</b>
<b>Cash flows from State Government</b>	–	–	–	–	–
Service appropriation	–	81,434	108,166	81,434	108,166
Capital Appropriation	–	98,859	178,230	98,859	142,230
Royalty for Regions recurrent fund	–	96,996	74,971	96,996	74,971
Royalties for Regions capital fund	–	2,003	–	2,003	–
Other contributions/distributions of equity	–	(954)	–	(954)	–



Cash flows	Notes	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Funds from other public sector entities	–	117,538	94,935	306,252	213,047
<b>Net cash provided by State Government</b>	–	<b>395,876</b>	<b>456,302</b>	<b>584,590</b>	<b>538,414</b>
Net increase/(decrease) in cash and cash equivalents	–	(74,016)	275,871	(155,028)	197,727
Cash and cash equivalents at the beginning of the period	–	655,637	379,766	312,366	114,639
<b>Cash and cash equivalents at the end of the period</b>	7.4.1	<b>581,621</b>	<b>655,637</b>	<b>157,338</b>	<b>312,366</b>

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



## Notes to the financial statements

### 1. Basis of preparation

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

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Housing Authority on 24 November 2022.

#### **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 (AASs) 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 AASs. Several AASs 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).

#### **Basis of consolidation**

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

The reporting entity comprises the Housing 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'; and
  - (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 Housing 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 Housing 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 the State of Western Australia. The financial transactions for these entities have no effect on the operating result of the Housing Authority. The Housing 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 Housing Authority's home loan schemes. In its capacity as agent, the Trust receives advances for the purpose of providing mortgages to Western Australians. The Housing 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 Housing Authority achieve its objectives. The Housing 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 Housing 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. During 2021–22 the Seacrest Corporation Pty Ltd was deregistered. All assets and liabilities were transferred to the Housing Authority.

### **Ownership interest**

The Housing 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 Board of Directors of the Keystart group of companies comprise one Director from the Housing Authority and seven directors from the private sector.

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

The Housing Authority is the sole shareholder of Seacrest Corporation Pty Ltd. As of 1 July 2021, Seacrest Corporation Pty Ltd was deregistered and all existing assets and liabilities were transferred to the Housing Authority.

The ownership interest held by the Housing 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 Housing Authority
- Seacrest Corporation Pty Ltd: 100 per cent owned by the Housing Authority

**Table 9: Controlled entities and contribution to retained earnings**

Controlled entities and contribution to retained earnings	Percentage owned 2022 %	Percentage owned 2021 %	Contribution to consolidated entity result 2022 \$000	Contribution to consolidated entity result 2021 \$000	Investment shares at cost 2022 \$000	Investment shares at cost 2021 \$000
<b>Name</b>	–	–	–	–	–	–
Goldmaster Enterprises Pty Ltd	–	–	–	–	–	–
Profit/(loss)	87.18	87.18	(858)	(766)	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	–	–	713	3	–	–
Keystart Support Trust	100.00	100.00	Nil	Nil	–	–
Homeswest Loan Scheme Trust	100.00	100.00	Nil	Nil	–	–
Seacrest Corporation Pty Ltd	100.00	100.00	–	497	–	4,089

The Housing 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 Housing Authority with no borrowings outstanding through Keystart Bonds Ltd. The Housing Authority's obligations to the various participants are contained in a Support Agreement of the Scheme. No subsidies were required from the Housing Authority for the 2022 financial year.

### **Accounting for Goods and Services tax (GST)**

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

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

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

### **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 Housing Authority maintains an appropriate level of insurance cover for insurable risks.

The Housing 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 Officers' 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 Housing 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.

	<b>Notes</b>
Agency objectives	2.1
Schedule of income and expenses by service	2.2

### 2.1 Agency objectives

#### Mission

The Housing 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 Housing 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 Housing Authority provides the following services:

##### **Service 1:** Rental housing

The provision of housing to eligible Western Australian's through public housing, community housing managed properties, rental housing for key workers in regional Western Australia, Government Regional Officer Housing (GROH) and properties for remote Aboriginal Communities.

##### **Service 2:** Home loans

Enabling the financing of home ownership schemes for eligible applicants.

##### **Service 3:** Land and housing supply

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



## 2.2 Schedule of income and expenses by service

**Table 10: Schedule of income and expenses by service**

Consolidated 2022	Rental housing \$000	Home loans \$000	Land and housing supply \$000	Total \$000
<b>Revenue and Income</b>	–	–	–	–
Sales	–	–	63,048	63,048
Rental revenue	267,652	–	33	267,685
Grants, contributions and subsidies	130,067	–	–	130,067
Interest revenue	2,497	198,021	134	200,652
Gain on disposal of fixed assets	(2,241)	3,641	–	1,400
Other revenue	10,020	6,877	1,084	17,981
<b>Total revenue and income</b>	<b>407,995</b>	<b>208,539</b>	<b>64,299</b>	<b>680,833</b>
<b>Expenses</b>	–	–	–	–
Cost of sales	1,011	–	39,859	40,870
Rental expenses	314,935	54	294	315,283
Community support expense	106,830	–	–	106,830
Employee benefits expense	161,690	1,841	8,877	172,408
Supplies and services	43,683	7,976	4,262	55,921
Depreciation and amortisation expense	110,582	7,328	974	118,884
Finance costs	16,804	30,629	2,442	49,875
Grants and subsidies	47,143	27	134	47,304
Accommodation expenses	16,084	592	1,038	17,714



<b>Consolidated 2022</b>	<b>Rental housing \$000</b>	<b>Home loans \$000</b>	<b>Land and housing supply \$000</b>	<b>Total \$000</b>
Other expenses	23,999	(3,141)	4,677	25,535
<b>Total expenses</b>	<b>842,761</b>	<b>45,306</b>	<b>62,557</b>	<b>950,624</b>
Loss before income from State Government	(434,766)	163,233	1,742	(269,791)
<b>Income from State Government</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Service appropriation	81,434	–	–	81,434
Income from other public sector entities	103,563	108	543	104,214
Royalties for Regions Fund	96,996	–	–	96,996
Resources received	202	5	22	229
<b>Total income from State Government</b>	<b>282,195</b>	<b>113</b>	<b>565</b>	<b>282,873</b>
<b>Surplus/(deficit) for the period</b>	<b>(152,571)</b>	<b>163,346</b>	<b>2,307</b>	<b>13,082</b>
<b>Other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Changes in asset revaluation surplus	1,090,789	–	–	1,090,789
<b>Total other comprehensive income</b>	<b>1,090,789</b>	<b>–</b>	<b>–</b>	<b>1,090,789</b>
Surplus/(deficit) attributable to:	–	–	–	–
Consolidated equity	–	–	13,192	13,192
Non-controlling interest	–	–	(110)	(110)



<b>Consolidated 2022</b>	<b>Rental housing \$000</b>	<b>Home loans \$000</b>	<b>Land and housing supply \$000</b>	<b>Total \$000</b>
<b>Total</b>	–	–	<b>13,082</b>	<b>13,082</b>
Total comprehensive income attributable to:	–	–	–	–
Consolidated equity	1,090,789	–	13,192	1,103,981
Non-controlling interest	–	–	(110)	(110)
<b>Total</b>	<b>1,090,789</b>	–	<b>13,082</b>	<b>1,103,871</b>
<b>Total Comprehensive income for the period</b>	<b>1,090,789</b>	–	<b>13,082</b>	<b>1,103,871</b>

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

**Table 11: Schedule of income and expenses by service**

<b>Consolidated 2021</b>	<b>Rental housing \$000</b>	<b>Home loans \$000</b>	<b>Land and housing supply \$000</b>	<b>Total \$000</b>
<b>Revenue and Income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
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
<b>Total revenue and income</b>	<b>410,690</b>	<b>231,711</b>	<b>331,894</b>	<b>974,295</b>
<b>Expenses</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cost of sales	700	–	192,688	193,388
Rental expenses	266,919	(6)	(10)	266,903
Community support expense	105,609	–	–	105,609
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
Grants and subsidies	14,468	–	–	14,468
Accommodation expenses	9,184	465	323	9,972
Loss on disposal of non-current assets	7,290	984	49	8,323
Other expenses	126,659	9,326	137,652	273,637
<b>Total expenses</b>	<b>869,833</b>	<b>55,887</b>	<b>352,686</b>	<b>1,278,406</b>
<b>Profit/(loss) before income from State Government</b>	<b>(459,143)</b>	<b>175,824</b>	<b>(20,792)</b>	<b>(304,111)</b>



Consolidated 2021	Rental housing \$000	Home loans \$000	Land and housing supply \$000	Total \$000
<b>Income from State Government</b>	–	–	–	–
Service appropriation	108,166	–	–	108,166
Income from other public sector entities	94,608	–	–	94,608
Royalties for Regions Fund	74,971	–	–	74,971
Resources received	247	6	28	281
<b>Total income from State Government</b>	<b>277,992</b>	<b>6</b>	<b>28</b>	<b>278,026</b>
<b>Surplus / (deficit) for the period</b>	<b>(181,151)</b>	<b>175,830</b>	<b>(20,764)</b>	<b>(26,085)</b>
<b>Other comprehensive income</b>	–	–	–	–
Changes in asset revaluation surplus	(142,836)	–	–	(142,836)
<b>Total other comprehensive income</b>	<b>(142,836)</b>	–	–	<b>(142,836)</b>
Surplus/(deficit) attributable to:	–	–	–	–
Consolidated equity	(181,151)	175,830	(20,666)	(25,987)
Non-controlling interest	–	–	(98)	(98)
<b>Total</b>	<b>(181,151)</b>	<b>175,830</b>	<b>(20,764)</b>	<b>(26,085)</b>
Total comprehensive income attributable to:	–	–	–	–
Consolidated equity	(323,987)	175,830	(20,666)	(168,823)
Non-controlling interest	–	–	(98)	(98)
<b>Total</b>	<b>(323,987)</b>	<b>175,830</b>	<b>(20,764)</b>	<b>(168,921)</b>
<b>Total Comprehensive income for the period</b>	<b>(323,987)</b>	<b>175,830</b>	<b>(20,764)</b>	<b>(168,921)</b>

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**

Housing Authority 2022	Rental housing \$000	Home loans \$000	Land and housing supply \$000	Total \$000
<b>Revenue and Income</b>	–	–	–	–
Sales	–	–	61,807	61,807
Rental revenue	267,652	–	33	267,685
Grants, contributions and subsidies	130,067	–	–	130,067
Interest revenue	2,828	34	176	3,038
Gains on disposal of fixed assets	(2,241)	3,641	–	1,400
Other revenue	10,020	2,148	1,005	13,173
<b>Total revenue and income</b>	<b>408,326</b>	<b>5,823</b>	<b>63,021</b>	<b>477,170</b>
<b>Expenses</b>	–	–	–	–
Cost of sales	1,011	–	38,215	39,226
Rental expenses	314,935	54	294	315,283
Community support expense	106,830	–	–	106,830
Employee benefits expense	161,690	1,459	8,877	172,026
Supplies and services	43,863	837	4,263	48,783
Depreciation and amortisation expense	110,582	5,675	973	117,230
Finance costs	16,804	30,424	2,442	49,670
Grants and subsidies	47,143	27	134	47,304
Accommodation expenses	16,084	207	1,038	17,329
Other expenses	24,002	2,174	5,269	31,445



Housing Authority 2022	Rental housing \$000	Home loans \$000	Land and housing supply \$000	Total \$000
<b>Total expenses</b>	<b>842,764</b>	<b>40,857</b>	<b>61,505</b>	<b>945,126</b>
<b>Profit/(loss) before income from State Government</b>	<b>(434,438)</b>	<b>(35,034)</b>	<b>1,516</b>	<b>(467,956)</b>
<b>Income from State Government</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Service appropriation	81,434	–	–	81,434
Income from other public sector entities	103,563	198,382	543	302,488
Royalties for Regions Fund	96,996	–	–	96,996
Services received	202	5	22	229
<b>Total income from State Government</b>	<b>282,195</b>	<b>198,387</b>	<b>565</b>	<b>481,147</b>
<b>Surplus/(deficit) for the period</b>	<b>(152,243)</b>	<b>163,353</b>	<b>2,081</b>	<b>13,191</b>
<b>Other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Changes in asset revaluation surplus	1,090,789	–	–	1,090,789
<b>Total other comprehensive income</b>	<b>1,090,789</b>	<b>–</b>	<b>–</b>	<b>1,090,789</b>
<b>Total Comprehensive income for the period</b>	<b>938,546</b>	<b>163,353</b>	<b>2,081</b>	<b>1,103,980</b>

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 \$000	Home loans \$000	Land and housing supply \$000	Total \$000
<b>Revenue and Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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
<b>Total revenue and income</b>	<b>411,058</b>	<b>4,704</b>	<b>328,329</b>	<b>744,091</b>
<b>Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cost of sales	700	-	189,699	190,399
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
Depreciation and amortisation expense	116,138	6,106	653	122,897
Finance costs	19,194	29,119	3,101	51,414
Grants and subsidies	14,468	-	-	14,468
Accommodation expenses	9,184	64	323	9,571
Loss on disposal of non-current assets	7,290	984	49	8,323
Other expenses	126,660	2,264	137,185	266,109



Housing Authority 2021	Rental housing \$000	Home loans \$000	Land and housing supply \$000	Total \$000
<b>Total expenses</b>	<b>869,832</b>	<b>40,670</b>	<b>349,230</b>	<b>1,259,732</b>
<b>Loss before income from State Government</b>	<b>(458,774)</b>	<b>(35,966)</b>	<b>(20,901)</b>	<b>(515,641)</b>
<b>Income from State Government</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
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
<b>Total income from State Government</b>	<b>277,992</b>	<b>211,293</b>	<b>28</b>	<b>489,313</b>
<b>Surplus / (deficit) for the period</b>	<b>(180,782)</b>	<b>175,327</b>	<b>(20,873)</b>	<b>(26,328)</b>
<b>Other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Changes in asset revaluation surplus	(142,836)	–	–	(142,836)
<b>Total other comprehensive income</b>	<b>(142,836)</b>	<b>–</b>	<b>–</b>	<b>(142,836)</b>
<b>Total Comprehensive income for the period</b>	<b>(323,618)</b>	<b>175,327</b>	<b>(20,873)</b>	<b>(169,164)</b>

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 Housing 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 Housing Authority and the relevant notes are:

**Table 14: Primary income received**

Primary income received	Notes	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Sales	3.1	63,048	324,789	61,807	321,710
Rental revenue	3.2	267,685	247,566	267,685	247,566
Grants, contributions and subsidies	3.3	130,067	125,623	130,067	125,623
Interest revenue	3.4	200,652	224,450	3,038	3,035
Other income	3.5	17,981	51,867	13,173	46,157
Income from State Government	3.6	282,873	278,026	481,147	489,313



### 3.1. Trading profit

**Table 15: Trading profit**

Trading profit	Consolidated 2022 \$000	Consolidated Restated(a) 2021 \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000
<b>Sales</b>	–	–	–	–
Joint operations land	22,000	114,757	22,000	114,757
Land	3,570	123,038	3,570	112,458
House and land packages	37,478	86,994	36,237	84,495
<b>Total</b>	<b>63,048</b>	<b>324,789</b>	<b>61,807</b>	<b>321,710</b>
<b>Less cost of sales</b>	–	–	–	–
Joint operations land	(9,783)	(47,248)	(9,783)	(47,248)
Land	(2,838)	(73,754)	(2,838)	(73,294)
House and land packages	(28,249)	(72,386)	(26,605)	(69,857)
<b>Total</b>	<b>(40,870)</b>	<b>(193,388)</b>	<b>(39,226)</b>	<b>(190,399)</b>
<b>Trading profit</b>	<b>22,178</b>	<b>131,401</b>	<b>22,581</b>	<b>131,311</b>

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

(a) Refer to Note 9.2 Correction of prior period errors for details of restatement.



## 3.2. Rental revenue

**Table 16: Rental revenue**

Rental revenue	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Rental and other properties	264,480	244,686	264,480	244,686
Rental amenities	3,205	2,880	3,205	2,880
<b>Total rental revenue</b>	<b>267,685</b>	<b>247,566</b>	<b>267,685</b>	<b>247,566</b>

The Housing 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 Western Australian Land Information Authority (Valuations Services) 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 Housing 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 Housing 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 17: Grants, contributions and subsidies**

Grants, contributions and subsidies	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Commonwealth grants and contributions</b>	–	–	–	–
<b>Recurrent grants</b>	–	–	–	–
National Housing and Homelessness Agreement	127,667	125,623	127,667	125,623
<b>Total Commonwealth recurrent grants</b>	<b>127,667</b>	<b>125,623</b>	<b>127,667</b>	<b>125,623</b>
<b>Capital Grants</b>	–	–	–	–
Homelessness projects	2,400	–	2,400	–
<b>Total Commonwealth capital grants</b>	<b>2,400</b>	<b>–</b>	<b>2,400</b>	<b>–</b>
<b>Total grants, contributions and subsidies</b>	<b>130,067</b>	<b>125,623</b>	<b>130,067</b>	<b>125,623</b>

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

Income from grants to acquire/construct a recognisable non-financial asset (capital grants) to be controlled by the Housing Authority is recognised when the Housing Authority satisfies its obligations under the transfer. The Housing Authority typically satisfies the obligations under the transfer when it achieves milestones specified in the grant agreement.



### 3.4. Interest revenue

**Table 18: Interest revenue**

Interest revenue	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Loan interest</b>	–	–	–	–
Keystart secured mortgage advances	197,366	221,340	–	–
<b>Total loan interest</b>	<b>197,366</b>	<b>221,340</b>	–	–
<b>Other interest</b>	–	–	–	–
Interest on cash at bank	1,359	871	1,359	871
Interest on finance leases	1,295	1,080	1,295	1,080
Interest on investments	628	497	–	–
Interest other	4	662	384	1,084
<b>Total other interest</b>	<b>3,286</b>	<b>3,110</b>	<b>3,038</b>	<b>3,035</b>
<b>Total interest revenue</b>	<b>200,652</b>	<b>224,450</b>	<b>3,038</b>	<b>3,035</b>

**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 19: Other income**

Other income	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Bad debts recovered	1,276	1,312	1,276	1,312
Conveyancing fees	1,960	2,216	1,960	2,216
Employee contributions	922	780	922	780
Previous year's GST refunds	4,313	34,550	4,313	34,550
Revenue related to service concession arrangements	3,345	2,424	3,345	2,424
Other revenue	6,165	10,585	1,357	4,875
<b>Total other income</b>	<b>17,981</b>	<b>51,867</b>	<b>13,173</b>	<b>46,157</b>

**Employee contributions** are contributions made to the Housing Authority by employees towards employee benefits that have been provided.

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

**Revenue related to service concession arrangements** reflects the progressive unwinding of the 'grant of right to operate' liability (Note 6.7 'Other liabilities') over the remaining period of the arrangement. Refer to Note 5.5 'Service concession assets'.



### 3.6. Income from State Government

**Table 20: Income from State Government**

Income from State Government	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Appropriation received during the period	–	–	–	–
Service appropriation	81,434	108,166	81,434	108,166
<b>Total service appropriation received</b>	<b>81,434</b>	<b>108,166</b>	<b>81,434</b>	<b>108,166</b>
Royalties for Regions Fund	–	–	–	–
Regional Infrastructure and Headworks account	96,996	74,971	96,996	74,971
<b>Total Royalties for Regions Fund</b>	<b>96,996</b>	<b>74,971</b>	<b>96,996</b>	<b>74,971</b>
Resources received from other public sector entities	–	–	–	–
Department of Finance – Government accommodation leasing	229	281	229	281
<b>Total resources received</b>	<b>229</b>	<b>281</b>	<b>229</b>	<b>281</b>
Income received from other public sector entities during the period	–	–	–	–
Recurrent grants	–	–	–	–
Department of Primary Industries and Regional Development	891	240	891	240
Department of Premier and Cabinet	–	56	–	56
Pilbara Development Commission	–	586	–	586



Income from State Government	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Water Corporation	350	369	350	369
<b>Total recurrent grants</b>	<b>1,241</b>	<b>1,251</b>	<b>1,241</b>	<b>1,251</b>
Capital grants	–	–	–	–
Department of Primary Industries and Regional Development	618	7,355	618	7,355
<b>Total Capital Grants</b>	<b>618</b>	<b>7,355</b>	<b>618</b>	<b>7,355</b>
Other income received	–	–	–	–
GROH rental revenue	96,858	86,002	96,858	86,002
Transfer of leave provision movement to Department of Communities	5,497	–	5,497	–
Keystart dividend revenue	–	–	141,898	155,837
Keystart interest revenue	–	–	56,376	55,450
<b>Total other income received</b>	<b>102,355</b>	<b>86,002</b>	<b>300,629</b>	<b>297,289</b>
<b>Total income received from other public sector entities</b>	<b>104,214</b>	<b>94,608</b>	<b>302,488</b>	<b>305,895</b>
<b>Total income from State Government</b>	<b>282,873</b>	<b>278,026</b>	<b>481,147</b>	<b>489,313</b>

**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.



**The Regional Infrastructure and headwork Account** is a sub-fund within the overarching 'Royalties for Regions Fund'. The 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** is recognised as income equivalent to the fair value of assets received or the fair value of services received 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.

## Summary of consolidated account appropriations

For the year ended 30 June 2022

**Table 21: Summary of consolidated account appropriations**

Account appropriations	Budget Estimate 2022 \$000	Supplementary funding 2022 \$000	Revised Budget 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
<b>Delivery of Services</b>	–	–	–	–	–
Net amount appropriated to deliver services	51,341	–	51,341	81,434	30,093
<b>Capital</b>	–	–	–	–	–
Capital appropriations	145,537	–	142,737	98,859	(43,878)
<b>Grand Total</b>	<b>196,878</b>	<b>–</b>	<b>194,078</b>	<b>180,293</b>	<b>(13,785)</b>

No supplementary funding was received by the Housing Authority in 2021-22.



## 4. Use of our funding

### Expenses incurred in the delivery of services

This section provides additional information about how the Housing 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 Housing Authority in achieving its objectives and the relevant notes are:

**Table 22: Primary Expenses**

Primary Expenses	Notes	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Employee benefits expense	4.1	172,408	172,824	172,026	172,387
Other expenditures	4.2	521,283	713,257	519,670	699,844
(Gain)/Loss on disposal of non-current assets	4.5	(1,400)	8,323	(1,400)	8,323



## 4.1. Employee benefits expense

**Table 23: Employee benefits expense**

Employee benefits expense	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Employee benefits	155,351	151,440	154,969	151,003
Termination benefits	2,340	6,099	2,340	6,099
Superannuation – defined contribution plans	14,849	16,123	14,849	16,123
Superannuation – defined benefit plans	(132)	(838)	(132)	(838)
<b>Total employee benefits expenses</b>	<b>172,408</b>	<b>172,824</b>	<b>172,026</b>	<b>172,387</b>
Add: AASB 16 non-monetary benefits (not included in employee benefits expense)	1,673	1,684	1,673	1,684
Less: employee contributions (per the statement of comprehensive income)	(922)	(780)	(922)	(780)
<b>Net employee benefits</b>	<b>173,159</b>	<b>173,728</b>	<b>172,777</b>	<b>173,291</b>

**Employee benefits:** include wages, salaries and social contributions, accrued and paid leave entitlements and sick leave and non-monetary benefits recognised under accounting standards other than AASB 16 (such as medical care, housing, cars and free or subsidised goods or services) for employees.

**Termination benefits:** payable when employment is terminated before 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 Housing 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 of the Statement of comprehensive income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, 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:** non-monetary employee benefits predominately relating to the provision of vehicle and housing benefits that are measured under AASB 16 which are excluded from the employee benefits expense.

**Employee contributions:** contributions made to the Housing Authority by employees towards employee benefits that have been provided by the Housing Authority. This includes both AASB 16 and non-AASB 16 employee contributions.



## 4.2. Other expenditures

**Table 24: Other expenditures**

Other expenditures	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Rental expenses</b>	–	–	–	–
Debt collection expenses	986	956	986	956
Demolition costs	1,109	1,640	1,109	1,640
Estate management expenses	5,012	3,597	5,012	3,597
General expenses	24,057	14,412	24,057	14,412
Self-insurance expenses	9,185	8,974	9,185	8,974
Maintenance expenses	167,568	130,747	167,568	130,747
Rates expenses	100,949	100,336	100,949	100,336
Renovations and improvements	6,417	6,241	6,417	6,241
<b>Total rental expenses</b>	<b>315,283</b>	<b>266,903</b>	<b>315,283</b>	<b>266,903</b>
<b>Community support expense</b>	–	–	–	–
Aboriginal Housing	96,724	93,508	96,724	93,508
Community Housing	10,106	12,101	10,106	12,101
<b>Total community support expense</b>	<b>106,830</b>	<b>105,609</b>	<b>106,830</b>	<b>105,609</b>
<b>Supplies and services</b>	–	–	–	–
Asset maintenance	2,120	4,105	2,120	4,105
Audit fees	1,171	864	814	511
Communication	4,376	11,233	4,176	11,037
Minor equipment purchases	2,788	3,410	2,788	3,410
Motor Vehicles	1,036	975	1,036	975
Other personnel costs	5,721	4,273	5,721	4,273



Other expenditures	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Professional services, consultants and contractors	26,334	22,489	26,334	22,489
Stationery and supplies	650	683	313	326
Travel	1,137	1,026	1,137	1,026
Other costs and expenses	10,588	8,078	4,344	3,500
<b>Total supplies and services expenses</b>	<b>55,921</b>	<b>57,136</b>	<b>48,783</b>	<b>51,652</b>
<b>Accommodation Expenses</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Rental	10,781	5,211	10,449	4,853
Accommodation outgoings and repairs and maintenance	6,933	4,761	6,880	4,718
<b>Total accommodation expenses</b>	<b>17,714</b>	<b>9,972</b>	<b>17,329</b>	<b>9,571</b>
<b>Other expenses</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Assets transferred to Community Housing	–	320	–	320
Assets transferred to other Government Agencies	223	–	223	–
Employee on-costs	10,261	11,325	10,261	11,325
Expected credit loss expense/(credit)	(18,788)	(10,678)	4,551	333
Fees – Keystart	17,395	17,817	–	–
Impairment – Assets (Goldmaster)	–	–	746	514
Impairment on non-current assets	4,582	125,626	4,582	125,626
Land expenses	7,021	44,275	7,021	44,275
Loan scheme expenses	1,045	869	1,045	869
Native Title settlement expense	–	59,350	–	59,350
Project expenses	812	754	812	754



Other expenditures	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Other expenses	2,984	23,979	2,204	22,743
<b>Total other expenses</b>	<b>25,535</b>	<b>273,637</b>	<b>31,445</b>	<b>266,109</b>
<b>Total other expenditure</b>	<b>521,283</b>	<b>713,257</b>	<b>519,670</b>	<b>699,844</b>

**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.

**Office rental** is expensed as incurred as Memorandum of Understanding Agreements between the Agency and the Department of Finance for the leasing of office accommodation contain significant substitution rights

**Accommodation outgoings and repairs and maintenance** are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

**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 Housing 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 6.1.1 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.

**Grants and subsidies** are transactions in which the Housing Authority provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return. These payments or transfers are recognised at fair value at the time of the transaction and are recognised as an expense in the reporting period in which they are paid. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to



public sector agencies, local government, non-government schools, and community groups.

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

**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. Grants and subsidies

**Table 25: Grants and subsidies**

Grants and subsidies	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Proceeds from Grants and subsidies</b>	–	–	–	–
Regional renewal program grants	953	–	953	–
COVID-19 Community housing rent relief grant	1,631	–	1,631	–
National rent affordability scheme grants	10,119	12,755	10,119	12,755
National housing and homelessness data working group contribution	270	341	270	341
Social Housing Economic Recovery Package grants	31,559	–	31,559	–
Other	2,772	1,372	2,772	1,372
<b>Total other income</b>	<b>47,304</b>	<b>14,468</b>	<b>47,304</b>	<b>14,468</b>



#### 4.4. Loss on disposal of non-current assets

**Table 26: Loss on disposal of non-current assets**

Loss on disposal of non-current assets	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Proceeds from the disposal of non-current assets</b>	–	–	–	–
Community Housing properties	30	760	30	760
Rental properties	6,676	28,996	6,676	28,996
Shared Equity properties	41,162	30,034	41,162	30,034
<b>Total</b>	<b>47,868</b>	<b>59,790</b>	<b>47,868</b>	<b>59,790</b>
<b>Carrying amount of non-current assets disposed</b>	–	–	–	–
Community Housing properties	593	773	593	773
Rental properties	8,731	36,335	8,731	36,335
Shared Equity properties	37,144	30,512	37,144	30,512
Plant and equipment and intangible assets	–	493	–	493
<b>Total</b>	<b>46,468</b>	<b>68,113</b>	<b>46,468</b>	<b>68,113</b>
<b>Net loss/(gain)</b>	<b>(1,400)</b>	<b>8,323</b>	<b>(1,400)</b>	<b>8,323</b>

The cost on disposal of rental properties includes the value of properties demolished of \$4.582m (2021: \$15.398m).

**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 Housing Authority 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 27: Key assets**

Key Assets	Notes	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Inventories	5.1	403,988	746,922	393,188	730,499
Property, plant and equipment	5.2	11,110,776	10,030,049	11,108,432	10,027,610
Right-of-use assets	5.3	6,607	6,885	1,971	1,480
Intangibles	5.4	1,217	650	114	278
Service concession assets	5.5	2,033,960	1,856,367	2,033,960	1,856,367
Non-current assets classified as held for sale	5.6	7,233	5,161	7,233	5,161



## 5.1. Inventories

**Table 28: Inventories**

Inventories	Consolidated 2022 \$000	Consolidated Restated 2021 \$000	Housing Authority 2022 \$000	Housing Authority Restated 2021 \$000
<b>Land held for sale at cost current</b>	–	–	–	–
Land acquisition and development at cost	66,057	126,439	66,057	124,974
Joint operations land at cost	18,529	43,984	18,529	43,984
House and land packages for sale	16,433	28,153	16,433	28,055
House and land packages construction in progress	13,320	37,528	13,320	37,528
<b>Total current inventories</b>	<b>114,339</b>	<b>236,104</b>	<b>114,339</b>	<b>234,541</b>
<b>Non-current</b>	–	–	–	–
Land acquisition and development at cost	273,403	434,599	262,603	419,739
Joint operations land at cost (a)	16,246	76,219	16,246	76,219
<b>Total non-current inventories</b>	<b>289,649</b>	<b>510,818</b>	<b>278,849</b>	<b>495,958</b>
<b>Total inventories</b>	<b>403,988</b>	<b>746,922</b>	<b>393,188</b>	<b>703,499</b>

### 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 Housing Authority are transferred to the stock of Rental properties at fair value as determined by the Western Australian Land Information Authority 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 whilst 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 Housing 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 Housing Authority is shown at cost plus capitalised costs.

As of 1 July 2021, the Housing Authority transferred its interest in joint operations to the Western Australian Land Authority (DevWA) as part of the Machinery of Government (MoG) changes. The Butler and Dalyellup Beach joint operations have been retained by the Housing Authority and continue to be disclosed in the financial statements.

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

#### **Dalyellup Beach**

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

#### **Ellenbrook**



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

The Ellenbrook joint operation was transferred to The Western Australian Land Authority on 1 July 2021 as part of the tranche 2 MoG changes.

### **Oyster Harbour**

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

The Oyster Harbour joint operation was transferred to The Western Australian Land Authority on 1 July 2021 as part of the tranche 2 MoG changes.

### **Wellard**

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

held in the joint operation.

The Wellard joint operation was transferred to The Western Australian Land Authority on 1 July 2021 as part of the tranche 2 MoG changes.

### **Banksia Grove**

The Housing 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 Housing Authority contributes the land and the participant contributes the funds for the development of the land. The Housing Authority receives a 35 per cent land payment on the sale of each lot and 40 per cent share in the profits.

The Banksia Grove joint operation was transferred to The Western Australian Land Authority on 1 July 2021 as part of the tranche 2 MoG changes.

### **Brookdale**

The Housing 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



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

The Brookdale joint operation was transferred to The Western Australian Land Authority on 1 July 2021 as part of the tranche 2 MoG changes.

### **Golden Bay Estate**

The Housing 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 Housing Authority contributes the land and the participant contributes the funds for the development of the land. The Housing Authority receives a 50 per cent land payment on the sale of each lot and 50% share in the profits.

The Golden Bay joint operation was transferred to The Western Australian Land Authority on 1 July 2021 as part of the tranche 2 MoG changes.



## 5.1. Inventories (continued)

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

**Table 29: Inventories**

Inventories 2022	Notes	Butler \$000	Dalyellup Beach \$000	Ellenbrook \$000	Oyster Harbour \$000	Golden Bay Estate \$000	Brookdale \$000	Wellard \$000	Banksia Grove \$000	Total \$000
<b>Current assets</b>	–	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	7.5	3,872	3,766	–	–	–	–	–	–	7,638
Receivables	6.1	319	1,497	–	–	–	–	–	–	1,816
Inventories	5.1	14,608	3,921	–	–	–	–	–	–	18,529
Other current assets	6.3	251	22	–	–	–	–	–	–	273
<b>Sub-total</b>	–	<b>19,050</b>	<b>9,206</b>	–	–	–	–	–	–	<b>28,256</b>
<b>Non-current assets</b>	–	–	–	–	–	–	–	–	–	–
Receivables	6.1	–	–	–	–	–	–	–	–	–
Office equipment	5.2	–	69	–	–	–	–	–	–	69
Buildings	5.2	1,024	–	–	–	–	–	–	–	1,024
Development costs (1)	5.1	3,495	12,028	–	–	–	–	–	–	15,523



Inventories 2022	Notes	Butler \$000	Dalyellup Beach \$000	Ellenbrook \$000	Oyster Harbour \$000	Golden Bay Estate \$000	Brookdale \$000	Wellard \$000	Banksia Grove \$000	Total \$000
<b>Sub-total</b>	–	<b>4,519</b>	<b>12,097</b>	–	–	–	–	–	–	<b>16,616</b>
<b>Total assets</b>	–	<b>23,569</b>	<b>21,303</b>	–	–	–	–	–	–	<b>44,872</b>
<b>Current liabilities</b>	–	–	–	–	–	–	–	–	–	–
Payables	6.5	1,590	521	–	–	–	–	–	–	2,111
Other liabilities	6.7	7	25	–	–	–	–	–	–	32
<b>Sub-Total</b>	–	<b>1,597</b>	<b>546</b>	–	–	–	–	–	–	<b>2,143</b>
<b>Non-current liabilities</b>	–	–	–	–	–	–	–	–	–	–
Payables	6.5	251	–	–	–	–	–	–	–	251
<b>Sub-total</b>	–	<b>251</b>	–	–	–	–	–	–	–	<b>251</b>
<b>Total liabilities</b>	–	<b>1,848</b>	<b>546</b>	–	–	–	–	–	–	<b>2,394</b>
<b>Net assets</b>	–	<b>21,721</b>	<b>20,757</b>	–	–	–	–	–	–	<b>42,478</b>
<b>Land (a)</b>	–	<b>721</b>	<b>2</b>	–	–	–	–	–	–	<b>723</b>

(1) The total development costs (\$15.523m) and Authority land (\$0.723m) represents the total (\$16.246m) joint operations land.

**Table 30: 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
<b>Current assets</b>	–	–	–	–	–	–	–	–	–	–
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
<b>Sub-total</b>	–	<b>16,195</b>	<b>7,508</b>	<b>24,956</b>	<b>1,950</b>	<b>4,734</b>	<b>7,253</b>	<b>–</b>	<b>–</b>	<b>62,596</b>
<b>Non-current assets</b>	–	–	–	–	–	–	–	–	–	–
Receivables	6.1	–	–	82	–	–	–	–	–	82
Office equipment	5.2	–	73	1	–	6	–	–	–	80
Buildings	5.2	1,056	–	104	–	–	–	–	–	1,160
Development costs (1)	5.1	9,131	13,716	5,684	–	1,642	29,190	–	–	59,363
<b>Sub-total</b>	–	<b>10,187</b>	<b>13,789</b>	<b>5,871</b>	<b>–</b>	<b>1,648</b>	<b>29,190</b>	<b>–</b>	<b>–</b>	<b>60,685</b>
<b>Total assets</b>	–	<b>26,382</b>	<b>21,297</b>	<b>30,827</b>	<b>1,950</b>	<b>6,382</b>	<b>36,443</b>	<b>–</b>	<b>–</b>	<b>123,281</b>
<b>Current liabilities</b>	–	–	–	–	–	–	–	–	–	–



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
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
<b>Total</b>	–	<b>1,588</b>	<b>218</b>	<b>3,223</b>	<b>83</b>	<b>976</b>	<b>928</b>	–	–	<b>7,016</b>
<b>Non-current liabilities</b>	–	–	–	–	–	–	–	–	–	–
Payables	6.5	258	–	24	–	–	–	–	–	282
<b>Sub-total</b>	–	<b>258</b>	–	<b>24</b>	–	–	–	–	–	<b>282</b>
<b>Total liabilities</b>	–	<b>1,846</b>	<b>218</b>	<b>3,247</b>	<b>83</b>	<b>976</b>	<b>928</b>	–	–	<b>7,298</b>
<b>Net assets</b>	–	<b>24,536</b>	<b>21,079</b>	<b>27,580</b>	<b>1,867</b>	<b>5,406</b>	<b>35,515</b>	–	–	<b>115,983</b>
<b>Land (1)</b>	–	<b>882</b>	<b>2</b>	<b>947</b>	<b>625</b>	<b>6,288</b>	<b>6,268</b>	<b>1,261</b>	<b>583</b>	<b>16,856</b>

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



## 5.2. Property, plant and equipment

**Table 31: Property, plant and equipment**

Consolidated Year ended 30 June 2022	Rental Properties \$000	Community Housing Properties \$000	Shared Equity Properties \$000	Other Properties \$000	Plant and Equipment \$000	Buildings Under Construction \$000	Total \$000
<b>1 July 2021</b>	–	–	–	–	–	–	–
Gross carrying amount	9,128,872	327,927	439,167	90,785	19,958	45,746	10,052,455
Accumulated depreciation	(926)	–	(70)	(4,599)	(16,811)	–	(22,406)
<b>Carrying amount at start of period</b>	<b>9,127,946</b>	<b>327,927</b>	<b>439,097</b>	<b>86,186</b>	<b>3,147</b>	<b>45,746</b>	<b>10,030,049</b>
Additions	118,944	942	10,531	25	871	188,634	319,947
Transfer from/(to) owner	–	–	–	(11,460)	–	–	(11,460)
Transfers	82,202	3,085	(1,165)	(785)	–	(83,337)	–
Transfers – service concession assets	(9,020)	5	1	(18,282)	3	–	(27,293)
Transfers to Profit and Loss	–	–	–	–	–	(18,949)	(18,949)
Transfers – from work in progress and held for sale	26,065	1,087	1,537	(186)	–	–	28,503
Disposals	(6,957)	(573)	(36,408)	(584)	(36)	–	(44,558)

Consolidated Year ended 30 June 2022	Rental Properties \$000	Community Housing Properties \$000	Shared Equity Properties \$000	Other Properties \$000	Plant and Equipment \$000	Buildings Under Construction \$000	Total \$000
Impairment losses (a)	(4,536)	–	–	–	–	–	(4,536)
Revaluation increments (decrements)	858,387	27,182	42,801	6,752	–	–	935,122
Depreciation	(84,629)	(4,371)	(5,376)	(862)	(811)	–	(96,049)
<b>Carrying amount at 30 June 2022</b>	<b>10,108,402</b>	<b>355,284</b>	<b>451,018</b>	<b>60,804</b>	<b>3,174</b>	<b>132,094</b>	<b>11,110,776</b>
Gross carrying amount	10,109,978	355,438	451,070	65,581	16,412	132,094	11,130,573
Accumulated depreciation	(1,576)	(154)	(52)	(4,777)	(13,238)	–	(19,797)
<b>Carrying amount at 30 June 2022</b>	<b>10,108,402</b>	<b>355,284</b>	<b>451,018</b>	<b>60,804</b>	<b>3,174</b>	<b>132,094</b>	<b>11,110,776</b>

(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 32: 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
<b>1 July 2020</b>	–	–	–	–	–	–	–
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)
<b>Carrying amount at start of period</b>	<b>9,363,220</b>	<b>360,758</b>	<b>471,257</b>	<b>80,539</b>	<b>3,707</b>	<b>17,370</b>	<b>10,296,851</b>
Correction of prior period error	11,997	(27,393)	–	–	–	–	(15,396)
<b>Restated carrying amount</b>	<b>9,375,217</b>	<b>333,365</b>	<b>471,257</b>	<b>80,539</b>	<b>3,707</b>	<b>17,370</b>	<b>10,281,455</b>
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)
Transfers to Profit and Loss	–	–	–	–	–	(8,322)	(8,322)



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 – 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)
Revaluation increments (decrements)	(106,238)	(3,513)	(7,468)	2,583	–	–	(114,636)
Depreciation	(85,166)	(4,907)	(5,975)	(1,203)	(888)	–	(98,139)
<b>Carrying amount at 30 June 2021</b>	<b>9,127,946</b>	<b>327,927</b>	<b>439,097</b>	<b>86,186</b>	<b>3,147</b>	<b>45,746</b>	<b>10,030,049</b>
Gross carrying amount	9,128,872	327,927	439,167	90,785	19,958	45,746	10,052,455
Accumulated depreciation	(926)	–	(70)	(4,599)	(16,811)	–	(22,406)
<b>Carrying amount at 30 June 2021</b>	<b>9,127,946</b>	<b>327,927</b>	<b>439,097</b>	<b>86,186</b>	<b>3,147</b>	<b>45,746</b>	<b>10,030,049</b>

- (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 2021 as per the accounting standard.
- (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 33: Property, plant and equipment**

Housing Authority Year ended 30 June 2022	Rental properties \$000	Community housing Properties \$000	Shared equity Properties \$000	Other properties \$000	Plant and equipment \$000	Buildings under construction \$000	Total \$000
<b>1 July 2021</b>	–	–	–	–	–	–	–
Gross carrying amount	9,128,872	9,128,872	439,167	90,785	9,007	45,746	10,041,504
Accumulated depreciation	(926)	–	(70)	(4,599)	(8,299)	–	(13,894)
<b>Carrying amount at start of period</b>	<b>9,127,946</b>	<b>327,927</b>	<b>439,097</b>	<b>86,186</b>	<b>708</b>	<b>45,746</b>	<b>10,027,610</b>
Additions	118,944	942	10,531	25	378	188,634	319,454
Transfer from/(to) owner	–	–	–	(11,460)	–	–	(11,460)
Transfers	82,202	3,085	(1,165)	(785)	–	(83,337)	–
Transfers – service concession assets	(9,020)	5	1	(18,282)	3	–	(27,293)
Transfers to Profit and Loss	–	–	–	–	–	(18,949)	(18,949)



Housing Authority Year ended 30 June 2022	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 – work in progress and held for sale	26,065	1,087	1,537	(186)	–	–	28,503
Disposals	(6,957)	(573)	(36,408)	(584)	(35)	–	(44,557)
Impairment losses (a)	(4,536)	–	–	–	–	–	(4,536)
Revaluation increments (decrements)	858,387	27,182	42,801	6,752	–	–	935,122
Depreciation	(84,629)	(4,371)	(5,376)	(862)	(224)	–	(95,462)
<b>Carrying amount at 30 June 2022</b>	<b>10,108,402</b>	<b>355,284</b>	<b>451,018</b>	<b>60,804</b>	<b>830</b>	<b>132,094</b>	<b>11,108,432</b>
Gross carrying amount	10,109,978	355,438	451,070	65,581	9,096	132,094	11,123,257
Accumulated depreciation	(1,576)	(154)	(52)	(4,777)	(8,266)	–	(14,825)
Accumulated impairment loss	–	–	–	–	–	–	–
<b>Carrying amount at 30 June 2022</b>	<b>10,108,402</b>	<b>355,284</b>	<b>451,018</b>	<b>60,804</b>	<b>830</b>	<b>132,094</b>	<b>11,108,432</b>

(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 34: 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
<b>1 July 2020</b>	–	–	–	–	–	–	–
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)
<b>Carrying amount at start of period</b>	<b>9,363,220</b>	<b>360,758</b>	<b>471,257</b>	<b>80,539</b>	<b>973</b>	<b>17,370</b>	<b>10,294,117</b>
Correction of prior period error	11,997	(27,393)	–	–	–	–	(15,396)
<b>Restated carrying amount</b>	<b>9,375,217</b>	<b>333,365</b>	<b>471,257</b>	<b>80,539</b>	<b>973</b>	<b>17,370</b>	<b>10,278,721</b>
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)
Revaluation increments (decrements)	(106,238)	(3,513)	(7,468)	2,583	–	–	(114,636)
Depreciation	(85,166)	(4,907)	(5,975)	(1,203)	(303)	–	(97,554)
<b>Carrying amount at 30 June 2021</b>	<b>9,127,946</b>	<b>327,927</b>	<b>439,097</b>	<b>86,186</b>	<b>708</b>	<b>45,746</b>	<b>10,027,610</b>
Gross carrying amount	9,128,872	327,927	439,167	90,785	9,007	45,746	10,041,504
Accumulated depreciation	(926)	–	(70)	(4,599)	(8,299)	–	(13,894)
<b>Carrying amount at 30 June 2021</b>	<b>9,127,946</b>	<b>327,927</b>	<b>439,097</b>	<b>86,186</b>	<b>708</b>	<b>45,746</b>	<b>10,027,610</b>

- 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.



### **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 Western Australian Land Information Authority (Valuation Services) 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 Housing 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 35: Depreciation and impairment**

Charge for the period	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Depreciation</b>	–	–	–	–
Rental properties	84,629	85,166	84,629	85,166
Community Housing properties	4,371	4,907	4,371	4,907
Shared Equity properties	5,376	5,975	5,376	5,975
Other properties	862	1,203	862	1,203
Plant, equipment and vehicles	811	888	224	303
<b>Total depreciation for the year</b>	<b>96,049</b>	<b>98,139</b>	<b>95,462</b>	<b>97,554</b>



As at 30 June 2022 there were no indications of impairment to property, plant and equipment.

All surplus assets as at 30 June 2022 have either been classified as assets held for sale or have been written-off.

### 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 36: 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 Housing 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 37: Right-of-use assets**

Consolidated – Year ended 30 June 2022	Buildings \$000	Plant and equipment \$000	Vehicles \$000	Total \$000
<b>At 1 July 2021</b>	–	–	–	–
Gross carrying amount	8,040	846	2,361	11,247
Accumulated depreciation	(2,196)	(846)	(1,320)	(4,362)
Accumulated impairment loss	–	–	–	–
<b>Carrying amount at start of period</b>	<b>5,844</b>	<b>–</b>	<b>1,041</b>	<b>6,885</b>
Additions	1,514	–	797	2,311
Transfers	–	–	–	–
Disposals	(129)	–	(70)	(199)
Impairment losses	–	–	–	–
Impairment losses reversed	–	–	–	–
Depreciation	(1,584)	–	(806)	(2,390)
<b>Carrying amount at 30 June 2022</b>	<b>5,645</b>	<b>–</b>	<b>962</b>	<b>6,607</b>
Gross carrying amount	8,662	–	2,739	11,401
Accumulated depreciation	(3,017)	–	(1,777)	(4,794)
<b>Carrying amount at 30 June 2022</b>	<b>5,645</b>	<b>–</b>	<b>962</b>	<b>6,607</b>

**Table 38: Right-of-use assets (continued)**

<b>Consolidated – Year ended 30 June 2021</b>	<b>Buildings \$000</b>	<b>Plant and equipment \$000</b>	<b>Vehicles \$000</b>	<b>Total \$000</b>
<b>1 July 2020</b>	–	–	–	–
Gross carrying amount	8,120	846	2,260	11,226
Accumulated depreciation	(1,325)	(597)	(802)	(2,724)
Accumulated impairment loss	–	–	–	–
<b>Carrying amount at start of period</b>	<b>6,795</b>	<b>249</b>	<b>1,458</b>	<b>8,502</b>
Additions	1,071	–	398	1,469
Transfers	–	–	–	–
Disposals	(332)	–	(63)	(395)
Impairment losses	–	–	–	–
Impairment losses reversed	–	–	–	–
Depreciation	(1,690)	(249)	(752)	(2,691)
<b>Carrying amount at 30 June 2021</b>	<b>5,844</b>	<b>–</b>	<b>1,041</b>	<b>6,885</b>
Gross carrying amount	8,040	846	2,361	11,247
Accumulated depreciation	(2,196)	(846)	(1,320)	(4,362)
<b>Carrying amount at 30 June 2021</b>	<b>5,844</b>	<b>–</b>	<b>1,041</b>	<b>6,885</b>

**Table 39: Right-of-use assets**

Housing Authority – Year ended 30 June 2022	Buildings \$000	Plant and equipment \$000	Vehicles \$000	Total \$000
<b>1 July 2021</b>	–	–	–	–
Gross carrying amount	962	846	2,361	4,169
Accumulated depreciation	(523)	(846)	(1,320)	(2,689)
<b>Carrying amount at start of period</b>	<b>439</b>	<b>–</b>	<b>1,041</b>	<b>1,480</b>
Additions	1,514	–	797	2,311
Transfers	–	–	–	–
Disposals	(129)	–	(70)	(199)
Impairment losses	–	–	–	–
Impairment losses reversed	–	–	–	–
Depreciation	(815)	–	(806)	(1,621)
<b>Carrying amount at 30 June 2022</b>	<b>1,009</b>	<b>–</b>	<b>962</b>	<b>1,971</b>
Gross carrying amount	1,584	–	2,739	4,323
Accumulated depreciation	(575)	–	(1,777)	(2,352)
<b>Carrying amount at 30 June 2022</b>	<b>1,009</b>	<b>–</b>	<b>962</b>	<b>1,971</b>

**Table 40: Right-of-use assets (continued)**

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



### **Initial recognition**

At the commencement date of the lease, the Housing Authority recognises right-of-use assets at cost comprising of:

- 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, and
- Restoration costs, including dismantling and removing the underlying asset

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

The Housing Authority has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of less than 12 months) 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 Housing 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 41: 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 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Depreciation expense of right-of-use assets	2,390	2,691	1,621	1,869
Lease interest expense	1,539	1,317	1,347	1,145
<b>Total amount recognised in the statement of comprehensive income</b>	<b>3,929</b>	<b>4,008</b>	<b>2,968</b>	<b>3,014</b>

The total cash outflow for leases in 2022 was \$78.577m (2021: \$64.906m – Parent entity) and \$79.907m (2021: \$66.165m – Consolidated entity).

**The Housing Authority’s leasing activities and how these are accounted for:**

The Housing Authority has leases for office and residential accommodation, office equipment and vehicles.

The Housing Authority has also entered into a Memorandum of Understanding Agreements (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 Housing 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 42: Consolidated – Intangible assets**

<b>Consolidated – Intangible assets</b>	<b>Computing software 2022 \$000</b>	<b>Computing software 2021 \$000</b>	<b>Computing development 2022 \$000</b>	<b>Computing development 2021 \$000</b>	<b>Total 2022 \$000</b>	<b>Total 2021 \$000</b>
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)
Carrying amount at start of period	574	1,324	76	4,370	650	5,694
<b>Intangible assets reconciliation</b>	–	–	–	–	–	–
Additions	1,028	–	–	–	1,028	–
Transfers	–	–	–	–	–	–
Disposals	–	(238)	(1)	–	(1)	(238)
Amortisation expense	(402)	(512)	(58)	(4,294)	(460)	(4,806)
<b>Carrying amount at end of period</b>	<b>1,200</b>	<b>574</b>	<b>17</b>	<b>76</b>	<b>1,217</b>	<b>650</b>
Gross carrying amount	7,850	6,823	50,718	50,718	58,568	57,541
Accumulated depreciation	(6,650)	(6,249)	(50,701)	(50,642)	(57,351)	(56,891)
<b>Carrying amount at end of period</b>	<b>1,200</b>	<b>574</b>	<b>17</b>	<b>76</b>	<b>1,217</b>	<b>650</b>

**Table 43: Housing Authority – Intangible assets**

Housing Authority – Intangible assets	Computing software 2022 \$000	Computing software 2021 \$000	Computing development 2022 \$000	Computing development 2021 \$000	Total 2022 \$000	Total 2021 \$000
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)
<b>Carrying amount at start of period</b>	<b>202</b>	<b>699</b>	<b>76</b>	<b>4,370</b>	<b>278</b>	<b>5,069</b>
<b>Intangible assets reconciliation</b>	–	–	–	–	–	–
Additions	–	–	–	–	–	–
Transfers	–	–	–	–	–	–
Disposals	(1)	(238)	(1)	–	(2)	(238)
Amortisation expense	(104)	(259)	(58)	(4,294)	(162)	(4,553)
<b>Carrying amount at end of period</b>	<b>97</b>	<b>202</b>	<b>17</b>	<b>76</b>	<b>114</b>	<b>278</b>
Gross carrying amount	2,491	2,491	50,718	50,718	53,209	53,209
Accumulated depreciation	(2,394)	(2,289)	(50,701)	(50,642)	(53,095)	(52,931)
<b>Carrying amount at end of period</b>	<b>97</b>	<b>202</b>	<b>17</b>	<b>76</b>	<b>114</b>	<b>278</b>



### 5.4.1. Amortisation and impairment

**Table 44: Amortisation and impairment**

Amortisation and impairment	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Computer development	58	4,294	58	4,294
Computer software	402	512	104	259
<b>Total amortisation and impairment</b>	<b>460</b>	<b>4,806</b>	<b>162</b>	<b>4,553</b>

As at 30 June 2022 there were no indications of impairment to intangible assets.

The Housing 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 45: Service concession assets 30 June 2022**

Service concession assets Year ending 30 June 2022	Consolidated \$000	Housing Authority \$000
<b>Year ended 30 June 2022</b>	–	–
<b>1 July 2021</b>	–	–
Gross carrying amount	1,856,367	1,856,367
Accumulated depreciation	–	–
<b>Carrying amount at start of period</b>	<b>1,856,367</b>	<b>1,856,367</b>
Additions	15,068	15,068
Transfers from/(to) Property, plant and equipment	27,293	27,293
Revaluation gains/(losses)	–	–
Disposals	(450)	(450)
Revaluation increments/(decrements)	155,667	155,667
Depreciation	(19,985)	(19,985)
<b>Carrying amount at 30 June 2022</b>	<b>2,033,960</b>	<b>2,033,960</b>
Gross carrying amount	2,034,156	2,034,156
Accumulated depreciation	(196)	(196)
<b>Carrying amount at 30 June 2022</b>	<b>2,033,960</b>	<b>2,033,960</b>

**Table 46: Service concession assets 30 June 2021**

Service concession assets Year ending 30 June 2021	Consolidated \$000	Housing Authority \$000
<b>Year ended 30 June 2021</b>	–	–
<b>1 July 2020</b>	–	–
Gross carrying amount	1,813,662	1,813,662
Accumulated depreciation	–	–
Correction of prior period error	48,651	48,651
Carrying amount at start of period	1,862,313	1,862,313
<b>Service concessions reconciliation</b>	–	–
Additions	41,659	41,659
Transfers from/(to) Property, plant and equipment	–	–
Revaluation gains/(losses)	(28,684)	(28,684)
Disposals	–	–
Depreciation	(18,921)	(18,921)
<b>Carrying amount at 30 June 2021</b>	<b>1,856,367</b>	<b>1,856,367</b>
Gross carrying amount	1,856,367	1,856,367
Accumulated depreciation	–	–
<b>Carrying amount at 30 June 2021</b>	<b>1,856,367</b>	<b>1,856,367</b>



## 5.5. Service concession assets (continued)

### 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.



<b>Name of the service concession asset (SCA)</b>	<b>Service concession asset</b>
<b>Description of the arrangements</b>	Social Housing Properties that maybe owned and not owned by the Housing Authority that are managed and maintained by Community Housing Organisations (CHOs).
<b>Terms of the arrangement</b>	Varies as this is contract/program specific. Typically involves the contribution of capital or property by the HA to the CHO for their management of the social Housing property and HA maintains its interest via certain limitations such as caveats on property titles.
<b>Period of the arrangement</b>	Varies as this is contract specific, though most SCA agreements run indefinitely subject to future reassessments / reviews.
<b>Rights and obligations</b>	Grantor (HA) controls the tenant allocation rights to these assets, while the operator (CHO) manages and maintain these properties.
<b>Changes in the arrangements occurred in period ending 30 June 2022</b>	n/a
<b>Carrying amount as at 30 June 2022</b>	\$2,033,959,517



## 5.6. Non-current assets classified as held for sale

**Table 47: Non-current assets classified as held for sale**

Non-current assets classified as held for sale	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Opening Balance</b>	–	–	–	–
Rental properties	5,161	11,568	5,161	11,568
Movement for the period	–	–	–	–
Reclassified from/(to) Rental properties	2,072	(6,407)	2,072	(6,407)
Less impairment	–	–	–	–
Impairment cost disposed	–	–	–	–
<b>Total assets classified as held for sale</b>	<b>7,233</b>	<b>5,161</b>	<b>7,233</b>	<b>5,161</b>

These properties are the Housing 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 twelve 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 Housing Authority's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

**Table 48: Other assets and liabilities**

Other assets and liabilities	Notes	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Loans and receivables	6.1	4,194,891	5,366,322	4,323,239	5,412,830
Deferred income tax asset	6.2	–	–	–	–
Other current assets	6.3	13,086	8,299	22,629	16,062
Other financial assets	6.4	250,126	250,052	5,150	10,439
Trade and other Payables	6.5	65,824	89,435	53,580	75,172
Provisions	6.6	62,187	147,388	61,147	146,728
Other liabilities	6.7	29,734	29,784	29,734	29,784



## 6.1. Loans and receivables

**Table 49: Loans and receivables**

Loans and receivables	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Current</b>	–	–	–	–
General debtors	22,302	29,204	20,772	27,392
Rental and lease bonds	15,144	16,845	15,144	16,845
Rents from tenants and other rents	55,713	50,933	55,713	50,933
Loans to commercial organisations	551	575	8,006	576
Dividend receivable	–	–	141,898	155,837
Finance leases receivables	60,030	45,646	60,030	45,646
Joint operations receivables	1,816	2,083	1,816	2,083
Loans to homebuyers	995,998	768,899	–	–
Other debtors	11,966	1,642	11,966	1,642
GST Receivable	1,810	5,478	1,712	5,353
Less allowance for impairment – receivables	(28,313)	(27,399)	(28,313)	(27,399)
<b>Total current loans and receivables</b>	<b>1,137,017</b>	<b>893,906</b>	<b>288,744</b>	<b>278,908</b>
<b>Non-current</b>	–	–	–	–
General	7,680	7,680	7,680	7,680
Loans to commercial organisations	1,007	2,173	1,007	9,248
Finance leases receivables	36,308	27,412	36,308	27,412
Joint operations receivables	–	82	–	82



Loans and receivables	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Keystart preferential shares	–	–	3,989,500	5,089,500
Loans to homebuyers	3,029,631	4,476,808	–	–
Less provision for impairment – loans to homebuyers	(16,755)	(41,739)	–	–
<b>Total non-current loans and receivables</b>	<b>3,057,871</b>	<b>4,472,416</b>	<b>4,034,495</b>	<b>5,133,922</b>
<b>Total loans and receivables at the end of the period</b>	<b>4,194,891</b>	<b>5,366,322</b>	<b>4,323,239</b>	<b>5,412,830</b>

**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.

**Rental and lease bonds receivables** – represent advances made to qualifying persons for the purpose of renting properties external to the Housing 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 Housing Authority with a \$4,605m (2020-21: \$5,395m) loan facility to fund Keystart Loans Ltd. The Housing 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 \$3,990m (June 2021: \$5,090m) of this facility has been drawn down.

**Commercial Organisations** – The Non-Current loans to Commercial Organisations represent Acknowledgement of Debt totalling \$7.456m to Goldmaster Enterprises at an interest rate of 5.25 per cent. The Directors expect the sale of vacant land to be finalised within the next 12 months and the loan repaid in full at that time.

**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 50: Reconciliation of changes in the allowances for impairment of receivables**

Reconciliation of changes in the allowances for impairment of receivables	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Balance at the start of the period	27,399	34,493	27,399	34,493
Expected credit loss expense	4,551	333	4,551	333
Reversal of opening allowance for impairment of receivables	43	–	43	–
Amounts written off during the period	(3,680)	(7,427)	(3,680)	(7,427)
<b>Balance at the end of period</b>	<b>28,313</b>	<b>27,399</b>	<b>28,313</b>	<b>27,399</b>

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.

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 8.1 'Financial risk management'.

The Housing Authority does not hold any collateral as security or other credit enhancements for general debtors.

**Table 51: Movement in allowance for impairment of loans to homebuyers**

Movement in allowance for impairment of loans to homebuyers	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Balance at the start of the period	41,739	65,807	–	–
Expected credit loss expense	(24,047)	(11,247)	–	–
Amounts written off during the period	(3,045)	(12,990)	–	–
Bad debts recovered	2,108	169	–	–
<b>Balance at the end of period</b>	<b>16,755</b>	<b>41,739</b>	<b>–</b>	<b>–</b>

As at 30 June 2022, loans to homebuyers with a nominal value of \$3.045m (2021: \$12.990m) 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 \$25m reversal in ECL provisions during 2021–22, predominantly driven by the run-off of the loan book and 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 twelve 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 52: Loans provided by Keystart**

Loans provided by Keystart	2022 Number	2022 \$000	2021 Number	2021 \$000
Financial hardship loans	300	95,029	175	54,606
Allowance for impairment	–	(2,408)	–	(4,618)

### 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.



Reposessed 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 53: Reposessed loans**

Reposessed loans	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Outstanding balance on loans for which collateral will be reposessed</b>	–	–	–	–
Balance	5,865	11,646	–	–
Allowance for impairment	(2,210)	(4,234)	–	–

**Table 54: Reposessed loans**

Reposessed loans	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Fair value of collateral obtained in terms of the exercising of rights under the mortgages	7,040	14,569	–	–
Interest foregone on reposessed loans	334	654	–	–

### 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 55: Deferred income tax asset**

Deferred income tax asset For Goldmaster Pty Ltd	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Numerical reconciliation of income tax expense to the prima facie tax payable:	–	–	–	–
<b>Accounting profit/(loss) before income tax</b>	<b>(858)</b>	<b>(766)</b>	<b>–</b>	<b>–</b>
Prima facie tax payable on profit/(loss) at 30%	(257)	(230)	–	–
<b>Add/(less) tax effect of:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Current year taxable differences not recognised	2	–	–	–
Previously unrecognised taxable differences	–	–	–	–
Previously unrecognised tax losses	–	–	–	–
Write down of deferred tax asset	–	–	–	–
Deferred tax benefits not recognised	255	230	–	–
<b>Income tax expense/(benefit)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

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 \$36.553m (2021: \$35.703m). 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; and
- 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 56: Other current assets**

Other current assets	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Accrued revenue</b>	–	–	–	–
Interest on cash at bank	538	345	538	345
Accrued housing sales	1,975	16	1,975	16
Interest Keystart investments	–	–	9,543	7,763
<b>Total</b>	<b>2,513</b>	<b>361</b>	<b>12,056</b>	<b>8,124</b>
<b>Prepayments</b>	–	–	–	–
General	10,082	7,253	10,082	7,253
Development proposals	219	264	219	264
Joint operations	272	421	272	421
<b>Total</b>	<b>10,573</b>	<b>7,938</b>	<b>10,573</b>	<b>7,938</b>
<b>Total other current assets at the end of the period</b>	<b>13,086</b>	<b>8,299</b>	<b>22,629</b>	<b>16,062</b>

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 57: Other financial assets**

Other financial assets	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Current</b>	–	–	–	–
Deposits at call (a)	250,102	250,028	–	–
<b>Total current other financial assets</b>	<b>250,102</b>	<b>250,028</b>	–	–
<b>Non-current investments</b>	–	–	–	–
Ellenbrook Management Pty Ltd Shares (b)	24	24	24	24
Goldmaster Enterprises Pty Ltd Shares (b)	–	–	5,126	5,126
Seacrest Corporation Pty Ltd	–	–	–	5,289
<b>Total non-current other financial assets</b>	<b>24</b>	<b>24</b>	<b>5,150</b>	<b>10,439</b>
<b>Total other financial assets at the end of the period</b>	<b>250,126</b>	<b>250,052</b>	<b>5,150</b>	<b>10,439</b>

- 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 58: Interest held in companies**

Name	Principal activities	Types of shares	Percentage of each share class held 2022 %	Percentage of each share class held 2021 %	Dividends received \$000	Value of shares \$000
Ellenbrook Management Pty Ltd	Property development	Ord	47.47%	47.47%	24	24
Goldmaster Enterprises Pty Ltd	Property development	Ord	87.18%	87.18%	5,126	5,126
Seacrest Corporation Pty Ltd	Property development	Ord	–	100.00%	–	–

## 6.5. Payables

**Table 59: Payables**

Payables	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Current</b>	–	–	–	–
Accrued salaries	2,598	4,636	2,598	4,636
Contractors retention monies	5,420	3,399	5,420	3,399
Joint operations creditors	2,110	4,413	2,110	4,413
Rental tenants bonds	2	1	2	1
Trade creditors	55,443	76,704	43,199	62,441
<b>Total current trade and other payables</b>	<b>65,573</b>	<b>89,153</b>	<b>53,329</b>	<b>74,890</b>
<b>Non-current</b>	–	–	–	–
Joint operations creditors	251	282	251	282
<b>Total non-current trade and other payables</b>	<b>251</b>	<b>282</b>	<b>251</b>	<b>282</b>



<b>Payables</b>	<b>Consolidated 2022 \$000</b>	<b>Consolidated 2021 \$000</b>	<b>Housing Authority 2022 \$000</b>	<b>Housing Authority 2021 \$000</b>
<b>Total trade and other payables at the end of the period</b>	<b>65,824</b>	<b>89,435</b>	<b>53,580</b>	<b>75,172</b>

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 60: Indian Ocean Territories unspent funds**

<b>Indian Ocean Territories unspent funds</b>	<b>2022 \$000</b>	<b>2021 \$000</b>
Amounts carried forward from previous financial year	55	44
Payments made by the Commonwealth for IOT services	–	40
Cost of services	(3)	(29)
<b>Amounts carried forward to following financial year</b>	<b>52</b>	<b>55</b>

**Payables** are recognised at the amounts payable when the Housing 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 Housing 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 61: Provisions**

Provisions	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Current</b>	–	–	–	–
Development levies	81	–	81	–
Joint operations provisions	–	2,372	–	2,372
Native Title settlement provision	22,506	13,308	22,506	13,308
Other provisions	1,040	39,164	–	38,504
Leave provisions – transfer to Department of Communities	–	–	–	–
<b>Total current provisions</b>	<b>23,627</b>	<b>54,844</b>	<b>22,587</b>	<b>54,184</b>
<b>Non-current</b>	–	–	–	–
Development levies	1,576	2,313	1,576	2,313
Native Title settlement provision	36,984	46,042	36,984	46,042
Other provisions	–	44,189	–	44,189
<b>Total non-current provisions</b>	<b>38,560</b>	<b>92,544</b>	<b>38,560</b>	<b>92,544</b>
<b>Total provisions at the end of the period</b>	<b>62,187</b>	<b>147,388</b>	<b>61,147</b>	<b>146,728</b>

**Table 62: Movement in Provisions**

Movement in provisions	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Movements in each class of provisions during the period, are set out below</b>	–	–	–	–
<b>Other Provisions</b>	–	–	–	–
Carrying amount at start of period	83,353	83,944	82,693	83,495
Additional provisions recognised	390	73,464	10	73,461
Payments	–	(74,055)	–	(74,263)
Transferred to DevWA	(82,703)	–	(82,703)	–
<b>Carrying amount at end of period</b>	<b>1,040</b>	<b>83,353</b>	<b>–</b>	<b>82,693</b>
<b>Native Title settlement provision</b>	–	–	–	–
Carrying amount at start of period	59,350	–	59,350	–
Additional provisions recognised	140	59,350	140	59,350
Payments	–	–	–	–
<b>Carrying amount at end of period</b>	<b>59,490</b>	<b>59,350</b>	<b>59,490</b>	<b>59,350</b>
<b>Development levies</b>	–	–	–	–
Carrying amount at start of period	2,313	2,843	2,313	2,843
Additional provisions recognised	96	1,734	96	1,734
Payments	(81)	(2,264)	(81)	(2,264)
Transferred to DevWA	(671)	–	(671)	–
<b>Carrying amount at end of period</b>	<b>1,657</b>	<b>2,313</b>	<b>1,657</b>	<b>2,313</b>
<b>Joint operations provisions</b>	–	–	–	–
Carrying amount at start of period	2,372	1,754	2,372	1,754



Movement in provisions	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Additional provisions recognised	–	935	–	935
Payments	–	(317)	–	(317)
Transferred to DevWA	(2,372)	–	(2,372)	–
<b>Carrying amount at end of period</b>	<b>–</b>	<b>2,372</b>	<b>–</b>	<b>2,372</b>

Provisions are liabilities of uncertain timing or amount. The Housing 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 Housing Authority.

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

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



## 6.7. Other liabilities

**Table 63: Other liabilities**

Other liabilities	Consolidated 2022 \$000	Consolidated Restated(a) 2021 \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000
<b>Current</b>	–	–	–	–
Administrative and general expenses	2,641	2,500	2,641	2,500
Joint operations liabilities	32	231	32	231
Unearned income	10,716	11,011	10,716	11,011
Grant of right to operate under service concessions	3,345	3,042	3,345	3,042
<b>Total current other liabilities</b>	<b>16,734</b>	<b>16,784</b>	<b>16,734</b>	<b>16,784</b>
<b>Non-current</b>	–	–	–	–
Contract liability	13,000	13,000	13,000	13,000
Grant of right to operate under service concessions	140,432	128,904	140,432	128,904
<b>Total non-current other liabilities</b>	<b>153,432</b>	<b>141,904</b>	<b>153,432</b>	<b>141,904</b>
<b>Total other liabilities at the end of the period</b>	<b>170,166</b>	<b>158,688</b>	<b>170,166</b>	<b>158,688</b>

(a) Refer to Note 9.2 Correction of prior period errors for details of restatement.

**Grant of right to operate (GORTO)** under service concession liabilities are recognised for service concession arrangements where the Housing Authority grants to operators the right to access a revenue generating asset. Liabilities are recognised for the unearned portion of the revenue arising from the exchange of assets between the Housing Authority and the operator. These liabilities are reduced, with revenue recognised according to the economic substance of the relevant service concession arrangement. Refer to Note 5.5 'Service concession assets' for further information on service concession arrangements.

**Contract Liabilities** relate to income received for maintenance to another agency properties at the end of the reporting period. The Housing Authority does not expect to



satisfy the performance obligations unsatisfied at the end of the reporting period within the next 12 months.

## 7. Financing

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

	<b>Notes:</b>
Borrowings	7.1
Lease liabilities	7.2
Finance costs	7.4
Cash and cash equivalents	7.4
Reconciliation of cash	7.4.1
Reconciliation of operating activities	7.4.2
Commitments	7.5



## 7.1. Borrowings

**Table 64: Borrowings**

Borrowings	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Current</b>	–	–	–	–
WATC	55,117	68,366	55,117	68,366
Commonwealth advances	17,797	17,589	17,797	17,589
<b>Total current borrowings</b>	<b>72,914</b>	<b>85,955</b>	<b>72,914</b>	<b>85,955</b>
<b>Non-current</b>	–	–	–	–
WATC	4,178,042	5,325,709	4,178,042	5,325,709
Commercial loan	62,283	62,280	62,283	62,280
Commonwealth advances	273,460	291,256	273,460	291,256
<b>Total non-current borrowings</b>	<b>4,513,785</b>	<b>5,679,245</b>	<b>4,513,785</b>	<b>5,679,245</b>
<b>Total borrowings at the end of the period</b>	<b>4,586,699</b>	<b>5,765,200</b>	<b>4,586,699</b>	<b>5,765,200</b>

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 65: Borrowings**

<b>Borrowings</b>	<b>Total carrying amount 2022 \$000</b>	<b>Total carrying amount 2021 \$000</b>	<b>Aggregate net fair value 2022 \$000</b>	<b>Aggregate net fair value 2021 \$000</b>
<b>Consolidated</b>	–	–	–	–
WATC	4,233,159	5,394,075	4,268,035	5,440,792
Commercial loan	62,283	62,280	64,169	66,914
Commonwealth advances	291,257	308,845	308,783	387,586
<b>Total</b>	<b>4,586,699</b>	<b>5,765,200</b>	<b>4,640,987</b>	<b>5,895,292</b>
<b>Housing Authority</b>	–	–	–	–
WATC	4,233,159	5,394,075	4,268,035	5,440,792
Commercial loan	62,283	62,280	64,169	66,914
Commonwealth advances	291,257	308,845	308,783	387,586
<b>Total</b>	<b>4,586,699</b>	<b>5,765,200</b>	<b>4,640,987</b>	<b>5,895,292</b>

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 66: Lease liabilities**

Lease liabilities	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Current	67,607	54,318	61,078	46,459
Non-current	37,264	28,110	37,264	28,110
<b>Total lease liabilities</b>	<b>104,871</b>	<b>82,428</b>	<b>98,342</b>	<b>74,569</b>

### Initial Measurement

The Housing 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 Housing Authority uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Housing 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 Housing 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 Housing 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. Finance costs

**Table 67: Finance costs**

Finance costs	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Interest expense	48,323	50,269	48,323	50,269
Finance charges	13	3	–	–
Lease interest expense	1,539	1,317	1,347	1,145
<b>Total finance costs</b>	<b>49,875</b>	<b>51,589</b>	<b>49,670</b>	<b>51,414</b>

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.



## 7.4. Cash and cash equivalents

### 7.4.1. Reconciliation of cash

**Table 68: Reconciliation of cash**

Reconciliation of cash	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Cash and cash equivalents	311,905	355,995	137,724	262,752
<b>Total</b>	<b>311,905</b>	<b>355,995</b>	<b>137,724</b>	<b>262,752</b>
<b>Restricted cash:</b>	–	–	–	–
Rental tenants bonds	2	1	2	1
Joint operations cash	7,638	16,107	7,638	16,107
Remote indigenous housing	6,227	13,895	6,227	13,895
Royalties for Regions fund	5,747	19,611	5,747	19,611
<b>Total</b>	<b>19,614</b>	<b>49,614</b>	<b>19,614</b>	<b>49,614</b>
Deposits at call	250,102	250,028	–	–
<b>Total cash and cash equivalents at the end of the period</b>	<b>581,618</b>	<b>655,637</b>	<b>157,338</b>	<b>312,366</b>

**Rental Tenants Bonds** represents bond monies received by the Housing 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 Housing 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.

**Royalty 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.



## 7.4.2. 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 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Net profit/(loss) for the period</b>	–	<b>13,082</b>	<b>(26,085)</b>	<b>13,191</b>	<b>(26,328)</b>
<b>Non-cash items</b>	–	–	–	–	–
Depreciation and amortisation expense	5.2, 5.3, 5.4, 5.5	118,884	124,557	117,230	122,897
Expected credit loss expense	4.2	(18,788)	(10,678)	4,551	333
Loss/(gain) on disposal of non-current assets	4.4	(1,400)	8,323	(1,400)	8,323
Impairment – Investments	4.2	–	–	746	514
Impairment – non-current assets	4.2	4,582	125,626	4,582	125,626
Revenue related to service concession arrangements	–	(3,345)	–	(3,345)	–
Other non-cash items	–	(9,870)	–	(9,870)	–
<b>Cash items</b>	–	–	–	–	–



Reconciliation of net cost of services	Notes	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Proceeds from State Government	–	(295,968)	(203,101)	(484,682)	(321,213)
<b>(Increase)/decrease in assets:</b>	–	–	–	–	–
Receivables	–	(255,341)	(94,076)	(14,964)	(94,082)
Inventories	–	(7,855)	377,221	(13,478)	374,790
Other assets	–	(4,787)	(313,161)	(6,567)	(312,004)
<b>Increase/(decrease) in liabilities:</b>	–	–	–	–	–
Payables	–	(23,611)	(12,353)	(21,592)	(105,480)
Provisions	–	(1,827)	47,343	(2,207)	58,019
Other liabilities	–	(353)	–	(353)	–
Net GST payments	–	4,281	(727)	675	(741)
<b>Net cash flows provided by/ (used in) operating activities</b>	–	<b>(482,316)</b>	<b>22,889</b>	<b>(417,483)</b>	<b>(169,346)</b>



## 7.5. Commitments

### 7.5.1. 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 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Within 1 year	256,475	157,498	256,475	157,498
Later than 1 year and not later than 5 years	5,486	57,536	5,486	57,536
Later than 5 years	–	–	–	–
<b>Total</b>	<b>261,961</b>	<b>215,034</b>	<b>261,961</b>	<b>215,034</b>
<b>The capital commitments include amounts for the following:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Community Housing	9,275	3,933	9,275	3,933
Dwelling construction and upgrades	220,035	95,031	220,035	95,031
Joint operations land development**	1,665	12,116	1,665	12,116
Development Management Agreements**	–	16,989	–	16,989
Land development and redevelopment	13,019	5,186	13,019	5,186
New living	–	101	–	101
Affordable Housing	13,359	81,228	13,359	81,228
Facilities management	4,608	450	4,608	450
<b>Balance at the end of period</b>	<b>261,961</b>	<b>215,034</b>	<b>261,961</b>	<b>215,034</b>

\*\* Transferred to the West Australian Land Authority in 2021–22



## 7.5.2. Loan advance commitment

**Table 71: Loan advance commitment**

Loan advance commitment	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Approved loans not yet fully disbursed	444,600	492,503	–	–
<b>Total</b>	<b>444,600</b>	<b>492,503</b>	–	–
<b>Loan advance commitment includes the following:</b>	–	–	–	–
Loans to home buyers	444,600	492,503	–	–
<b>Total</b>	<b>444,600</b>	<b>492,503</b>	–	–



## 8. Risks and contingencies

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

	<b>Notes</b>
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 WA 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% 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 Housing 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 Housing 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 payables, 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 on the basis of 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 of Directors. 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 exposes Keystart to fair value interest rate risk.

During the financial year ending 30 June 2022 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 Value at Risk (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. VaR is calculated incorporating loans, investments and borrowings.

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 2022 %	Balance 2022 \$000	Weighted average interest rate 2021 %	Balance 2021 \$000
Variable rate loans	4.37	4,008,875	4.31	5,203,968
Short term deposits	0.26	250,102	0.24	250,028
Cash and liquid assets	0.06	172,589	0.05	91,808

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
<b>2022</b>	–	–	–	–
Total VaR Exposure	596	381	1,007	381
<b>2021</b>	–	–	–	–
Total VaR Exposure	883	533	1,119	533

**(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 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Financial assets</b>	–	–	–	–
Cash and cash equivalents	311,905	355,995	137,724	262,752
Restricted cash and cash equivalents	19,614	49,614	19,614	49,614
<b>Other financial assets through profit and loss</b>	–	–	–	–
Non-current investments	24	24	5,150	10,439
<b>Other financial assets at amortised cost</b>	–	–	–	–
Deposits at call	250,102	250,028	–	–
<b>Financial assets at amortised cost – comprising (a)</b>	–	–	–	–
Keystart preference shares	–	–	3,989,500	5,089,500
General debtors	29,715	36,571	28,185	34,759
Rental and lease bonds	14,210	15,526	14,210	15,526



Carrying amounts of financial assets and liabilities	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Rent from tenants and other rents	28,601	25,166	28,601	25,166
Loans to commercial organisations	1,558	2,748	9,013	9,824
Dividends receivable	–	–	141,898	155,837
Finance lease receivable	96,338	73,058	96,338	73,058
Joint operations receivable	1,816	2,165	1,816	2,165
Loans to homebuyers	4,008,874	5,203,968	–	–
Other debtors	11,966	1,642	11,966	1,642
<b>Other current assets at amortised cost</b>	–	–	–	–
Accrued revenue	2,513	361	12,056	8,124
<b>Total financial assets</b>	<b>4,777,236</b>	<b>6,016,866</b>	<b>4,496,071</b>	<b>5,738,406</b>
<b>Financial Liabilities</b>	–	–	–	–
<b>Financial Liabilities at amortised cost – comprising:</b>	–	–	–	–
<b>Borrowings</b>	–	–	–	–
WATC	4,233,159	5,394,075	4,233,159	5,394,075
Commercial loan	62,283	62,280	62,283	62,280
Commonwealth advances	291,257	308,845	291,257	308,845
<b>Payables</b>	–	–	–	–
General	65,822	89,434	53,578	75,171
Rental deposits and tenant bonds	2	1	2	1
<b>Finance lease liabilities</b>	104,871	82,428	98,342	74,569
<b>Other liabilities</b>	2,673	2,731	2,673	2,731
<b>Total financial liabilities</b>	<b>4,760,067</b>	<b>5,939,794</b>	<b>4,741,294</b>	<b>5,917,672</b>



- 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**

##### **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. Considerable judgement is exercised in determining the extent of the loan loss provision (impairment) for financial assets assessed for impairment both individually and collectively. The loan loss provision for



financial assets is based on assumptions about risk of default and expected loss rates. The key judgement areas are the assumptions used to measure expected credit losses, including the use of forward-looking and macro-economic information for individual and collective impairment assessment.

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; and
- 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 credit risk exposure of loans at each stage of impairment.

**Table 75: Credit risk exposure 2021–2022**

Detail of allowance for impairment	Consolidated	
	2022 \$000	2021 \$000
Collective impairment	–	–
Collective impairment – Stage 1	3,187	10,792
Collective impairment – Stage 2	5,205	14,603
Individual impairment – Stage 3	8,366	16,344
–	<b>16,758</b>	<b>41,739</b>

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

**Table 76: Credit risk exposure 2022**

Credit risk exposure 2022	Days past due					
	Total \$000	Current \$000	<90 days \$000	91–180 days \$000	181–360 days \$000	<361 days \$000
<b>Housing Authority General debtors</b>	–	–	–	–	–	–
Expected credit loss rate	–	0.63%	0.59%	0.61%	0.71%	1.03%
Estimated total gross carrying amount at default	28,452	2,713	2,123	1,103	342	22,171
<b>Expected credit losses</b>	<b>267</b>	<b>17</b>	<b>13</b>	<b>7</b>	<b>2</b>	<b>228</b>
<b>Rent from tenants and other</b>	–	–	–	–	–	–
Expected credit loss rate	–	2.35%	9.13%	11.14%	11.82%	83.27%
Estimated total gross carrying amount at default	58,093	24,757	947	397	336	31,656
<b>Expected credit losses</b>	<b>27,112</b>	<b>583</b>	<b>86</b>	<b>44</b>	<b>40</b>	<b>26,360</b>
<b>Rental and lease bonds</b>	–	–	–	–	–	–
Expected credit loss rate	–	5.94%	1.62%	3.01%	5.13%	11.06%
Estimated total gross carrying amount at default	15,144	13,499	211	163	300	971
<b>Expected credit losses</b>	<b>933</b>	<b>803</b>	<b>3</b>	<b>5</b>	<b>15</b>	<b>107</b>
<b>Total Expected Credit Loss Allowance</b>	<b>28,313</b>	<b>1,403</b>	<b>102</b>	<b>56</b>	<b>57</b>	<b>26,695</b>



Table 77: 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
<b>Housing Authority General debtors</b>	–	–	–	–	–	–
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
<b>Expected credit losses</b>	<b>313</b>	<b>28</b>	<b>12</b>	<b>3</b>	<b>53</b>	<b>217</b>
<b>Rent from tenants and other</b>	–	–	–	–	–	–
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
<b>Expected credit losses</b>	<b>25,767</b>	<b>1,260</b>	<b>107</b>	<b>53</b>	<b>47</b>	<b>24,300</b>
<b>Rental and lease bonds</b>	–	–	–	–	–	–
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
<b>Expected credit losses</b>	<b>1,319</b>	<b>1,171</b>	<b>8</b>	<b>12</b>	<b>16</b>	<b>112</b>
<b>Total Expected Credit Loss Allowance</b>	<b>27,399</b>	<b>2,459</b>	<b>127</b>	<b>68</b>	<b>116</b>	<b>24,629</b>



### **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 Housing 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 2021 and 2020 the Housing 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 Housing 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 Housing 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 78: Interest rate exposure and maturity analysis of financial assets and financial liabilities – Consolidated 2022**

Consolidated 2022	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
<b>Financial assets</b>	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	0.23%	311,905	–	311,905	–	311,905	311,905	–	–
Restricted cash and cash equivalents	0.43%	19,614	–	19,614	–	19,614	19,614	–	–
<b>Other financial assets</b>	–	–	–	–	–	–	–	–	–
• deposits at call	0.26%	250,102	–	250,102	–	250,102	250,102	–	–
• other assets	–	24	–	–	24	–	–	–	–
<b>Receivables</b>	–	–	–	–	–	–	–	–	–
• general debtors	–	29,715	–	–	29,715	29,715	22,035	7,680	–
• rental and lease bonds	–	14,210	–	–	14,210	14,210	14,210	–	–
• rent from tenants and other rents	–	28,601	–	–	28,601	28,601	28,601	–	–



Consolidated 2022	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	—	1,558	—	—	1,558	1,558	551	1,007	—
• finance lease receivable	1.91%	96,338	96,338	—	—	98,652	61,338	35,037	2,277
• joint operations receivable	—	1,816	—	—	1,816	1,596	1,596	—	—
• loans to homebuyers	4.37%	4,008,874	—	4,008,874	—	4,016,020	64	1,372	4,014,584
• other debtors	—	11,966	—	—	11,966	11,966	11,966	—	—
Other current assets	0.43%	2,513	—	538	1,975	2,513	2,513	—	—
<b>Total financial assets</b>	<b>—</b>	<b>4,777,236</b>	<b>96,338</b>	<b>4,591,033</b>	<b>89,865</b>	<b>4,786,452</b>	<b>724,495</b>	<b>45,096</b>	<b>4,016,861</b>
<b>Financial liabilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Borrowings</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
• WATC	2.60%	4,233,159	186,074	4,047,085	—	4,367,583	102,301	4,053,737	211,545
• Commercial loan	4.16%	62,283	—	62,283	—	80,411	2,591	10,363	67,457
• Commonwealth advances	4.62%	291,257	291,257	—	—	405,329	30,209	118,248	256,872
<b>Payables</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

Consolidated 2022	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
• general	—	65,822	—	—	65,822	65,822	65,822	—	—
• rental deposits and tenant bonds**	—	2	—	—	2	2	2	—	—
Finance lease liabilities	1.94%	104,871	104,871	—	—	107,954	63,478	39,860	4,616
Other current liabilities	—	2,673	—	—	2,673	2,673	2,673	—	—
<b>Total financial liabilities</b>	<b>—</b>	<b>4,760,067</b>	<b>582,202</b>	<b>4,109,368</b>	<b>68,497</b>	<b>5,029,774</b>	<b>267,076</b>	<b>4,222,208</b>	<b>540,490</b>

\*\* 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 – 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
<b>Financial assets</b>	–	–	–	–	–	–	–	–	–
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	–	–
<b>Other financial assets</b>	–	–	–	–	–	–	–	–	–
• deposits at call	0.24%	250,028	–	250,028	–	250,028	250,028	–	–
• other assets	–	24	–	–	24	–	–	–	–
<b>Receivables</b>	–	–	–	–	–	–	–	–	–
• general debtors	–	36,571	–	–	36,571	36,571	28,891	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	–	–
• loans to commercial organisations	–	2,748	–	–	2,748	2,748	575	2,173	–



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
• 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
• other debtors	—	1,642	—	—	1,642	1,642	1,642	—	—
Other current assets	0.33%	361	—	345	16	361	361	—	—
<b>Total financial assets</b>	<b>—</b>	<b>6,016,866</b>	<b>73,058</b>	<b>5,859,950</b>	<b>83,858</b>	<b>6,050,504</b>	<b>776,553</b>	<b>37,138</b>	<b>5,236,813</b>
<b>Financial liabilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Borrowings</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
• 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
<b>Payables</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
• general	—	89,434	—	—	89,434	89,434	89,434	—	—



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
• rental deposits and tenant bonds**	–	1	–	–	1	1	1	–	–
Finance lease liabilities	1.37%	82,428	82,428	–	–	85,602	49,458	29,584	6,560
Other current liabilities	–	2,731	–	–	2,731	2,731	2,731	–	–
<b>Total financial liabilities</b>	<b>–</b>	<b>5,939,794</b>	<b>617,612</b>	<b>5,230,016</b>	<b>92,166</b>	<b>6,144,478</b>	<b>1,164,626</b>	<b>4,424,882</b>	<b>554,970</b>

\*\* 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 80: Interest rate exposure and maturity analysis of financial assets and financial liabilities – Housing Authority 2022**

Housing Authority 2022	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
<b>Financial assets</b>	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	0.43%	137,724	–	137,724	–	137,724	137,724	–	–
Restricted cash and cash equivalents	0.43%	19,614	–	19,614	–	19,614	19,614	–	–
<b>Other financial assets</b>	–	–	–	–	–	–	–	–	–
• other assets	–	5,150	–	–	5,150	5,150	–	–	5,150
<b>Receivables</b>	–	–	–	–	–	–	–	–	–
• Keystart preference shares	1.21%	3,989,500	–	3,989,500	–	4,305,035	500,139	3,596,631	208,265
• general debtors	–	28,185	–	–	28,185	28,185	20,505	7,680	–
• rental and lease bonds	–	14,210	–	–	14,210	14,210	14,210	–	–
• rent from tenants and other rents	–	28,601	–	–	28,601	28,601	28,601	–	–



Housing Authority 2022	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%	9,013	7,455	—	1,558	9,013	8,006	1,007	—
• dividends receivable	—	141,898	—	—	141,898	141,898	141,898	—	—
• finance lease receivable	1.91%	96,338	96,338	—	—	98,652	61,338	35,037	2,277
• joint operations receivable	—	1,816	—	—	1,816	1,596	1,596	—	—
• other debtors	—	11,966	—	—	11,966	11,966	11,966	—	—
Other current assets	1.17%	12,056	—	10,081	1,975	12,056	12,056	—	—
<b>Total financial assets</b>	<b>—</b>	<b>4,496,071</b>	<b>96,338</b>	<b>167,416</b>	<b>4,232,314</b>	<b>4,813,700</b>	<b>957,653</b>	<b>3,640,355</b>	<b>215,692</b>
<b>Financial liabilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Borrowings</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
• WATC	2.60%	4,233,159	186,074	4,047,085	—	4,367,583	102,301	4,053,737	211,545
• Commercial loan	4.16%	62,283	—	62,283	—	80,411	2,591	10,363	67,457
• Commonwealth advances	4.62%	291,257	291,257	—	—	405,329	30,209	118,248	256,872



Housing Authority 2022	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
<b>Payables</b>	–	–	–	–	–	–	–	–	–
• general	–	53,578	–	–	53,578	53,578	53,578	–	–
• rental deposits and tenant bonds **	–	2	–	–	2	2	2	–	–
Finance lease liabilities	1.94%	98,342	98,342	–	–	100,752	62,436	36,033	2,283
Other current liabilities	–	2,673	–	–	2,673	2,673	2,673	–	–
<b>Total financial liabilities</b>	<b>–</b>	<b>4,741,294</b>	<b>575,673</b>	<b>4,109,368</b>	<b>56,253</b>	<b>5,010,328</b>	<b>253,790</b>	<b>4,218,381</b>	<b>538,157</b>

\*\* 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 81: 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
<b>Financial assets</b>	–	–	–	–	–	–	–	–	–
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	–	–
<b>Other financial assets</b>	–	–	–	–	–	–	–	–	–
• other assets	–	10,439	–	–	10,439	10,439	–	–	10,439
<b>Receivables</b>	–	–	–	–	–	–	–	–	–
• 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	–	–



## 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
• rent from tenants and other rents	–	25,166	–	–	25,166	25,166	25,166	–	–
• loans to commercial organisations	5.38%	9,824	7,076	–	2,748	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	–	–
• Other debtors	–	1,642	–	–	1,642	1,642	1,642	–	–
Other current assets	4.14%	8,124	–	8,108	16	8,124	8,124	–	–
<b>Total financial assets</b>	–	<b>5,738,406</b>	<b>73,058</b>	<b>320,474</b>	<b>5,344,874</b>	<b>6,114,028</b>	<b>1,613,848</b>	<b>4,268,916</b>	<b>231,264</b>
<b>Financial liabilities</b>	–	–	–	–	–	–	–	–	–
<b>Borrowings</b>	–	–	–	–	–	–	–	–	–
• WATC	2.38%	5,394,075	226,339	5,167,736	–	5,462,096	990,068	4,269,586	202,442



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
• 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
<b>Payables</b>	–	–	–	–	–	–	–	–	–
• general	–	75,171	–	–	75,171	75,171	75,171	–	–
• 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	–	2,731	–	–	2,731	38,576	38,576	–	–
<b>Total financial liabilities</b>	–	<b>5,917,672</b>	<b>609,753</b>	<b>5,230,016</b>	<b>77,903</b>	<b>6,157,336</b>	<b>1,184,686</b>	<b>4,421,002</b>	<b>551,648</b>

\*\* 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 82: 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
<b>Financial assets 2022</b>	–	–	–	–	–
Cash and cash equivalents	311,905	(3,119)	(3,119)	3,119	3,119
Restricted cash and cash equivalents	19,614	(196)	(196)	196	196
Deposits at call	250,102	(2,501)	(2,501)	2,501	2,501
Loans to homebuyers	4,008,874	(40,089)	(40,089)	40,089	40,089
<b>Financial liabilities 2022</b>	–	–	–	–	–
<b>Borrowings</b>	–	–	–	–	–
WATC floating	4,047,085	40,471	40,471	(40,471)	(40,471)
WATC fixed*	186,074	–	–	–	–
Commercial loan	62,283	623	623	(623)	(623)
Commonwealth advances*	291,257	–	–	–	–



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
<b>Total Increase/ (Decrease)</b>	–	(4,811)	(4,811)	4,811	4,811
<b>Financial assets 2021</b>	–	–	–	–	–
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
<b>Financial liabilities 2021</b>	–	–	–	–	–
<b>Borrowings</b>	–	–	–	–	–
WATC floating	5,167,736	51,677	51,677	(51,677)	(51,677)
WATC fixed*	226,339	–	–	–	–
Commercial loan	62,280	623	623	(623)	(623)
Commonwealth advances*	308,845	–	–	–	–
<b>Total Increase/ (Decrease)</b>	–	(6,296)	(6,296)	6,296	6,296

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

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

Housing Authority 2022	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
<b>Financial Assets</b>	–	–	–	–	–
Cash and cash equivalents	137,724	(1,377)	(1,377)	1,377	1,377
Restricted cash and cash equivalents	19,614	(196)	(196)	196	196
Keystart preference shares	3,989,500	(39,895)	(39,895)	39,895	39,895
Loans to commercial organisations	9,013	(90)	(90)	90	90
<b>Financial Liabilities</b>	–	–	–	–	–
<b>Borrowings</b>	–	–	–	–	–
WATC floating	4,047,085	40,471	40,471	(40,471)	(40,471)
WATC fixed*	186,074	–	–	–	–
Commercial loan	62,283	623	623	(623)	(623)
Commonwealth advances*	291,257	–	–	–	–
<b>Total Increase/ (Decrease)</b>	–	<b>(464)</b>	<b>(464)</b>	<b>464</b>	<b>464</b>

**Table 84: 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
<b>Financial Assets</b>	–	–	–	–	–
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
<b>Financial Liabilities</b>	–	–	–	–	–
<b>Borrowings</b>	–	–	–	–	–
WATC floating	5,167,736	51,677	51,677	(51,677)	(51,677)
WATC fixed *	226,339	–	–	–	–
Commercial loan	62,280	623	623	(623)	(623)
Commonwealth advances*	308,845	–	–	–	–
<b>Total Increase/ (Decrease)</b>	<b>–</b>	<b>(1,817)</b>	<b>(1,817)</b>	<b>1,817</b>	<b>1,817</b>

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



## **8.2. Contingent assets and liabilities**

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

### **8.2.1. Contingent assets**

The following contingent assets are excluded from the assets included in the financial statements:

#### **Litigation in progress**

There is currently a number of legal cases pending for which the outcome is not certain. The State Solicitor's Office has estimated that a total amount of \$3.0 million (2021: Nil) may be receivable as compensation to the Housing Authority at some future point in time.

### **8.2.2. Contingent liabilities**

The following contingent liabilities are excluded from the assets included in the financial statements:

#### **Litigation in progress**

There are currently a number of legal cases pending for which the outcomes are not certain. The State Solicitor's Office has estimated that a total amount of \$18.522 million (2021: \$0.800 million) may be payable as compensation to claimants at some future point in time. Whilst this is acknowledged as a contingent liability of the Housing Authority, it has yet to be determined whether the Housing Authority will ultimately be responsible for funding the actual amounts paid as compensation, if any.

#### **Other contingent liabilities**

During the financial year underpayment or non-payment of the Housing Authority's contribution of Shared equity costs was identified. The amount of remediation required is still under investigation.

#### **Contaminated sites**

Under the Contaminated Sites Act 2003, the Housing 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 Housing Authority may have a liability in respect of investigation or remediation expenses. There is one site that has been identified as 'Contaminated – investigation required'.



The Housing Authority has identified one “Suspected contaminated” sites of which has been listed as “Possibly contaminated – investigation required” and one site other site is 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.

Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the Housing 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.

### 8.3. Fair value measurements

**Table 85: 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
<b>2022</b>	–	–	–	–
Non-current assets classified as held for sale	–	7,233	–	7,233
Land	–	6,333,782	15,400	6,349,182
Buildings and improvements	–	5,928,360	29,884	5,958,244
<b>Total</b>	<b>–</b>	<b>12,269,375</b>	<b>45,284</b>	<b>12,314,659</b>
<b>2021</b>	–	–	–	–
Non-current assets classified as held for sale	–	5,161	–	5,161
Land	–	5,807,958	–	5,807,958
Buildings and improvements	–	5,367,503	–	5,367,503
<b>Total</b>	<b>–</b>	<b>11,180,622</b>	<b>–</b>	<b>11,180,622</b>

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.

	<b>Notes</b>
Events occurring after the end of the reporting period	9.1
Correction of prior period errors	9.2
Future impact of Australian standards issued but not yet operative	9.3
Key management personnel	9.4
Related party transactions	9.5
Services free of charge	9.6
Administered transactions – Remote Indigenous Housing	9.7
Remuneration of auditors	9.8
Act of grace payments	9.9
Equity	9.10
Equity attributable to non-controlling interest	9.11
Supplementary financial information	9.12

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

There are no events occurring after the end of the reporting period.

### 9.2 Correction of prior period errors

The following prior period errors identified in 2021–22 have been adjusted in the financial statements;

- (i) During 2021–22, the Housing Authority discovered that some properties had been incorrectly reported as Property, Plant and Equipment (PPE) at 1 July 2020 and 30 June 2021, instead of being classified as Service Concession Arrangements under AASB 1059 “Service Concession Arrangements: Grantors”. These properties related to Deed contracts where the Housing Authority had less than 100% equitable interest in both the land and the buildings. The balances at 1 July 2020 have been restated by reclassifying the Housing Authority’s equitable interest in the properties from PPE to Service Concession Assets (SCA) (\$7.696 million). The equitable interest of the third party has been brought to account by recognising new SCAs (\$17.728m), Service Concession Liability (\$11.074 million) and an increase in Retained earnings (6.654 million).

Another arrangement was recognised as a SCA in 2021, however the fair value of the land component was not reclassified from PPE and included in the carrying amount of the SCA. This has been rectified by reclassifying the land component from PPE to SCA (\$19.697 million) and recognising the uplift in the valuation of the land component (\$3.530 million) at 1 July 2020.

- (ii) The Housing Authority noted that 2 properties had Asset Revaluation Reserves (ARR) greater than the value of the properties. This was a result of an incorrect journal posted in 2018–19 that resulted in the overstatement of the ARR and understatement of Retained Earnings. This error has been rectified by decreasing ARR and increasing Retained Earnings at 1 July 2020 by \$13.740 million.
- (iii) During 2021–22 it was determined that the land balances for 149 rental properties were being carried at cost rather than at fair value as required by the Housing Authority's accounting policy. The prior period adjustment recognise the land portion of these rental properties in PPE at fair value, with a corresponding adjustment to ARR. The balances as 1 July 2020 have been restated by revaluing the land component of rental properties, resulting in an increase in PPE of \$11.997 million. In addition, changes in asset revaluation surplus reported in 2020–21 decreased by \$0.484 million.
- (iv) An error was identified relating to the accounting of some parcels of Affordable Housing vacant land inventories that were sold in previous years. This resulted in an understatement of current inventories and a corresponding overstatement of cost of sales. Consequently, the cost of sales reported in previous years was overstated and the trading profit was understated. The error has been rectified by restating the balances at 1 July 2020, by recognising an increase in current inventories (\$18.292 million) with a corresponding increase in Retained Earnings. In addition, balances at 30 June 2021 have been restated to recognise a further \$15.621 million increase in current inventories and Retained Earnings, with a corresponding increase in the trading profit for 2020–21.

The following table summarises the impact of the adjustments to the prior year.

**Table 86: Correction of prior period errors**

	Notes	As reported previously \$000	Adjustments \$000	Restated \$000
<b>Consolidated As at 1 July 2020 Statement of financial position</b>	–	–	–	–
<b>Assets</b>				
<b>Current assets</b>	–	–	–	–
Inventories	5.1	273,156	18,292	291,448
<b>Total current assets</b>	–	<b>1,396,026</b>	<b>18,292</b>	<b>1,414,318</b>
<b>Non-current assets</b>	–	–	–	–
Service concession asset (SCA)	5.5	1,813,662	48,651	1,862,313
Property, plant and equipment excluding SCA	5.2	10,296,851	(15,396)	10,281,455
<b>Total non-current assets</b>	–	<b>17,135,544</b>	<b>33,255</b>	<b>17,168,799</b>



	Notes	As reported previously \$'000	Adjustments \$'000	Restated \$'000
<b>Total assets</b>	–	<b>18,531,570</b>	<b>51,547</b>	<b>18,583,117</b>
<b>Liabilities</b>	–	–	–	–
<b>Current liabilities</b>	–	–	–	–
Other current liabilities	–	–	–	–
Grant of right to operate under service concessions	6.7	2,424	360	2,784
<b>Total current liabilities</b>	–	<b>327,913</b>	<b>360</b>	<b>328,273</b>
<b>Non-current liabilities</b>	–	–	–	–
Other non-current liabilities	–	–	–	–
Grant of right to operate under service concessions	6.7	99,776	10,714	110,490
<b>Total non-current liabilities</b>	–	<b>5,684,744</b>	<b>10,714</b>	<b>5,695,458</b>
<b>Total liabilities</b>	–	<b>6,012,657</b>	<b>11,074</b>	<b>6,023,731</b>
<b>Equity</b>	–	–	–	–
Reserves	9.10	6,290,432	1,787	6,292,219
Retained earning	9.10	3,737,787	38,686	3,776,473
<b>Total Equity</b>	–	<b>12,518,913</b>	<b>40,473</b>	<b>12,559,386</b>
<b>As at 30 June 2021 Statement of financial position</b>	–	–	–	–
<b>Assets</b>	–	–	–	–
<b>Current assets</b>	–	–	–	–
Inventories	5.1	202,191	33,913	236,104
<b>Total current assets</b>	–	<b>1,765,194</b>	<b>33,913</b>	<b>1,799,107</b>
<b>Non-current assets</b>	–	–	–	–
Service concession asset (SCA)	5.5	1,807,716	48,651	1,856,367
Property, plant and equipment excluding SCA	5.2	10,045,929	(15,880)	10,030,049



	Notes	As reported previously \$000	Adjustments \$000	Restated \$000
<b>Total non-current assets</b>	–	<b>16,844,438</b>	<b>32,771</b>	<b>16,877,209</b>
<b>Total assets</b>	–	<b>18,609,632</b>	<b>66,684</b>	<b>18,676,316</b>
<b>Liabilities</b>	–	–	–	–
<b>Current liabilities</b>	–	–	–	–
Other current liabilities	–	–	–	–
Grant of right to operate under service concessions	6.7	2,682	360	3,042
<b>Total current liabilities</b>	–	<b>300,694</b>	<b>360</b>	<b>301,054</b>
<b>Non-current liabilities</b>	–	–	–	–
Other non-current liabilities	–	–	–	–
Grant of right to operate under service concessions	6.7	118,190	10,714	128,904
<b>Total non-current liabilities</b>	–	<b>5,931,371</b>	<b>10,714</b>	<b>5,942,085</b>
<b>Total liabilities</b>	–	<b>6,232,065</b>	<b>11,074</b>	<b>6,243,139</b>
<b>Equity</b>	–	–	–	–
Reserves	9.10	6,093,800	1,303	6,095,103
Retained earnings	9.10	3,749,975	54,307	3,804,282
<b>Total Equity</b>	–	<b>12,377,567</b>	<b>55,610</b>	<b>12,433,177</b>
<b>For the year ended 30 June 2021 Statement of comprehensive income</b>	–	–	–	–
<b>Expense</b>	–	–	–	–
Cost of sales	3.1	209,009	(15,621)	193,388
<b>Total expenses</b>	–	<b>1,294,027</b>	<b>(15,621)</b>	<b>1,278,406</b>
Surplus/(deficit) for the period	–	(41,706)	15,621	(26,085)
<b>Total comprehensive income</b>	–	<b>(184,542)</b>	<b>15,621</b>	<b>(168,921)</b>



	Notes	As reported previously \$000	Adjustments \$000	Restated \$000
<b>Housing Authority As at 1 July 2020 Statement of financial position</b>	–	–	–	–
<b>Assets</b>				
<b>Current assets</b>	–	–	–	–
Inventories	5.1	269,263	18,292	287,555
<b>Total current assets</b>	–	<b>603,893</b>	<b>18,292</b>	<b>622,185</b>
<b>Non-current assets</b>	–	–	–	–
Service concession asset (SCA)	5.5	1,813,662	48,651	1,862,313
Property, plant and equipment excluding SCA	5.2	10,294,117	(15,396)	10,278,721
<b>Total non-current assets</b>	–	<b>17,663,449</b>	<b>33,255</b>	<b>17,696,704</b>
<b>Total assets</b>	–	<b>18,267,342</b>	<b>51,547</b>	<b>18,318,889</b>
<b>Liabilities</b>	–	–	–	–
<b>Current liabilities</b>	–	–	–	–
Other current liabilities	–	–	–	–
Grant of right to operate under service concessions	6.7	2,424	360	2,784
<b>Total current liabilities</b>	–	<b>315,743</b>	<b>360</b>	<b>316,103</b>
<b>Non-current liabilities</b>	–	–	–	–
Other non-current liabilities	–	–	–	–
Grant of right to operate under service concessions	6.7	99,776	10,714	110,490
<b>Total non-current liabilities</b>	–	<b>5,676,885</b>	<b>10,714</b>	<b>5,687,599</b>
<b>Total liabilities</b>	–	<b>5,992,628</b>	<b>11,074</b>	<b>6,003,702</b>
<b>Equity</b>	–	–	–	–
Reserves	9.10	6,289,716	1,787	6,291,503



	Notes	As reported previously \$000	Adjustments \$000	Restated \$000
Retained earning	9.10	3,539,314	38,686	3,578,000
<b>Total Equity</b>	–	<b>12,274,714</b>	<b>40,473</b>	<b>12,315,187</b>
<b>As at 30 June 2021 Statement of financial position</b>	–	–	–	–
<b>Assets</b>	–	–	–	–
<b>Current assets</b>	–	–	–	–
Inventories	5.1	200,628	33,913	234,541
<b>Total current assets</b>	–	<b>813,125</b>	<b>33,913</b>	<b>847,038</b>
<b>Non-current assets</b>	–	–	–	–
Service concession asset (SCA)	5.5	1,807,716	48,651	1,856,367
Property, plant and equipment excluding SCA	5.2	10,043,490	(15,880)	10,027,610
<b>Total non-current assets</b>	–	<b>17,493,283</b>	<b>32,771</b>	<b>17,526,054</b>
<b>Total assets</b>	–	<b>18,306,408</b>	<b>66,684</b>	<b>18,373,092</b>
<b>Liabilities</b>	–	–	–	–
<b>Current liabilities</b>	–	–	–	–
Other current liabilities	–	–	–	–
Grant of right to operate under service concessions	6.7	2,682	360	3,042
<b>Total current liabilities</b>	–	<b>277,912</b>	<b>360</b>	<b>278,272</b>
<b>Non-current liabilities</b>	–	–	–	–
Other non-current liabilities	–	–	–	–
Grant of right to operate under service concessions	6.7	118,190	10,714	128,904
<b>Total non-current liabilities</b>	–	<b>5,931,371</b>	<b>10,714</b>	<b>5,942,085</b>
<b>Total liabilities</b>	–	<b>6,209,283</b>	<b>11,074</b>	<b>6,220,357</b>



	Notes	As reported previously \$000	Adjustments \$000	Restated \$000
<b>Equity</b>	–	–	–	–
Reserves	9.10	<b>6,093,087</b>	<b>1,303</b>	<b>6,094,390</b>
Retained earnings	9.10	3,551,158	54,307	3,605,465
<b>Total Equity</b>	–	<b>12,097,125</b>	<b>55,610</b>	<b>12,152,735</b>
<b>For the year ended 30 June 2021 Statement of comprehensive income</b>	–	–	–	–
<b>Expense</b>	–	–	–	–
Cost of sales	3.1	206,020	(15,621)	190,399
Total expenses	–	1,275,353	(15,621)	1,259,732
Surplus/(deficit) for the period	–	(41,949)	15,621	(26,328)
<b>Total comprehensive income</b>	–	<b>(184,785)</b>	<b>15,621</b>	<b>(169,164)</b>



### 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 Housing Authority has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Housing Authority. Where applicable, the Housing Authority plans to apply the following Standards from their application date.

#### AASB 17 Insurance Contracts

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

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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

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

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

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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 2021–7**      **Amendments to Australian Accounting Standards – Effective Date of  
Amendments to AASB 10 and AASB 128 and Editorial Corrections**

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This standard further defers (to 1 January 2025) the amendments to AASB 10 and AASB 128 relating to the sale or contribution of assets between an investor and its associated or joint venture. The standard also includes editorial corrections.

There is no financial impact.

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

#### **9.4. Key management personnel**

The Housing Authority has determined that key management personnel include Ministers, and senior officers of the Housing 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 87: Housing Authority**

<b>Compensation band</b>	<b>2022</b>	<b>2021</b>
\$170,001 – \$180,000	1	–
\$140,001 – \$150,000	1	–
\$130,001 – \$140,000	–	1
\$70,001 – \$80,000	1	–
\$50,001 – \$60,000	1	–
<b>Employee Benefits</b>	<b>–</b>	<b>–</b>
Short-term employee benefits	387,000	116,000
Post-employment benefits	22,000	11,000
Other long-term benefits	27,000	23,000
Termination benefits	–	–
<b>Total compensation of senior officers</b>	<b>436,000</b>	<b>140,000</b>

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 Housing 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 Housing 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); and
- 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 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 88: Receipts from government-related entities**

Receipts from Government related entities	Transaction value for year ended 2022 \$000	Transaction value for year ended 2021 \$000
<b>Department of Treasury</b>	–	–
Appropriations and disbursements	180,293	108,166
Royalty for Regions funding	98,999	75,971
<b>Department of Regional Development</b>	–	–
Grant revenue	2,621	7,355
<b>Department of Communities</b>	–	–
Overhead allocation recoup	12,469	–
<b>GROH</b>	–	–
Revenue	96,858	86,002
<b>Keystart</b>	–	–
Revenue	198,274	211,287
<b>Western Australian Treasury Corporation</b>	–	–
Proceeds from Borrowings	450,000	1,350,000
<b>Mental Health Commission</b>	–	–
Funding for Step Up Step Down program	–	6,909
<b>Water Corporation</b>	–	–
Grant revenue	350	–



## 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 89: Payments to government-related entities**

Expenditure and/or payments to government-related entities	Transaction value for year ended 2022 \$000	Transaction value for year ended 2021 \$000
<b>Water Corporation</b>	–	–
Water rates and water consumption	52,977	52,067
<b>Department of Regional Development</b>	–	–
Repayment of Royalty for Regions funding	–	1,659
<b>Western Australian Treasury Corporation</b>	–	–
Repayment of borrowings	1,613,317	1,202,429
Interest on borrowings	29,837	31,155
Guarantee fees	2,257	2,972
<b>Government Employees' Superannuation Board</b>	–	–
Superannuation contributions	16,998	16,123
<b>Department of Finance</b>	–	–
Office accommodation, State Fleet rental and payroll tax	17,108	18,673

## 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 Housing Authority. The Authority purchases preferential shares from Keystart at rates and conditions that mirror the loans that the Housing Authority obtains from the Western Australian Treasury Corporation.



The following are related party transactions/balances of Keystart:

**Table 90: Related party transactions/balances of Keystart**

Related party transactions/balances of Keystart	Notes	2022 \$000	2021 \$000
Preferential shares	6.1	3,989,500	5,089,500
Interest revenue	3.6	56,376	55,450
Dividends	3.6	141,898	155,837
Other current assets	6.3	9,543	7,763
Distribution of equity	9.1	–	36,000

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

**Table 91: Related party balances of Seacrest Pty Ltd**

Related party balances of Seacrest Pty Ltd	Notes	2022 \$000	2021 \$000
Other financial assets	6.4	–	5,289

**Goldmaster**, a controlled subsidiary entity is financed by the Housing Authority. The Housing 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 92: Related party transactions/balances of Goldmaster**

Related party transactions/balances of Goldmaster	Notes	2022 \$000	2021 \$000
Interest revenue	3.4	381	421
Impairment assets – Goldmaster	4.2	–	514
Other financial assets	6.4	5,126	5,125
Loans and receivables	6.1	7,456	7,075



## 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 Housing Authority:

**Table 93: Municipal and essential services account**

Municipal and essential services account	2022 \$000	2021 \$000
WA Police – office accommodation	1,580	1,433

## 9.7. Administered transactions – remote indigenous housing

**Table 94: Administered transactions – remote indigenous housing**

Housing Authority	2022 \$000	2021 \$000
Balance at start of the period	13,895	5,960
<b>Receipts</b>	–	–
Transfer of internal funds	4,000	14,704
Other receipts	13,209	12,461
Payments	(24,877)	(19,230)
<b>Balance at end of period</b>	<b>6,227</b>	<b>13,895</b>

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 Housing Authority. The use of the rent collected is restricted to repair and maintenance in the Aboriginal Community in which it is collected. Additional funding is provided by the Housing 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 95: Remuneration of auditors**

Remuneration of auditors	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Auditing the accounts, controls, financial statements and key performance indicators	691	593	539	425
<b>Total</b>	<b>691</b>	<b>593</b>	<b>539</b>	<b>425</b>

## 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 96: Contributed equity**

Contributed equity	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
Balance at start of period	2,533,150	2,489,954	2,452,880	2,445,684
<b>Contributions by owners</b>	–	–	–	–
Capital contributions	98,859	173,264	98,859	173,264
<b>Other contributions by owner</b>	–	–	–	–
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	2,003	1,000	2,003	1,000
Mental Health Commission	–	6,909	–	6,909
<b>Total contributions by owners</b>	<b>100,862</b>	<b>181,173</b>	<b>100,862</b>	<b>181,173</b>



Contributed equity	Consolidated 2022 \$000	Consolidated 2021 \$000	Housing Authority 2022 \$000	Housing Authority 2021 \$000
<b>Transfer of net assets to other agencies</b>	–	–	–	–
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	–	(1,659)	–	(1,659)
Department of Communities	(954)	(1,284)	(954)	(1,284)
DevelopmentWA	(273,303)	(135,034)	(273,303)	(135,034)
Keystart capital adequacy payment	–	–	–	(36,000)
<b>Total distributions to owners</b>	<b>(274,257)</b>	<b>(137,977)</b>	<b>(274,257)</b>	<b>(173,977)</b>
<b>Balance at end of period</b>	<b>2,359,755</b>	<b>2,533,150</b>	<b>2,279,485</b>	<b>2,452,880</b>

**Table 97: Equity reserves**

Reserves	Notes	Consolidated 2022 \$000	Consolidated Restated 2021 \$000	Housing Authority 2022 \$000	Housing Authority Restated 2021 \$000
<b>(i) Asset revaluation reserve</b>	–	–	–	–	–
Balance brought forward from prior period	–	6,094,390	6,289,716	6,094,390	6,289,716
Correction of prior period errors	9.2	–	1,787	–	1,787
Restated balance at start of period*	–	6,094,390	6,291,019	6,094,390	6,291,503
Correction of prior period error	9.2	–	(484)	–	(484)
Transferred to retained earnings	–	(17,008)	(53,793)	(17,008)	(53,793)
Land inventory prior year eliminations	–	–	–	–	–
Revaluations during the period	–	1,090,789	(142,836)	1,090,789	(142,836)
<b>Closing balance</b>	–	<b>7,168,171</b>	<b>6,094,390</b>	<b>7,168,171</b>	<b>6,094,390</b>



Reserves	Notes	Consolidated 2022 \$000	Consolidated Restated 2021 \$000	Housing Authority 2022 \$000	Housing Authority Restated 2021 \$000
<b>(ii) Interest Assistance Lowstart reserve</b>	–	–	–	–	–
Balance brought forward from prior year	–	713	716	–	–
Transfer to retained profits	–	(713)	(3)	–	–
<b>Closing balance</b>	–	–	<b>713</b>	–	–
<b>Total reserves</b>	<b>–</b>	<b>7,168,171</b>	<b>6,095,103</b>	<b>7,168,171</b>	<b>6,094,390</b>

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.

\*Refer to Note 9.2 for correction of prior period errors.

**Retained earnings****Table 98: Retained earnings**

Retained earnings	Notes	Consolidated 2022 \$000	Consolidated Restated(a) 2021 \$000	Housing Authority 2022 \$000	Housing Authority Restated(a) 2021 \$000
Balance brought forward from prior period	–	3,804,282	3,737,787	3,605,465	3,539,314
Correction of prior period error	9.2	–	38,686	–	38,686
<b>Restated balance at start of period*</b>	–	<b>3,804,282</b>	<b>3,776,473</b>	<b>3,605,465</b>	<b>3,578,000</b>
Transfer from asset revaluation reserve upon disposal	–	17,008	53,793	17,008	53,793
Transfer from asset revaluation reserve during the year	–	–	–	–	–
Transfer from Interest Assistance Lowstart reserve	–	713	3	–	–
Net profit/(loss) for the year	–	13,192	(25,987)	13,191	(26,328)
<b>Total retained earnings</b>	–	<b>3,835,195</b>	<b>3,804,282</b>	<b>3,635,664</b>	<b>3,605,465</b>

\*Refer to Note 9.2 for correction of prior period errors.



## 9.11. Equity attributable to non-controlling interest

**Table 99: Equity attributable to non-controlling interest**

Equity attributable to non-controlling interest – Goldmaster	Consolidated 2022 \$000	Consolidated Restated 2021 \$000	2022 \$000	Housing Authority restated 2021 \$000
Opening equity for non-controlling interest	642	740	–	–
Non-controlling loss ending 30 June	(110)	(98)	–	–
Movement in equity attributable to contributed equity	–	–	–	–
Other changes to non-controlling interest	–	–	–	–
<b>Total non-controlling interest</b>	<b>532</b>	<b>642</b>	<b>–</b>	<b>–</b>



## 9.12. Supplementary financial information

### (a) Write offs

Bad Debts written off by the Accountable Authority in the year ended 30 June 2022 totalled \$3.680m (2021: \$7.426m)

### (b) Losses to the Housing Authority through thefts, defaults or other causes:

Cashier shortages incurred for the year ended 30 June 2022 was nil. (2021: nil).

Reportable thefts in the year ended 30 June 2022 was nil (there was no reportable thefts in the year ended June 2021).

Amounts recovered during the year ended 30 June 2022 was \$131,972 (2021: nil).

### (c) Gifts of public property

In the year ended 30 June 2022 the Housing Authority made no gifts of public property.



## 10. Explanatory statements

This section explains variations in the financial performance of the Authority.

### Notes

Explanatory statements for controlled operations

10.1

This explanatory section explains variations in the financial performance of the Agency undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of:

- Total Expenses for the budgeted amount for the Statements of comprehensive income and Statement of cash flows (i.e. 1% of \$1,096,989,000), and
- Total Assets for the budgeted amount for the Statement of financial position (i.e. 1% of \$17,976,317,000).



## 10.1. Explanatory statement for controlled operations

### 10.1.1. Statement of comprehensive income variances

**Table 100: Statement of comprehensive income variances – Housing Authority**

Statement of comprehensive income	Variance Notes	Estimate 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between actual and estimate \$000	Variance between actual results for 2022 and 2021 \$000
<b>Revenue and Income</b>	–	–	–	–	–	–
Sales	1, a	41,038	61,807	321,710	20,769	(259,903)
Rental revenue	–	283,478	267,685	247,566	(15,793)	20,119
Grants, contributions and subsidies	–	124,708	130,067	125,623	5,359	4,444
Interest revenue	–	5,670	3,038	3,035	(2,632)	3
Gain on disposal on non-current assets	–	–	1,400	–	1,400	1,400
Other revenue	b	20,825	13,173	46,157	(7,652)	(32,984)
<b>Total income</b>	–	<b>475,719</b>	<b>477,170</b>	<b>744,091</b>	<b>1,451</b>	<b>(266,921)</b>
<b>Expenses</b>	–	–	–	–	–	–
Cost of sales	c	40,241	39,226	190,399	(1,015)	(151,173)
Rental expenses	2, d	362,076	315,283	266,903	(46,793)	48,380



Statement of comprehensive income	Variance Notes	Estimate 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between actual and estimate \$000	Variance between actual results for 2022 and 2021 \$000
Community support expense	3	148,576	106,830	105,609	(41,746)	1,221
Employee benefit expense	–	170,903	172,026	172,387	1,123	(361)
Supplies and services	4	68,263	48,783	51,652	(19,480)	(2,869)
Depreciation and amortisation expense	–	115,331	117,230	122,897	1,899	(5,667)
Finance costs	5	64,164	49,670	51,414	(14,494)	(1,744)
Grants and subsidies	6, e	30,877	47,304	14,468	16,427	32,836
Accommodation expenses	–	6,867	17,329	9,571	10,462	7,758
Loss on disposal of non-current assets	7	23,285	–	8,323	(23,285)	(8,323)
Other expenses	8, f	66,406	31,445	266,109	(34,961)	(234,664)
<b>Total expenses</b>	–	<b>1,096,989</b>	<b>945,126</b>	<b>1,259,732</b>	<b>(151,863)</b>	<b>(314,606)</b>
Loss before income from State Government	–	<b>(621,270)</b>	<b>(467,956)</b>	<b>(515,641)</b>	<b>153,314</b>	<b>47,685</b>
<b>Income from State Government</b>	–	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Service appropriation	9, g	51,341	81,434	108,166	30,093	(26,732)



Statement of comprehensive income	Variance Notes	Estimate 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between actual and estimate \$000	Variance between actual results for 2022 and 2021 \$000
Income from other public sector entities	10	416,076	302,488	305,895	(113,588)	(3,407)
Royalties for Regions Fund	11, h	122,590	96,996	74,971	(25,594)	22,025
Services received	–	–	229	281	229	(52)
<b>Total income from State Government</b>	–	<b>590,007</b>	<b>481,147</b>	<b>489,313</b>	<b>(108,860)</b>	<b>(8,166)</b>
<b>Surplus / (deficit) for the period</b>	–	<b>(31,263)</b>	<b>13,191</b>	<b>(26,328)</b>	<b>44,454</b>	<b>39,519</b>
<b>Other comprehensive income</b>	–	–	–	–	–	–
Changes in asset revaluation surplus	12, i	–	1,090,789	(142,836)	1,090,789	1,233,625
<b>Total other comprehensive income</b>	–	–	<b>1,090,789</b>	<b>(142,836)</b>	<b>1,090,789</b>	<b>1,233,625</b>
Profit/(loss) attributable to:	–	–	–	–	–	–
Consolidated equity	–	–	–	–	–	–
Non-controlling interest	–	–	–	–	–	–
<b>Total</b>	–	–	–	–	–	–
<b>Total comprehensive income attributable to:</b>	–	–	–	–	–	–



Statement of comprehensive income	Variance Notes	Estimate 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between actual and estimate \$000	Variance between actual results for 2022 and 2021 \$000
Consolidated equity	–	–	–	–	–	–
Non-controlling interest	–	–	–	–	–	–
<b>Total</b>	–	–	–	–	–	–
<b>Total comprehensive income for the period</b>	–	<b>(31,263)</b>	<b>1,103,980</b>	<b>(169,164)</b>	<b>1,135,243</b>	<b>1,273,144</b>

## Major Estimate and Actual (2022) variance narratives

### Housing Authority

1. Sales are higher than budget by \$20.77 million (50.61%) primarily due to remaining Joint Venture land projects in Butler and Dalyellup planned to now transfer to Development WA in 2022–23 instead of 2021–22 as originally anticipated.
2. Rental expenses are under budget by \$46.79 million (12.92%) mainly due to a combination of trade scarcity and low vacancy rates resulting in lower spend on social housing maintenance.
3. Community Support expenses is lower than budget by \$41.76 million (28.10%) in the remote communities' program due to accessibility issues, lack of trade, supply availability and other impacts from COVID-19 which have caused further delays to upgrade works.
4. Supplies and services is under budget by \$19.48 million (28.54%) as a result, of lower spending on external consultancy and specialist services, with some projects delayed.
5. Finance Costs are under budget by \$14.49 million (22.59%) due to record high levels of discharges on the loan book which have resulted in a lower borrowing requirement by Keystart. In addition, the reduced cash rate by the Reserve Bank of Australia (RBA) for most of the financial year reduced Keystart's cost of borrowings.



6. Grants and Subsidies are higher than budget by \$16.43 million (53.20%). The increase relates to the carry-over of Social Housing Economic Recovery Package (SHERP) grants, for the purpose of providing new and upgraded community housing from 2020–21 to 2021–22 in line with the expected grants expenditure.
7. Loss on Disposal on Assets is over budget by \$24.68 million (106.01%) due to higher than anticipated share equity property sales.
8. Other Expense is under budget by \$34.96 million (52.82%) primarily due to an update in the accounting treatment for the Southwest Native Title Settlements asset transfers late in the 2020–21 financial year whereby a provision recognising the transfer of assets was raised in 2020–21.
9. Service appropriations are higher than budget by \$30.09 million (58.61%), due to additional funding from Treasury to cover shortfall in rents from social housing properties.
10. Income from other public sector entities is below budget by \$113.59 million (27.30%). The variance relates primarily to funding from the Social Housing Investment Fund (SHIF) Special Purpose Account (SPA) not being drawn down with the Housing Authority using its existing cash balances to progress works undertaken in 2021–22. The funding not drawn down will be carried over into 2022–23.
11. Royalties for Regions Fund is lower than budget by \$25.59 million (20.88%) as a result of funding not being drawn down in 2021–22 due to delays in procurement works for the remote communities' program. Funding has been reprofiled to 2022–23 and 2023–24.
12. Changes in asset revaluation surplus is due to an increase in property values for 2021–22. This was not budgeted for in the 2021–22 Budget.

## **Major Actual (2022) and Comparative (2021) Variance narratives**

### **Housing Authority**

- a) Sales are lower than prior year by \$259.9 million (80.79%) due to the Housing Machinery of Government reform, which took effect on 1 July 2021 resulting in the transfer of commercial land development functions from the Housing Authority to Development WA.



- b) The decrease in other revenue compared to prior year by \$32.98 million (71.46%) is a result of prior years' 'Stop the clock' GST recoveries in the 2021–21 financial year.
- c) Cost of sales is lower than prior year by \$151.17 million (79.04%) as a result of the Machinery of Government changes which took effect 1 July 2021 resulting in the transfer of commercial land development functions from the Housing Authority to Development WA.
- d) The increase of \$48.38 million (18.13%) in rental expense from prior year is primarily due to the underspend in 2019–20 for maintenance and the Social Housing Economic Recovery Package (SHERP) maintenance expenditure carry-over in 2020–21 to 2021–22.
- e) The increase of \$32.84 million (226.96%) in grant and subsidies from prior years is due to the carry-over of Social Housing Economic Recovery Package (SHERP) grants from 2020–21 to 2021–22 in line with the expected grants expenditure.
- f) Other expenses are lower than prior year by \$234.67 million (88.18.%) primarily due to provision of assets transfers from the Southwest native settlement being recognised 2020–21. Also impacting the lower spend, is the one-off write-down of vacant land carrying values in 2020–21 following the transfer of assets to Development WA as part of the Housing Machinery of Government (MOG) reform.
- g) The decrease in Service Appropriation compared to prior year by \$26.73 million (24.71%) is mostly due to Housing receiving more appropriation for the Social Housing Economic Recovery Package (SHERP) maintenance in 2020–21.
- h) The increase in Royalties for Regions Fund compared to prior year by \$22.02 million (22.71%) is due to additional funding for the Remote Communities program, with 2020–21 being the first year the program was partly funded on a recurrent basis from the Royalties for Regions fund.
- i) The increase in changes in asset revaluation surplus compared to the prior year by \$1,233.63 million (864%) is due to an increase in property values for 2021–22.



## 10.1.2. Statement of financial position variances

**Table 101: Statement of financial position variances – Housing Authority**

Statement of financial position – Housing Authority Assets	Variance Notes	Estimate 2022 \$'000	Actual 2022 \$'000	Actual Restated 2021 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
<b>Current assets</b>	–	–	–	–	–	–
Cash and cash equivalents	–	119,080	137,724	262,752	18,644	(125,028)
Restricted cash and cash equivalents	–	21,627	19,614	49,614	(2,013)	(30,000)
Inventories	1	453,371	114,339	234,541	(339,032)	(120,202)
Loans and receivables	2	1,268,910	288,744	278,908	(980,166)	9,836
Other current assets	–	37,621	22,629	16,062	(14,992)	6,567
Non-current assets classified as held for sale	–	11,568	7,233	5,161	(4,335)	2,072
<b>Total current assets</b>	–	1,912,177	590,283	847,038	(1,321,894)	(256,755)
<b>Non-current assets</b>	–	–	–	–	–	–
Inventories	a	<b>168,815</b>	<b>278,849</b>	<b>495,958</b>	<b>110,034</b>	<b>(217,109)</b>
Loans and receivables	3, b	4,514,245	4,034,495	5,133,922	(479,750)	(1,099,427)
Other financial assets	–	10,953	5,150	10,439	(5,803)	(5,289)
Property, plant and equipment	c	11,362,422	11,108,432	10,027,610	(253,990)	1,080,822
Right-of-use assets	–	3,483	1,971	1,480	(1,512)	491



Statement of financial position – Housing Authority Assets	Variance Notes	Estimate 2022 \$'000	Actual 2022 \$'000	Actual Restated 2021 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
Intangible assets	–	(4,778)	114	278	4,892	(164)
Service concession assets	4	–	2,033,960	1,856,367	2,033,960	177,593
<b>Total non-current assets</b>	–	16,055,140	17,462,971	17,526,054	1,407,831	(63,083)
<b>Total assets</b>	–	<b>17,967,317</b>	<b>18,053,254</b>	<b>18,373,092</b>	<b>85,937</b>	<b>(319,838)</b>
<b>Liabilities</b>	–	–	–	–	–	–
<b>Current liabilities</b>	–	–	–	–	–	–
Payables	–	29,677	53,329	74,890	23,652	(21,561)
Borrowings	–	157,198	72,914	85,955	(84,284)	(13,041)
Lease liabilities	–	1,222	61,078	46,459	59,856	14,619
Provisions	–	52,731	22,587	54,184	(30,144)	(31,597)
Other current liabilities	–	60,453	16,734	16,784	(43,719)	(50)
<b>Total current liabilities</b>	–	301,281	226,642	278,272	(74,639)	(51,630)
<b>Non-current liabilities</b>	–	–	–	–	–	–
Payables	–	24	251	282	227	(31)
Borrowings	5, d	6,048,742	4,513,785	5,679,245	(1,534,957)	(1,165,460)
Provisions	–	65,064	38,560	92,544	(26,504)	(53,984)



Statement of financial position – Housing Authority Assets	Variance Notes	Estimate 2022 \$'000	Actual 2022 \$'000	Actual Restated 2021 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
Lease liabilities	–	72,591	37,264	28,110	(35,327)	9,154
Other non-current liabilities	6	–	153,432	141,904	153,432	11,528
<b>Total non-current liabilities</b>	–	6,186,421	4,743,292	5,942,085	(1,443,129)	(1,198,793)
<b>Total liabilities</b>	–	<b>6,487,702</b>	<b>4,969,934</b>	<b>6,220,357</b>	<b>(1,517,768)</b>	<b>(1,250,423)</b>
<b>Net assets</b>	–	<b>11,479,615</b>	<b>13,083,320</b>	<b>12,152,735</b>	<b>1,603,705</b>	<b>930,585</b>
<b>Equity</b>	–	–	–	–	–	–
Contributed equity	–	2,148,461	2,279,485	2,452,880	131,024	(173,395)
Reserves	–	6,300,883	7,168,171	6,094,390	867,288	1,073,781
Retained earnings	–	3,030,271	3,635,664	3,605,465	605,393	30,199
<b>Total equity attributable to the consolidated entity</b>	–	<b>11,479,615</b>	<b>13,083,320</b>	<b>12,152,735</b>	<b>1,603,705</b>	<b>930,585</b>
Non-controlling interest	–	–	–	–	–	–
<b>Total equity</b>	–	<b>11,479,615</b>	<b>13,083,320</b>	<b>12,152,735</b>	<b>1,603,705</b>	<b>930,585</b>



## Major Estimate and Actual (2022) variance narratives – Housing Authority

### Housing Authority

1. Inventories are lower than budget by (74.78%) primarily due to the transfer of Tranche 2 land commercial assets to Development WA effective from 2021–22.
2. Current loans and receivables are under budget by (77.24%) as, a result of a lower borrowing requirement for Keystart in 2021–22.
3. Non-current loans and receivables is below budget by (10.63%) due to record high levels of discharges on the loan book which have resulted in a lower borrowing requirement by Keystart.
4. The increase in Service and concession assets is the result of the recognition of service concession assets as per AASB 1059 “Service Concession Arrangements”. This was not budgeted for in the 2021–22 Budget.
5. Borrowings are lower than budget by (25.38%), which is the result of customer loan discharges exceeding new loan disbursements over 2021–22, reducing Keystart borrowing requirement.
6. The increase in other non-current liabilities is the result of the recognition of service concession liabilities as per AASB 1059 “Service Concession Arrangements”. This was not budgeted for in the 2021–22 Budget.



## Major Actual (2022) and Comparative (2021) variance narratives

### Housing Authority

- a) Non-Current Inventories are lower than prior year by (43.78%) is mainly due to the transfer of Tranche 2 land commercial land assets from the Housing Authority to Development WA.
- b) The decrease in non-current loans and receivables compared to prior year by (21.41%) is a result of lower borrowing requirement for Keystart in 2021–22.
- c) Property, Plant, and equipment is higher than prior year by (10.78%). The variance largely relates to the annual revaluation process with a \$935 million increase in property values. In addition, the Government established the Social Housing Investment Fund for future dwellings construction projects and other initiatives that increase social housing supply. In 2021–22 Housing Authority drew down \$123 million from the fund. In addition, the Social Housing Economic Recovery Package (SHERP) and the Housing and Homeless Investment Package (HHIP) capital programs have been progressing well.
- d) The decrease in Borrowings compared to prior year by (20.52%) is the result of customer loan discharges exceeding new loan disbursements over 2021–22, reducing Keystart borrowing requirement.



### 10.1.3. Statement of cash flows variances

**Table 102: Statement of cash flows variances – Housing Authority**

Statement of cash flows variances – Housing Authority	Variance Notes	Estimate 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
<b>Cash flows from operating activities – Receipts</b>	–	–	–	–	–	–
Rental receipts	–	283,478	265,576	253,451	(17,902)	12,125
Grants, contributions and subsidies	–	124,708	130,067	125,623	5,359	4,444
Interest received	–	5,670	1,083	2,615	(4,587)	(1,532)
Inventory receipts on sales	1, a	41,038	59,261	318,980	18,223	(259,719)
Other receipts	b	20,825	19,882	61,216	(943)	(41,334)
GST receipts on sales	–	16,059	15,708	17,296	(351)	(1,588)
GST receipts from taxation authority	c	15,741	18,548	35,004	2,807	(16,456)
<b>Cash flows from operating activities – Payments</b>	–	–	–	–	–	–
Rental property payments	2, d	(374,437)	(316,684)	(259,547)	(57,753)	57,137
Community support payments	3	(148,576)	(109,013)	(100,880)	(39,563)	8,133
Employee benefits	–	(170,903)	(166,658)	(169,220)	(4,245)	(2,562)
Supplies and services	4	(68,263)	(50,102)	(48,725)	(18,161)	1,377



Statement of cash flows variances – Housing Authority	Variance Notes	Estimate 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
Finance costs	5, e	(64,455)	(47,968)	(60,355)	(16,487)	(12,387)
Accommodation	–	(6,867)	(17,142)	(9,382)	10,275	7,760
Grants and subsidies	6, f	(30,877)	(47,574)	(13,849)	16,697	33,725
Purchase and development of inventory	7, g	(69,557)	(82,664)	(133,237)	13,107	(50,573)
GST payments on purchases	h	(15,741)	(22,434)	(35,837)	6,693	(13,403)
GST payments to taxation authority	–	(16,059)	(14,155)	(17,280)	(1,904)	(3,125)
Other payments	8, i	(37,059)	(53,214)	(135,219)	16,155	(82,005)
<b>Net cash provided by / (used in) operating activities</b>	–	<b>(495,275)</b>	<b>(417,483)</b>	<b>(169,346)</b>	<b>77,792</b>	<b>(248,137)</b>
<b>Cash flows from investing activities – Receipts</b>	–	–	–	–	–	–
Proceeds from the sale of non-current physical assets	9, j	16,470	47,868	66,278	31,398	(18,410)
Other investing receipts	10, k	–	1,100,814	–	1,100,814	1,100,814
<b>Cash flows from investing activities – Payments</b>	–	–	–	–	–	–
Purchase of non-current physical assets	l	(310,094)	(288,244)	(91,040)	(21,850)	197,204



Statement of cash flows variances – Housing Authority	Variance Notes	Estimate 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
Other investing payments	11, m	(414,181)	–	(275,000)	(414,181)	(275,000)
<b>Net cash used in investing activities</b>	–	<b>(707,805)</b>	<b>860,438</b>	<b>(299,762)</b>	<b>1,568,243</b>	<b>1,160,200</b>
<b>Cash flows from financing activities – Receipts</b>	–	–	–	–	–	–
Proceeds from borrowings WA Treasury Corporation	12, n	1,414,181	450,000	1,350,000	(964,181)	(900,000)
Finance lease receipts	13, o	59,932	76,910	63,083	16,978	13,827
<b>Cash flows from financing activities – Payments</b>	–	–	–	–	–	–
Repayment of borrowings from:	–	–	–	–	–	–
WA Treasury Corporation	14, p	(963,330)	(1,613,317)	(1,202,429)	649,987	410,888
Commonwealth Government	–	(17,589)	(17,589)	(17,327)	–	262
Principal elements of lease payments	15, q	(61,185)	(78,577)	(64,906)	17,392	13,671
<b>Net cash provided by financing activities</b>	–	<b>432,009</b>	<b>(1,182,573)</b>	<b>128,421</b>	<b>(1,614,582)</b>	<b>(1,310,994)</b>
<b>Cash flows from State Government</b>	–	–	–	–	–	–
Service appropriation	16, r	51,341	81,434	108,166	30,093	(26,732)



Statement of cash flows variances – Housing Authority	Variance Notes	Estimate 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
Capital Appropriation	17, s	138,518	98,859	142,230	(39,659)	(43,371)
Royalty for Regions recurrent fund	18, t	122,590	96,996	74,971	(25,594)	22,025
Royalties for Regions capital fund	–	19	2,003	–	1,984	2,003
Other contributions/distributions of equity	–	–	(954)	–	954	954
Funds from other public sector entities	19, u	435,399	306,252	213,047	(129,147)	93,205
<b>Net cash provided by State Government</b>	–	<b>747,867</b>	<b>584,590</b>	<b>538,414</b>	<b>(163,277)</b>	<b>46,176</b>
Net increase/(decrease) in cash and cash equivalents	–	(23,204)	(155,028)	197,727	(131,824)	(352,755)
Cash and cash equivalents at the beginning of the period	–	163,909	312,366	114,639	148,457	197,727
<b>Cash and cash equivalents at end of the period</b>	–	<b>140,705</b>	<b>157,338</b>	<b>312,366</b>	<b>16,633</b>	<b>(155,028)</b>



### Major Estimate and Actual (2022) variance narratives

1. Inventory receipt on Sales are over budget by \$18.223 million (44.41%) mainly due to remaining Joint Venture land projects in Butler and Dalyellup planned to now transfer to Development WA in 2022–23 instead of 2021–22 as originally anticipated.
2. Rental property payments are lower than budget by \$57.753 million (15.42%) primarily due to a combination of trade scarcity and low vacancy rates resulting in lower spend on social housing maintenance.
3. Community Support payments is under budget by \$39.563 million (29.81%) in the remote communities' program due to accessibility issues, lack of trade, supply availability and other impacts from COVID-19 which have caused further delays to upgrade works.
4. Supplies and services is lower than budget by \$20.528 million (26.63%) as a result, of lower spending on external consultancy and specialist service, with some projects delayed.
5. Finance Costs are under budget by \$16.487 million (25.58%) due to record high levels of discharges on the loan book which have resulted in a lower borrowing requirement by Keystart. In addition, the reduced cash rate by the Reserve Bank of Australia (RBA) for most of the financial year reduced Keystart's cost of borrowings.
6. Grants and Subsidies are higher than budget by \$16.487 million (54.08%). The increase relates to the re-profiling of Social Housing Economic Recovery Package (SHERP) grants to 2021–22 in line with the expected grants expenditure, for the purpose of providing new and upgraded community housing.
7. Purchase and development of inventory is over budget by \$13.107 million (18.84%), which mostly relates to additional acquisition of land assets due to ministerial directive in addressing the Public Housing waitlist. Also, contributing, the remaining Joint Venture land projects which were originally planned to be transferred to Development WA in 2021–22, now scheduled for 2022–23.
8. Other payments is under budget by \$16.155 million (43.59%), this largely reflects overpayment of overhead recoveries made to the Department of Communities, which have subsequently been recognised as amounts owing to the Housing Authority as at 30 June 2022.
9. Proceeds from the sale of non-current physical assets is over budget by \$31.398 million (190.64%) due to higher than anticipated share equity property sales.
10. Other investing receipts is over budget by \$1,100 million due to the unexpected level in discharges for Keystart loans, which was applied to repay debt and not forecasted in the original budget.



11. Other investing payments is lower than budget by \$441.181 million (100%) is the result in a lower borrowing requirement for Keystart.
12. Proceeds from borrowings WA Treasury corporation are lower than budget by \$964.181 million (68.18%) is a result of customer loan discharges exceeding new loan disbursements over 2021–22, reducing Keystart borrowing requirement.
13. Finance leases are higher than budget by \$16.978 million (28.33%) due to an increase in lease revenue for GROH properties.
14. Repayment of borrowings from WA Treasury Corporation is over budget by \$649.987 million (67.47%), due to high level of discharges exceeding new loan disbursements over 2021–22, resulting in an increase in debt repaid.
15. Element of lease payments is higher than budget by \$17.392 million (28.43%) due to an increase in lease costs for GROH properties.
16. Service appropriations are higher than budget by \$30.093 million (58.61%), due to additional funding from Treasury to cover shortfall in rents received for social housing, which was not included in the original budget.
17. Capital Appropriations is under budget by \$39.659 million (28.63%) due to the re-profiling of Social Housing Economic Recovery Package (SHERP) New Builds capital funding from 2021–22 to 2022–23 and 2023–24 to better align to expected capital requirements. The reprofile was required due to a lack of trade availability and material shortages
18. Royalties for Regions recurrent fund is lower than budget by \$25.594 million (20.88%) as a result of funding not being drawn down in 2021–22 due to delays in procurement works for the remote communities' program. Funding has been reprofiled to 2022–23 and 2023–24.
19. Income from other public sector entities is below budget by \$129.147 million (29.66%). The variance relates to funding from the Social Housing Investment Fund (SHIF) Special Purpose Account (SPA) was not required due to underspends in various housing programs. Housing Authority was able to use existing cash balances to progress works undertaken in 2021–22. The funding not drawn down will be carried over into 2022–23.



### Major Actual (2022) and Comparative (2021) Variance narratives

- a. Inventory receipt on Sales is lower than prior year by \$259.719 million (81.42%) due to the Housing Machinery of Government reform, that took effect 1 July 2021 to transfer commercial land development functions from the Housing Authority to Development WA.
- b. The decrease of \$41.334 million (61.51%) in other receipts from prior year is a bringing forward prior years 'Stop the clock' GST recoveries received in the 2020–21 financial year.
- c. GST receipts from taxation authority are lower than prior year by \$16.456 million (47.01%) due to the transfer of commercial land development functions from the Housing Authority to Development WA.
- d. The increase of \$57.137 million (22.01%) in rental payments from prior year is primarily due to the underspend in 2019–20 for maintenance and the Social Housing Economic Recovery Package (SHERP) reprofiled in 2020–21.
- e. Finance costs are lower than prior year by \$12.387 million (20.52%), is mainly a result of an increase in the level of discharges on the loan book in 2021–22, which have resulted in a lower borrowing requirement by Keystart. In addition, the reduced cash rate by the Reserve Bank of Australia (RBA) for most of the financial year reduced Keystart's cost of borrowings.
- f. The increase of \$33.725 million (243.52%) in Grant and subsidies from prior years is the re-profiling of Social Housing Economic Recovery Package (SHERP) grants to 2021–22 in line with the expected grants expenditure.
- g. Purchase and development of inventory are lower than prior year by \$50.573 million (37.96%) due to the Housing Machinery of Government changes, which took effect from 1 July 2021 to transfer commercial land development functions from Housing Authority to Development WA.
- h. The decrease in GST payment on purchases by \$13.403 million (37.40%) from prior year is due to the transfer of commercial arm from the Housing Authority to Development WA, which reduced land development purchased, impacting GST payments.
- i. Other Payments are lower than prior year by \$71.375 million (52.78.%) as a result of higher expenditure in Joint Venture and Development Management Agreements Projects in 2020–21, which was largely due to the impact from Government stimulus



packages introduced. The majority of Joint Ventures and all Development Management Agreements have been transferred to Development WA at 1 July 2020.

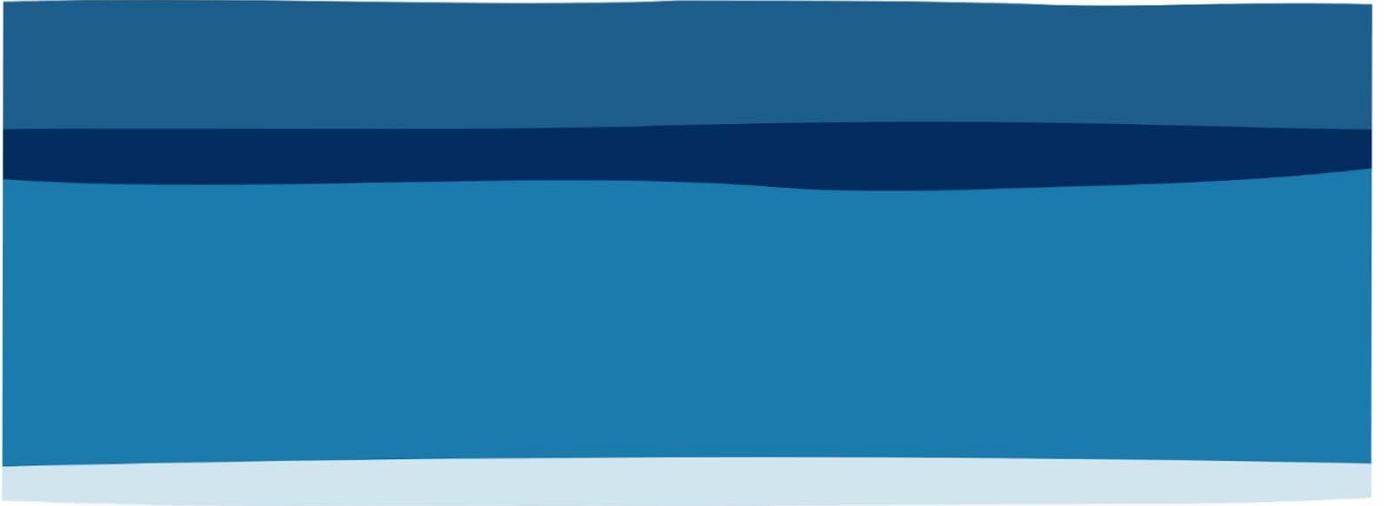
- j. Proceeds from the sale of non-current physical assets are lower than prior year by \$18.410 million (27.78%) as a result of Housing implementing several initiatives to boost public housing including repurposing properties previously planned for sale towards Social Housing. This has resulted in a relative reduction in sales in 2021–22 compared to 2020–21.
- k. Other Investing receipts are higher than prior year by \$1,100 million due to the high level in discharges for Keystart loans, which was applied to repay debt.
- l. The increase in Purchase of non-current physical assets by \$197.204 million (216.61%) is higher than prior year. The variance largely relates to the McGowan Government establishing the Social Housing Investment Fund for future dwellings construction projects and other initiatives that increase social housing supply. In 2021–22 Housing Authority draws down \$123 million from the fund.
- m. Other investing payments are lower than prior year budget by \$275 million is the result in a surge in loan discharges in 2021–22 resulting in a lower borrowing requirement for Keystart.
- n. The decrease in proceeds from borrowings WA Treasury corporation compared to prior year by \$900 million (66.67%) is a result of loan discharges exceeding new loan disbursements over 2021–22, reducing Keystart borrowing requirement.
- o. Finance leases receipts are higher than prior year by \$13.827 million (21.92%) due to an increase in lease revenue for GROH properties.
- p. The increase in repayment of borrowings from WA Treasury Corporation compared to prior year by \$410.888 million (34.18%), is due to high level of discharges exceeding new loan disbursements over 2021–22, resulting in an increase in debt repaid.
- q. The increase in the principal element of lease payments by is \$13.671 million (21.06%) from prior year is due to an increase in lease costs for GROH properties.



- r. The decrease in Service Appropriation compared to prior year by \$26.732 million (24.71%) is due to Housing receiving \$83 million in appropriation for maintenance and other related expenditure for the Social Housing Economic Recovery Package (SHERP) in 2020–21.
- s. Capital Appropriations are lower than prior year by \$43.371 million (30.49%) due to the state government's injecting additional funding in 2020–21, to protect and create jobs, boost industry confidence, and improve social outcomes given tough economic conditions due to COVID-19. Capital funding includes the Social Housing Economic Recovery Package, Housing and Homeless Investment Package, Kununurra and Geraldton Short Stay Accommodation, and the expansion of two family and domestic violence refuges.
- t. The decrease in Royalties for Regions recurrent fund compared to prior year by \$22.025 million (29.38%) is due to additional funding for the Remote Communities program, with 2020–21 being the first year the program was partly funded on a recurrent basis from the Royalties for Regions fund.
- u. The increase in funds from other public sector entities by \$93.205 million (43.75%) from prior year is due to lower financial cost in 2021–22, resulting in a higher dividend received by Keystart.

### **Section 40 estimates**

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



# Key Performance Indicators

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# Key performance indicators

## Certification of key performance indicators

For the reporting period ended 30 June 2022

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 2022.

**Mike Rowe**  
**Chief Executive Officer**  
**Accountable Authority**  
25 November 2022



## Reporting exemption

In November 2019, as part of the Housing Authority Machinery of Government reforms, the Premier announced measures to improve public sector accountability, efficiency and transparency. The primary reform announced was the splitting of the Housing Authority with the commercial land development projects, assets, and associated positions to be transferred to DevelopmentWA in two tranches:

- Tranche 1 (16 February 2021) involved the transfer of the Housing Authority's undeveloped land bank assets and a handful of in-house land developments.
- Tranche 2 (1 July 2021) involved the transfer of joint ventures and development management agreements, remaining in-house land developments and commercially focused built-form projects.

Consequently, since the completion of these transfers, the Housing Authority has sought and received a reporting exemption from the Under Treasurer in relation to the following key performance indicator for the 2021–2022 reporting period onwards:

- Average operating cost per lot developed

Note that activity data related to commercial land development projects, assets and associated positions also provides an input for the following key performance indicator:

- Total housing assistances provided relative to public rental waiting list

The activity data for land sales is used in the calculation of this key performance indicator for the 2021–22 reporting period and, although expected to decline to nil in the near future, will be used in the calculation for subsequent reporting periods so long as it has a material impact on the key performance indicator result.



# 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 “Safe, Strong and Fair Communities: Developing healthy and resilient communities”.

### **Outcome: 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 activities for eligible Western Australians who may not otherwise be able to obtain housing. Through the provision of Government Regional Officers’ Housing (GROH), 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. 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 assistance comprises: 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 103: 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
2021–22	9,901	8,518	17,880	17,194	0.55	0.50
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

#### Notes:

- 1 For 2021–22 the total units of housing assistance comprises (2020–21 result indicated within brackets): number of people (applications) allocated from the waiting list into community housing options: 201 (269); number of new home loans approved: 2,514 (3,977); number of Housing Authority (including Joint Venture partner) land sales below \$172,000(a): 59 (608); number of public rental occupations: 1,963(1,758); number of bond assistance loans approved: 3,781 (4,427).

- (a) The benchmark cut-off for the lower end of the market (2021–22: \$172,000; 2020–21: \$170,000) is the final December quarter lower quartile for Western Australia (State) residential land sales.

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

The 2021–22 actual ratio of total housing assistances provided relative to the public rental waiting list is lower than the 2021–22 budget target and previous year. This is primarily due to a significant reduction in both the number of bond assistance loans approved and the number of new Keystart home loans approved, when compared to the previous year.

Private market rental conditions have remained prohibitive for many households. We expect these conditions to remain with lower than usual private market stock availability.

The last quarter of 2021–22 has seen a decline in new loans due to rising interest rates and inflation, rising property prices, limited housing stock and prolonged new home construction timeframes, weighing on consumer demand.

### 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 104: Waiting times for accommodation in weeks – applicants housed**

Reporting year	Target average	Target median	Actual average	Actual median
<b>2021–22</b>	<b>103</b>	<b>62</b>	<b>116</b>	<b>81</b>
2020–21	95	49	102	58
2019–20	120	60	94	48
2018–19	110	70	95	45
2017–18	144	110	113	60

**Table 105: 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 (%)
<b>2021–22</b>	<b>4.48</b>	<b>27.71</b>	<b>44.63</b>	<b>13.55</b>	<b>9.63</b>
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

**Comment on performance**

In 2021–22, both the average and median average waiting times for accommodation are higher than the respective 2021–22 budget targets.

Wait list demand has persisted post COVID-19, with the wait list increasing by 11 per cent when compared to the same period last year (as at 30 June 2021). However, the rate of increase has decreased compared to the prior year; during 2020–21 the increase in the wait list as at the end of each quarter was between 4 per cent and 5 per cent. In 2021–22, the rate has decreased to between 1.5 per cent and 3 per cent.

External factors such as labour and material shortages have continued to impact turnover of vacant stock, impacting wait times. However, the number of applicants housed for 2021–22 has increased by approximately 12 per cent when compared to the previous financial year. We expect to see this trend continue in 2022–23 due to improvements in practice and acquisition of stock.

Given the challenging market conditions, there was an increased focus by the Housing Authority on priority placements; in 2021–22 the number of applicants housed from the priority wait list increased by approximately 31 per cent compared to the previous financial year, and approximately 60 per cent of all applicants housed in 2021–22 were priority applicants.



## Key efficiency indicators

### Service 7: 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 (maintenance, improvements, rates, strata fees)
- 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 106: Average operating cost per public rental property**

Reporting year	Target cost	Actual cost
<b>2021–22</b>	<b>\$18,109</b>	<b>\$15,947</b>
2020–21	\$17,070	\$17,207
2019–20	\$14,550	\$17,175
2018–19	\$15,658	\$15,513
2017–18	\$15,236	\$15,631

**Comment on performance**

The 2021–22 average cost was lower than the budget target and previous year. This is primarily due to a combination of trade scarcity and lower vacancy rates, which limited the availability of properties for extensive maintenance, resulting in a reduction in expenditure on social housing maintenance throughout 2021–22.



## 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 (maintenance, improvements, rates, strata fees)
- other expenses.

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

**Table 107: Average operating cost per Government Regional Officers' Housing (GROH) rental property**

Reporting year	Target cost	Actual cost
2021–22	\$12,844	\$13,583
2020–21	\$15,227	\$12,167
2019–20	\$14,929	\$14,784
2018–19	\$27,710	\$24,735
2017–18	\$29,101	\$25,170

### Comment on performance

The 2021–22 average cost was consistent with the target average cost. The 2021–22 average cost was greater than the prior year due to a combination of trade scarcity and low vacancy rates resulting in lower spend in maintenance on GROH properties in 2020–21. This budget was reflown to 2021–22 to align to expected maintenance works.



## Service 8: 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 108: Average operating cost per current loan account**

Reporting year	Target cost	Actual cost
<b>2021–22</b>	<b>\$2,986</b>	<b>\$802</b>
2020–21	\$2,888	\$1,145
2019–20	\$2,501	\$4,214
2018–19	\$2,644	\$3,083
2017–18	\$2,613	\$2,540

### Comment on performance

The 2021–22 average cost was significantly lower than the 2021–22 budget target (and previous year). The result is mainly due to a reduction in bad debts and credit loss compared to the target, which was set at the onset of the pandemic, due to improved economic conditions including lower unemployment and higher property prices.



## Service 9: 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

**Exemption Statement: The Under Treasurer has approved an exemption from reporting of this indicator from the 2021–22 reporting period onwards (refer above to “Reporting exemption” section).**

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 109: Average operating cost per lot developed**

Reporting year	Target cost	Actual cost
2021–22	\$283,050	N/A
2020–21	\$26,325	\$19,096
2019–20	\$22,746	\$36,188
2018–19	\$25,867	\$46,645
2017–18	\$20,644	\$33,680



## 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 110: Average operating cost per property sold**

Reporting year	Target cost	Actual cost
<b>2021–22</b>	<b>\$16,354</b>	<b>\$125,502</b>
2020–21	\$25,929	\$24,826
2019–20	\$26,647	\$44,380
2018–19	\$15,906	\$35,916
2017–18	\$15,291	\$32,325

### Comment on performance

The 2021–22 average cost was significantly higher than the 2021–22 budget target and previous year. The variance is primarily due to the Department's focus on repurposing current housing stock in recognition of pressures in the Western Australian Housing market.

Due to labour and material shortages, a number of projects will be completed later than budgeted, leading to lower number of units available for sale in 2021–22. Budget has been reflowed to 2022–23 as part of the 2022–23 State Budget Process to deliver on these projects.



# 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 Loans Ltd
- Keystart Loans Ltd owns 100 per cent of Keystart Scheme Management Pty Ltd.

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

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).

This is in accordance with the PSC's 'Annual report guidelines for 2021–22' published 7 May 2021.

## Ministerial directives

No ministerial directives were received during 2021–22.



## Act of Grace payments

As at 30 June 2022, 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. The table below details the personal expenditure using government-issued credit cards in 2021–22.

**Table 111: Personal expenditure using government-issued credit cards in 2021–22**

<b>Personal expenditure</b>	<b>2021–22</b>
Number of instances the Western Australian Government purchasing card has been used for a personal purpose	25
Aggregate amount of personal use expenditure for the reporting period	\$678.99
Aggregate amount of personal use expenditure settled by the due date	\$578.70
Aggregate amount of personal use expenditure settled after the period required by the due date	\$87.49
Aggregate amount of personal use expenditure outstanding at the end of the reporting period	\$12.80
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	0



## 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 2021–22 was \$180,651.

**Table 112: Advertising expenditure for 2021–22**

Expenditure	Organisation	Amount	Total
<b>Advertising</b>	Mymedia Intelligence Pty Ltd	\$20,970	\$20,970
<b>Market research</b>	–	–	–
<b>Polling</b>	–	–	–
<b>Direct mail</b>	–	–	–
<b>Media advertising</b>	Carat Australia Media Services Pty Ltd	\$32,011	\$32,011
–	Initiative Media Australia Pty Ltd	\$120,178	\$120,178
–	Facebook	\$5,762	\$5,762
–	Guardian News & Media	\$1,730	\$1,730
<b>Total</b>	–	–	<b>\$180,651</b>

## 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 2021–22.



## Recordkeeping plan

The Authority's recordkeeping plan is reported in Communities' Annual Report for 2021–22.

## 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 2021–22 provides information on the workers' compensation and injury management performance.

## WA Multicultural Policy Framework

Details of the submission and actions of the Authority's Multicultural Policy Framework are reported in the Department of Communities' annual report for 2021–22.



# Appendix

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# 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 2021–22 can be found below.

### Maintaining properties

Maintenance services are performed on over 51,000<sup>(1)</sup> residential properties across the State, including GROH dwellings and 112 remote and town-based Aboriginal communities.

In 2021–22, Communities issued an average of approximately 19,000 job orders per month and spent \$198.3 million<sup>(2)</sup> 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 was previously implemented to manage and control asbestos in accordance with legislative requirements. As of November 2021, this has been replaced by an updated asbestos management framework.

(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 four 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.
- Ngaanyatjarra Services (Aboriginal Corporation) – Goldfields (Ngaanyatjarra Lands)

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 2021–22

**Table 113: Paid works orders audited 1 July 2021–30 June 2022**

<b>Measure</b>	<b>Works orders</b>	<b>Percentage</b>
Number of paid works orders	225,843	–
Number of audited works orders over \$500	7,471	3%
Number of audited works orders under \$500	4,973	2%
Number of non-compliant audited works orders over \$500	2,193	29% <sup>(1)</sup>
Number of non-compliant audited works orders under \$500	802	15% <sup>(2)</sup>

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.

(2) The calculation of this percentage is the number of non-compliant audited works orders under \$500, divided by the number of audited works orders under \$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 the table below.

**Table 114: Explanation of the head maintenance contract key performance indicators assessed throughout 2021–22 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"> <li>• safety Inspections carried out for each Category of Work accord with safety inspections</li> <li>• contractor has an internal corporate occupational safety and health representative with relevant training and qualifications</li> <li>• Safety Work Method Statement completed for all high-risk construction work</li> <li>• Take five safety check (or equivalent) completed for all schedule of rates work.</li> </ul>	100% of Health, Safety and Environmental Management Plan provided.



<b>Key Performance Indicators (KPI)</b>	<b>Category</b>	<b>Name</b>	<b>Explanation</b>	<b>Performance benchmark score</b>
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 2021–22**

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 115 to 122.



## Head contractor performance 2021–22

**Table 115: Head maintenance contract key performance indicator performance: Part 1, year 8 quarter 1 (1 July 2021–30 September 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%	87.6%	92.0%	96.7%	87.0%	94.4%	94.8%
KPI 4 Urgent (24 hours)	95%	78.2%	80.9%	65.3%	65.3%	73.2%	83.2%
KPI 5 Priority (48 hours)	95%	68.8%	71.0%	71.6%	66.5%	80.5%	87.3%
KPI 6 Void (average days)	14	13.0	9.1	17.9	7.8	8.6	22.2
KPI 7 Routine (28 days)	95%	85.4%	81.1%	79.7%	90.0%	76.8%	64.1%
KPI 8 Timeliness of invoices	90%	91.6%	91.8%	96.4%	92.7%	87.0%	86.3%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 8b Quoted (works)	95%	100.0%	100.0%	100.0%	75.0%	92.3%	85.7%
KPI 10 Non-defective works	90%	98.3%	98.1%	97.4%	98.3%	99.5%	98.3%
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%	99.9%	100.0%	99.9%	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%	11.9%	9.5%	17.3%	6.0%	5.9%	9.1%
KPI 14b† Indigenous enterprise	5–20%	15.2%	14.0%	20.0%	9.4%	9.1%	20.0%
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 116: Head maintenance contract key performance indicator performance: Part 2, year 8 quarter 1  
(1 July 2021–30 September 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%	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%	94.7%	91.3%	77.9%	94.6%	94.9%
KPI 4 Urgent (24 hours)	95%	79.7%	63.5%	36.9%	93.2%	91.8%
KPI 5 Priority (48 hours)	95%	81.2%	70.7%	52.6%	84.9%	82.8%
KPI 6 Void (average days)	14	10.9	21.3	16.6	11.9	16.2
KPI 7 Routine (28 days)	95%	79.3%	56.3%	68.1%	64.4%	63.4%
KPI 8 Timeliness of invoices	90%	91.7%	75.8%	93.9%	89.1%	86.2%
KPI 8a Quoted (instruction)	95%	100.0%	20.0%	0.0%	100.0%	100.0%
KPI 8b Quoted (works)	95%	100.0%	60.0%	100.0%	85.7%	100.0%
KPI 10 Non-defective works	90%	97.3%	97.1%	98.0%	98.6%	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%	7.0%	14.5%	19.2%	5.2%	5.2%
KPI 14b† Indigenous enterprise	5–20%	9.1%	13.3%	22.1%	7.3%	7.3%
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 117: Head maintenance contract key performance indicator performance: Part 1, year 8 quarter 2  
(1 October 2021–31 December 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%	0.0%	0.0%	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%	92.6%	88.8%	93.8%	85.7%	94.2%	95.5%
KPI 4 Urgent (24 hours)	95%	81.5%	84.3%	65.6%	71.6%	72.0%	81.7%
KPI 5 Priority (48 hours)	95%	65.5%	76.8%	71.5%	68.9%	82.6%	84.5%
KPI 6 Void (average days)	14	17.8	9.3	19.5	9.4	9.9	19.7
KPI 7 Routine (28 days)	95%	72.9%	79.9%	76.0%	84.9%	66.7%	60.7%
KPI 8 Timeliness of invoices	90%	84.6%	92.6%	93.9%	80.7%	90.3%	85.5%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	96.0%	100.0%	100.0%	85.7%
KPI 8b Quoted (works)	95%	77.8%	85.7%	88.9%	100.0%	100.0%	88.0%
KPI 10 Non-defective works	90%	97.9%	99.4%	97.4%	98.5%	99.5%	98.3%
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%	11.3%	9.4%	16.6%	6.3%	6.3%	9.6%
KPI 14b† Indigenous enterprise	5–20%	14.3%	12.2%	19.6%	9.1%	12.5%	20.0%
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 118: Head maintenance contract key performance indicator performance: Part 2, year 8 quarter 2  
(1 October 2021–31 December 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%	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%	91.7%	90.2%	76.6%	96.7%	97.0%
KPI 4 Urgent (24 hours)	95%	72.4%	60.2%	37.6%	95.5%	91.6%
KPI 5 Priority (48 hours)	95%	72.7%	68.2%	51.8%	86.3%	86.7%
KPI 6 Void (average days)	14	11.4	21.7	16.8	14.9	22.7
KPI 7 Routine (28 days)	95%	61.5%	67.8%	81.3%	63.4%	62.7%
KPI 8 Timeliness of invoices	90%	87.8%	76.2%	89.7%	90.6%	87.9%
KPI 8a Quoted (instruction)	95%	100.0%	16.7%	0.0%	100.0%	95.2%
KPI 8b Quoted (works)	95%	93.8%	66.7%	50.0%	85.7%	66.7%
KPI 10 Non-defective works	90%	96.2%	96.6%	98.3%	98.5%	97.0%
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%	68.5%	69.7%	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 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%	7.4%	13.6%	17.6%	4.8%	5.4%
KPI 14b† Indigenous enterprise	5–20%	9.1%	12.7%	21.6%	7.1%	7.5%
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 119: Head maintenance contract key performance indicator performance: Part 1, year 8 quarter 3  
(1 January 2022–31 March 2022)**

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%	0.0%	0.0%	0.0%	100.0%	0.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	92.7%	91.5%	88.4%	82.0%	96.0%	96.0%
KPI 4 Urgent (24 hours)	95%	73.5%	84.5%	63.0%	69.7%	64.7%	86.6%
KPI 5 Priority (48 hours)	95%	61.7%	78.3%	63.7%	69.8%	76.4%	88.3%
KPI 6 Void (average days)	14	29.6	10	19.4	10.9	8.6	13.3
KPI 7 Routine (28 days)	95%	65.4%	73.7%	73.1%	76.0%	67.1%	61.5%
KPI 8 Timeliness of invoices	90%	80.1%	92.2%	92.0%	85.0%	85.5%	93.4%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	100.0%	80.0%
KPI 8b Quoted (works)	95%	68.2%	91.7%	33.3%	100.0%	100.0%	70.6%
KPI 10 Non-defective works	90%	97.9%	99.1%	97.7%	98.4%	99.5%	98.4%
KPI 11 Improvement notices	95%	50.0%	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%	97.6%	100.0%	94.8%	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%	12.0%	8.0%	16.6%	6.4%	6.5%	10.7%
KPI 14b† Indigenous enterprise	5–20%	12.8%	11.1%	18.2%	8.3%	13.3%	25.0%
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 120: Head maintenance contract key performance indicator performance: Part 2, year 8 quarter 3  
(1 January 2022–31 March 2022)**

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%	0.0%	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%	90.9%	80.6%	73.6%	97.5%	97.5%
KPI 4 Urgent (24 hours)	95%	62.5%	54.4%	30.6%	95.5%	94.7%
KPI 5 Priority (48 hours)	95%	69.5%	64.2%	39.6%	90.6%	91.5%
KPI 6 Void (average days)	14	13.7	25.8	23.6	22.9	24.6
KPI 7 Routine (28 days)	95%	64.1%	56.7%	63.8%	60.3%	63.8%
KPI 8 Timeliness of invoices	90%	88.6%	65.9%	63.7%	88.6%	86.7%
KPI 8a Quoted (instruction)	95%	100.0%	40.5%	15.6%	90.0%	100.0%
KPI 8b Quoted (works)	95%	100.0%	51.9%	28.6%	66.7%	57.1%
KPI 10 Non-defective works	90%	97.7%	96.8%	98.9%	98.4%	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%



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%	7.5%	10.9%	15.8%	4.9%	3.8%
KPI 14b† Indigenous enterprise	5–20%	9.7%	13.3%	21.0%	9.4%	9.3%
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 121: Head maintenance contract key performance indicator performance: Part 1, year 8 quarter 4  
(1 April 2022–30 June 2022)**

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%	0.0%	100.0%	100.0%	0.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	91.2%	89.2%	95.2%	84.3%	93.1%	97.5%
KPI 4 Urgent (24 hours)	95%	67.6%	88.9%	65.7%	67.8%	74.2%	88.6%
KPI 5 Priority (48 hours)	95%	58.9%	74.8%	65.9%	66.9%	79.5%	88.6%
KPI 6 Void (average days)	14	48.1	12.9	24.3	17	10.8	15.9
KPI 7 Routine (28 days)	95%	60.0%	73.7%	68.0%	81.2%	68.3%	65.2%
KPI 8 Timeliness of invoices	90%	81.2%	90.8%	83.1%	79.1%	87.7%	93.9%
KPI 8a Quoted (instruction)	95%	96.6%	75.0%	100.0%	100.0%	100.0%	76.2%
KPI 8b Quoted (works)	95%	95.0%	86.4%	75.0%	72.7%	87.1%	86.4%
KPI 10 Non-defective works	90%	98.1%	99.1%	97.5%	98.5%	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%



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%	89.2%	100.0%	80.4%	97.6%	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%	12.0%	7.9%	17.3%	6.3%	6.9%	10.9%
KPI 14b† Indigenous enterprise	5–20%	12.0%	10.6%	17.2%	7.8%	13.8%	28.6%
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 122: Head maintenance contract key performance indicator performance: Part 2, Year 8 quarter 4  
(1 April 2022–30 June 2022)**

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%	0.0%	100.0%	0.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	92.1%	82.7%	81.6%	96.6%	96.7%
KPI 4 Urgent (24 hours)	95%	52.2%	42.1%	33.4%	94.9%	92.7%
KPI 5 Priority (48 hours)	95%	62.0%	54.1%	39.5%	88.9%	90.5%
KPI 6 Void (average days)	14	16.7	33.9	27.7	21.5	26.6
KPI 7 Routine (28 days)	95%	59.6%	42.7%	59.2%	62.3%	68.5%
KPI 8 Timeliness of invoices	90%	87.2%	74.5%	77.4%	88.6%	86.7%
KPI 8a Quoted (instruction)	95%	100.0%	71.4%	14.3%	100.0%	100.0%
KPI 8b Quoted (works)	95%	83.3%	53.6%	50.0%	78.0%	82.1%
KPI 10 Non-defective works	90%	96.9%	96.5%	98.5%	98.8%	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%



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%	7.8%	16.3%	20.0%	4.1%	2.9%
KPI 14b† Indigenous enterprise	5–20%	8.8%	13.8%	21.0%	20.0%	17.9%
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 \$588,447.51 during 2021–22.

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 123: Non-compliant audited works orders by issue 1 July 2021–30 June 2022 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	2	0.04%	1
Head contractor claimed schedule of rates above self-variation threshold – incorrectly claimed	8	0.16%	1
Schedule of rates added by the head contractor is not task related	86	1.77%	1
Schedule of rates added by the head contractor without details provided	456	9.37%	2
Documentation not provided or incorrectly completed as required by schedule of rates	500	10.27%	2
Schedule of rates incorrectly claimed	2913	59.84%	3
Warranty Issue	2	0.04%	3
Incorrect measurement or quantity claimed	618	12.70%	3
Task on work order not done and not required	32	0.66%	3
Work non-compliant	228	4.68%	4
Task on works order not done or incomplete	23	0.47%	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**

<b>Issue Type</b>	<b>Category</b>	<b>Definition</b>
<b>Head contractor claimed schedule of rates above self-variation threshold – correctly claimed</b>	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.
<b>Head contractor claimed schedule of rate above self-variation threshold – incorrectly claimed</b>	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.
<b>Schedule of rates added by the head contractor is not task related</b>	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.
<b>Schedule of rates added by the head contractor without details provided</b>	2	The head contractor has added an additional schedule of rates to the works order without sufficient detail for justification.
<b>Documentation not provided or incorrectly completed as required by schedule of rates</b>	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.
<b>Schedule of rates incorrectly claimed</b>	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.
<b>Warranty Issue</b>	3	Head contractor has incorrectly claimed a schedule of rates which is still under warranty.
<b>Incorrect measurement or quantity claimed</b>	3	Head contractor has claimed measurements or quantities which are incorrect, within the self-variation threshold.
<b>Task on works order not done and not required</b>	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.
<b>Work non-compliant</b>	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.
<b>Task on works order not done or incomplete</b>	4	The head contractor has omitted to do the task on the works order or has partially completed task requirements.

