Aboriginal Housing Office Annual Report 2023–24

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

Beginning

Acknowledgement

The Aboriginal Housing Office proudly acknowledges the collective Aboriginal people and lands within the boundaries of modern day New South Wales, the traditional custodians of the lands and waters on which we live and work.

We pay our respects to their Elders past, present and emerging. Our Elders' strength, resilience and guidance was, and is paramount to ensuring Aboriginal people continue to thrive as the world's oldest living culture.

Since the Dreaming, Aboriginal people have practised their lore, languages, and nurtured Country by drawing upon cultural knowledge, and they continue to do so to this day.

Through the strength, resilience, and pride of Aboriginal Peoples; their cultures, communities, and economies, continue to grow and thrive.

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

Letter of Submission

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14 October 2024

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

Letter of Submission

Dear Minister,

I am pleased to submit the Annual Report for the Aboriginal Housing Office for the year ended 30 June 2024, for tabling in Parliament by 30 November 2024.

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

Regards,

Famey Williams
Chief Executive
Aboriginal Housing Office

Encl: Aboriginal Housing Office Annual Report 2023-24

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Aboriginal Housing Office Board Chair **Damien Barnes**

It's been a year of changes for the Aboriginal Housing Office (AHO) Board.

Thank you to Aunty Beverley Manton, for acting as Chair for 12 months from December 2022. Thankfully, Aunty Bev hasn't gone far, she's still Elder-In-Residence, and remains the AHO's longest-serving board member. Thank you also to Suzanne Ingram who has been a valued member of the AHO Board for over 8 years and whose term expired in July 2024. Her commitment to the Board and the knowledge she has shared has been greatly appreciated.

I'm pleased to welcome Yvonne Weldon AM and Kim Whiteley, both proud Wiradjuri women, to our Board. Yvonne is an activist, councillor, AM recipient, author, board member, and much more. She's focused on seeing suitable and sustainable housing options delivered and available for community.

Kim has spent her career addressing disparities and improving outcomes for Aboriginal and Torres Strait Islander communities. Her skills in service delivery, corporate policy, governance and organisational strategy in health and education settings are a great asset.

And, after 9 years on the Board, I'm honoured to have stepped into the role of Chair during a time of critical delivery for the AHO.

Disadvantage in this country disproportionately affects Aboriginal people, and the housing crisis has been no different. Championing an Aboriginal-led response for Aboriginal individuals, families, communities and organisations during this time has made a tangible difference.

I'd like to make mention of three important items of work that have been completed:

- with funding from the Social Housing Accelerator Fund (SHAF) which increased social housing properties available
- under the Social Housing Energy Performance Initiative (SHEPI) which improved energy efficiency in existing homes
- towards achieving the 5 key action areas under socioeconomic outcome 9 of the NSW Closing the Gap Implementation Plan.

These three wins are indicators of the AHO's commitment to solve ever-evolving housing challenges – whether that means delivering AHO-only projects, partnering with other organisations and governments, or simply contributing to the discussion.

I'm proud of the milestones in this annual report and look forward to the results of the next 12 months.

Chief Executive **Famey Williams**

As I reflect on the second AHO annual report I've seen as Chief Executive, I'm grateful to every person that contributed to get the AHO to this point. Whether it was community members, providers, tenants, cross government colleagues or anyone in between, the contribution in these last 12 months has been noticed.

As someone who deeply values relationships (and loves to see voices together in action), these results are a good reminder to lean in and find ways forward alongside others, as there is strength in numbers.

The Housing Crisis

Sadly, housing insecurity is nothing new for Aboriginal communities. It's an issue we've been coping with for decades.

Recent mainstream reporting, however, has also directed a spotlight on the housing shortage impact across Australia.

At the AHO, we're not letting this moment pass us by – we're working with industry, all levels of government, communities and individuals to ensure that our people are better provided for now and into the future.

We already know how to alleviate housing insecurity for our mob. We know that centring Aboriginal leadership and working collaboratively with Aboriginal communities will result in sustainable housing solutions.

By taking this approach we can deliver stable, culturally appropriate housing, achieve better outcomes for Aboriginal tenants and increase opportunities for Aboriginal people and businesses.

New Funding to Deliver Results

New funding was very welcome news. To help us deliver housing solutions to our communities, we received money from the:

- $2 billion Social Housing Accelerator Fund (SHAF)
- $175 million Social Housing Energy Performance Initiative (SHEPI).

Extra funding from NSW Government and Australian Government schemes allows us to extend our reach further. We're actively collaborating with industry, government bodies and individuals to drive meaningful change and provide a brighter future for our people.

Championing Aboriginal Community-led responses

We're committed to partnering with Aboriginal communities and the broader Aboriginal sector to develop and deliver sustainable housing solutions.

We know that Aboriginal Community-led responses are essential to achieve lasting, meaningful change. This is core to our 10-year Strong Family, Strong Communities (SFSC) Strategy.

The 2018-30 June 2024 results demonstrate the strength of championing community-led projects. With community we've been able to deliver 371 new homes, support more than 200 home ownership opportunities and help 160 students with tertiary accommodation or education. We've also been able to upgrade 3,617 homes, 5,257 solar panels and 2,066 air conditioning units.

These aren't just numbers, they're tangible differences to the day-to-day lives of Aboriginal people in NSW.

The Services our Way program, which supported 1,858 families in the first five years of SFSC, is also testament to the power of co-designed solutions.

Everything we do is underpinned by a strong commitment to keeping Aboriginal culture at the centre, building respectful partnerships, and ensuring Aboriginal people are best placed to benefit from our work.

Many Hands Working Together

I hope you'll join me in celebrating the people who delivered this work behind the scenes – AHO staff, our partners and collaborators (industry, Aboriginal Community Housing Providers, academia), and community. We're on this journey together.

I'd also like to thank the AHO Board, whose knowledge and guidance are critical to this journey and celebrate the leadership and support we've found in our new home – Homes NSW.

Looking Ahead

With financial year 2023-24 behind us, we're ready to take on the lessons we've learned. This coming year will see more programs of work to deliver on and an evolution in how we meet housing needs.

Reflecting on all we've been able to deliver for community gives me great hope for the next 12 months. Australia's housing ecosystem is a complex and ever-changing beast, but the AHO is working hard to ensure that community have a safe, secure place to call home.

Aboriginal Housing Office **Board Members**

The AHO is governed by an all-Aboriginal board. They provide advice on Aboriginal housing issues in NSW to the Hon. Rose Jackson MLC, Minister for Housing and Homelessness.

Mr Damien Barnes
Chair

Ms Kim Whiteley

Ms Famey Williams
Chief Executive

Mr Joshua Gilbert

Aunty Bev Manton
Elder in Residence

Mr Craig Kerslake

Mr Steven Adams

Ms Yvonne Weldon AM

Mr Craig Taylor

Ms Suzanne Ingram

Overview

In December 2023 we welcomed Kim Whiteley and Yvonne Weldon, and reappointed 4 members, taking our total number of board members to 9. At the same time board member of 8 years Damien Barnes was appointed the new Chair. Aunty Beverley Manton (AHO Elder in Residence) acted in the role while the appointment process was finalised.

After over 8 years Suzanne Ingram has departed from the AHO Board. We would like acknowledge Suzanne's dedication and contributions during her tenure as a board member. Suzanne joined the Board in May of 2016, and from that time onwards, her insights and expertise have been invaluable to our organisation, particularly around policy, research and analysis of the data presented to the AHO Board.

The term of appointment for several board members expires in 2024. Ministerial and Cabinet approval is required for new and existing members of the board. The appointment process is scheduled to be finalised by the end of 2024.

Regional Aboriginal Housing Committees

Each of the AHO's three regions (Northern, Sydney/South-East and Western) are represented by a Regional Aboriginal Housing Committee (RAHC).

The RAHCs advise the AHO Board on issues associated with housing for Aboriginal people and carry out functions delegated to them by the Board, by:

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

Western Region Aboriginal Housing Committee

Thank you to the following committee members; Cory Paulson, Lesly Ryan, Paul Carr, Grace Toomey, Susan Sharp.

These members represent the Broken Hill, Bogan, Dubbo and Brewarrina Local Government Areas (LGAs).

Sydney South East Region Aboriginal Housing Committee

Thank you to the following committee members; Alison Croall, Jim Allen, Mandy Edwards, Narelle Lyons, Cheryl Moreton, Marcus Neal, William Henry and Lee Anne Orcher.

These members represent the Sydney, Eurobodalla, Shellharbour and Wollondilly LGAs.

RAHCs work with the Board in an advisory capacity, providing guidance that is grounded in culture and informed by regional perspectives and lived experiences. This advice enables the Board to adequately advise the Minister for Housing and Homelessness on AHO policies and strategic direction.

Northern Region Aboriginal Housing Committee

Thank you to the following committee members; Leon Anderson, Robert Russell, Veronica Walford, Erica Smits, Shannon Whyte, Kevin McKenny, Phillip Usher.

These members represent the Port Macquarie, Newcastle, Lismore, Armidale, Central Coast, Port Stephens, and Lake Macquarie LGAs.

Joint AHO Board and Regional Aboriginal Housing Committee meeting

On 26 June 2024, representatives from the AHO Board and the three AHO RAHCs came together at the Murrook Cultural Centre, Williamtown. The meeting focused on opportunities to:

- strengthen the relationship between RAHCs and the AHO
- continue building on RAHC capacity to provide quality advice to the Board through training and increased engagement
- continue broadening representation across the state of NSW.

Participants also discussed progress on the Strong Family, Strong Communities strategy, with a particular focus on differing impacts between regional and urban areas.

The next joint meeting is scheduled for mid-2025.

Aboriginal Housing Office Regions

Aboriginal Housing Office

Aboriginal Housing Office **Management Structure**

The AHO is comprised of the following five portfolio areas:

Famey Williams
Chief Executive

Ashley Livingston
Director
Property

Loshana Karthikeya
Director
Performance and Finance

Mick Higgins
Director
Housing
and Client Services

Deslin Foster
Director
Policy and Evidence

Tony Lloyd
Director
Strategic Support

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

Performance and Finance deliver comprehensive business partnering, strategic financial management, contract and compliance monitoring and project management oversight for internal and external AHO stakeholders.

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

Housing and Client Services manage property and tenancy operations and provide service coordination of culturally appropriate client experiences and housing solutions.

Strategic Support provide executive support to internal and external stakeholders. This includes strategic planning, people strategy and development, communications, information management and cultural innovation.

Famey Williams
Chief Executive

Priscilla Lane
Executive Assistant

- **Ash Livingston**
  Director Property
  - New Builds
  - Portfolio Strategy
  - LAHC Transfers
  - Headleasing Exits
  - Aboriginal Community Housing Investment Fund (ACHIF)
  - Maintenance & Upgrades
  - Quality, Safety & Procurement
  - Flood Rebuilds & Repairs
  - Asset Management
  - Provider Asset Management
- **Loshana Karthikeya**
  Director Performance & Finance
  - Budget & Labor Expense Cap Management
  - Statutory Reporting
  - Business Plans & Cases
  - Treasury Reporting
  - Program Management Office
  - Fixed Assets Management
  - Operations
  - Part 5 Approval Oversight
  - Common Terms and Conditions
- **Mick Higgins**
  Director Housing & Client Services
  - Northern Region
  - Sydney South-East Region
  - Western Region
  - Services Our Way
  - Sector Reform, Development & Capacity Building
  - ACHP Registration
  - Regional Community Engagement
  - Regional Housing Committees (x3)
  - Property Management Transfers
- **Deslin Foster**
  Director Policy & Evidence
  - Subsidy Program
  - Research, Data & Evaluation
  - Home Ownership Programs
  - Policy Development & Implementation
  - Closing the Gap & Commonwealth Housing Policy Partnership
  - Strategic Community Partnerships (NCARA, Regional Alliances & Stolen Generations)
  - Remote Housing Strategy
  - Transitional Housing
  - Tenant Advocacy Groups & Education Programs
  - Pathways to Positive Client Outcomes (LCDS, CEI, TAG)
  - Program Delivery & Reporting
- **Tony Lloyd**
  Director Strategic Support
  - Ministerial Liaison & Board Liaison
  - Cultural Innovation & Engagement
  - People, Strategy & Development
  - Communications, Media, Engagement & Events
  - Organisation Development
  - Strong Families, Strong Communities
  - Facilities & Systems Support
  - Digital Projects & Innovations
  - Business Support & Office Operations
  - Audit/Risk/ Compliance
  - Strategic Planning

Our Story

The Aboriginal Housing Office (AHO) is a statutory authority established in 1998 pursuant to the *Aboriginal Housing Act 1998*. As a reporting entity, the AHO comprises the parent entity and the controlled entity, the Dunghutti Aboriginal Elders Tribal Council Trust (Trust).

The AHO is responsible for planning and administering the policies, programs and asset base for Aboriginal public housing in New South Wales.

This includes resource allocation, sector- wide policy, strategic planning and monitoring outcomes and performance in the Aboriginal public housing sector.

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

Our New Home

The AHO transitioned to Homes NSW, within the Department of Communities and Justice (DCJ), during the reporting period. Homes NSW came into being on 1 February 2024 when DCJ's housing and homelessness functions were brought together with the NSW Land and Housing Corporation (LAHC), the Teachers Housing Authority, Police Housing, the Key Worker Housing team and the AHO. Homes NSW also includes the Disaster Welfare directorate.

Co-locating the NSW Government's housing- related functions is intended to enable a rebuilding of the social and affordable housing system in NSW. Homes NSW will:

- work to create a system that will be easier for clients to navigate, and which delivers services more efficiently – this will improve outcomes for clients in key areas such as repairs and maintenance, tenant relocations and living environments
- rebuild and improve the service system for people experiencing homelessness
- collaborate with government and sector stakeholders to increase the overall supply of social and affordable housing stock to make secure housing available to all residents of NSW.

Within this structure, the AHO maintains its independence as a statutory authority as guided by our all-Aboriginal board.

Our 10-year Strong Family, Strong Communities (SFSC) strategy takes a holistic approach to meeting the housing needs of Aboriginal people in NSW.

Everything we do is underpinned by a strong commitment to keeping Aboriginal culture at the centre, building respectful partnerships, and ensuring Aboriginal people are best placed to benefit from our work.

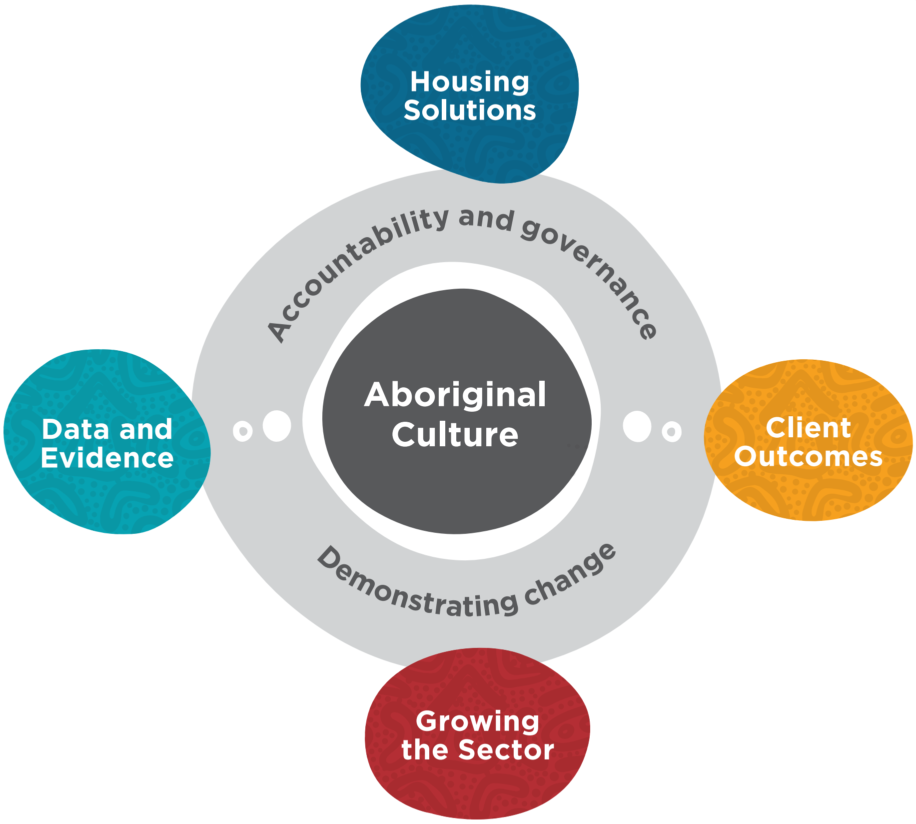
Under the SFSC strategy, we are able to harness the strength of solutions co-designed with community and cross-government partners. This has resulted in wins like:

- delivering more culturally appropriate housing options (like larger homes, duplexes, granny flats and carers for Elders) to better accommodate multi-generational living
- management of 1,500 AHO homes being transferred to Aboriginal providers
- continued work with the Coalition of Aboriginal Peak Organisations (CAPO) to progress Closing the Gap housing commitments
- being able to work with Local Decision-Making groups and Stolen Generations Organisations to support communities to meet their housing needs
- collaborating with the Australian Government's Housing Australia Future Fund to address unmet housing need in Aboriginal communities in NSW.

Our Strategy

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

The strategy is focused on the following pillars:



Measuring Strategy Progress

Each quarter, we report on how we're delivering on the SFSC Implementation plan.

As well as measuring how we're delivering against the four pillars, we focus our quarterly implementation plan reporting on three additional areas.

SFSC Phase One

Running from 1 July 2018 to 30 June 2022, Phase One of SFSC made a significant impact on social housing for Aboriginal families and communities.

Key achievements include:

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

SFSC Phase Two

In November 2022, the AHO released the SFSC Phase Two Implementation Plan, which outlines key commitments over a four-year period (1 July 2022 through to 30 June 2026) focusing on:

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

At the mid-way point

This year (FY 2023-24) sees us mid-way through SFSC delivery. As well as looking back to celebrate successes and adapt in response to lessons learned, it is also a time to look forward with expanded program delivery and evolving approaches to meeting housing needs.

We will delve deeper into key SFSC achievements throughout this report.

Operations and Performance

During FY 2023-24, we invested significantly in Aboriginal social housing through various capital and recurrent programs. Collectively, our work invested $139.4m to deliver 134 new homes, complete 15 new homes across the ACHP sector and carry out 1,618 property upgrades.

Through the Strengthened Sector and Communities Program we also invested $16.3m to deliver outcomes including:

- 101 home ownership opportunities realised
- 5 transitional housing properties delivered through Finding Your Way
- 68 students supported with Tertiary Accommodation Grants
- 3 existing and 1 new Client Experience Initiative supported
- 485 responses collated into the AHO Tenant Satisfaction, Experience and Wellbeing Survey final report.

We also supported 758 vulnerable clients and their families with tailored help through Services Our Way with an investment of $7.3m.

Pillar 1: Housing Solutions

To ensure we deliver adequate housing to the people and areas that need it, each year we focus on:

Repairs and maintenance

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

Home Ownership

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

New supply of properties

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

Asset Management

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

Supporting Home Ownership

We're proud to provide pathways to home ownership for tenants. With grants like the Home Buyer Booster Grant, the Deadly Deposit Grant and the AHO Tenancy Plus Grant, we offer people one-off financial boosts to help make home ownership more achievable.

In FY 2023-24 there were 101 families who received the Aboriginal Home Buyer Saver grant, which helped them to realise their home ownership dream. Each family's story was unique and filled with aspirations for the future. Reasons for applying ranged from wanting to start a new life chapter, hoping to make their family's life easier or trying to live closer to family, but mostly, just wanting to get into their own home and make a big dream become a reality!

For FY 2023-24 we've highlighted programs we led or contributed to that supported first homebuyers, increased housing supply, upgraded existing homes and built disaster resilience.

Home Ownership - how it is impacting communities

Here is the impact on a proud Gomeroi man who was looking to purchase a specific property in Moree. The house was a AHO property that his family had lived in for generations.

"My grandmother was the first original tenant in the house and raised all her children there. I was also raised in this same house (in which in a flood, my mother had to be rescued and taken to hospital from, on the day of my birth). I have also raised my four children in this same house.

Buying this property represents a lot of sentimental value, due to my family history in this house and it would mean I will have something to pass down to my children's families.

The AHO grants would be a massive help for me to achieve this dream, especially with the huge costs of living these days."

This grant recipient received the $2,500 Home Buyer Booster grant of $2,500 and an additional $12,000 from the AHO Tenancy Plus Grant. He settled on his home in June.

A Wiradjuri woman and descendant of a survivor of the Stolen Generations has allowed us to share her story of the impact the Home Ownership program has had on her family. She and her partner were planning for a future home that had room for children and pets, but home affordability in NSW meant they were considering moving interstate to make this a reality.

"At the age of 10 my Nana was forcibly removed from Country, community and Mob and placed at Cootamundra Domestic Training Home for Aboriginal Girls. This disconnection and her traumatic experience have had significant impacts on all aspects of her life and on subsequent generations. The socio-economic impacts meant that the idea of home/land ownership was not easily achievable or even possible for her or future generations. Being able to make this a reality for myself and my partner is so important to both us and our families.

We have put every spare cent we could towards building a life together and thinking of the future despite having had many setbacks such as furnishing our first rental home, unforeseen medical bills, rent increases and general cost of living expenses.

Whilst we have worked hard to save up the 5% needed for our first home, the Home Buyer Booster and the Deadly Deposit Grant would mean the world to us and help us to achieve the dream of owning our own home. The additional funding from these grants will help take some of the overwhelming financial pressure off us to just get in the door in the Sydney property market. This would also mean that we could put aside a little bit of money to help make the house we have chosen into a true home for us."

This grant recipient received the $2,500 Home Buyer Booster grant and an additional $10,000 from the Deadly Deposit grant. They settled on a home in the Macarthur region in February.

Increasing Housing Supply

149

new homes delivered

FY 2023-24 has seen remarkable growth in the types of housing solutions we offer, a vital step toward reducing waitlists and providing safe and secure homes for Aboriginal communities across NSW. Using a double-pronged approach of constructing new homes or acquiring existing homes, we were able to deliver homes to areas that needed it, and to ensure communities got the right solution for them.

We have delivered culturally appropriate, eco efficient sustainable homes to communities all over NSW in record numbers this financial year and supported local economies and trades by ensuring all builders meet their contractual obligations for AHO Aboriginal Participation in Construction (APIC) policy requirements.

We're constantly exploring new, innovative and efficient ways to deliver homes and the team spends a significant amount of time developing designs and processes for continual improvement.

Where projects allow, we're proud to challenge the status quo and explore modern methods of construction (MMC). We use techniques like prefabricating materials offsite and building modular homes to not only speed up the building process but also achieve significant energy savings, enhance construction safety and realise cost benefits.

These advancements mean we're not just constructing houses faster; we're delivering safe, vibrant homes that are comfortable and efficient.

Updating Existing Homes

1,618 upgrades completed

Updating existing social housing with improvements like solar panels, enhanced insulation and upgraded heat pumps is crucial to not only enhance energy efficiency and reduce living costs but also creates healthier and more sustainable living environments.

Aboriginal families face higher rates of housing insecurity and economic disadvantage, so property upgrades are important because they can alleviate financial stress and improve overall quality of life.

By investing in these essential upgrades, we not only preserve the affordability and functionality of social housing but also demonstrate a commitment to addressing the unique challenges faced by Aboriginal people, helping to foster stability and resilience within these communities.

Aunty Muriel's story

"Just want to say how much I appreciate what Doug Benjamin and AHO have done, especially on account of my daughter. I didn't think it was going to happen. We've been here for 45 years and before I loved my house but now I love, love, love my house. The workers were really nice. When we moved back into the property all the furniture was back in place and everything was so clean.

When I walked in the front door I had tears in my eyes. My children and grandchildren couldn't believe it. Thank you so much".

- Aunty Muriel, AHO tenant

Aunty Muriel had lived in her property in Sawtell since 1979. Doug scoped the property and identified much-needed works including new flooring, internal paint, a bathroom update, air conditioner and new hot water system.

Aunty Muriel asked if it was possible that the works be completed before she held a get together for what would have been her daughter's 50th birthday. Her daughter, Colleen, was the first of three children killed in the Bowraville murders which spanned 1990 and 1991.

Doug managed the contractors and completed the works in a short time to ensure the works were completed in time for a gathering for what would have been Colleen's 50th birthday

Building disaster resilience

NSW was hit by 35 declared natural disasters in FY 2023-24. Eight of these were storms and floods, the remaining 27 were bushfires. The AHO is always ready to help assist communities to rebuild when disaster hits. The Australian Government's Disaster Ready Fund (DRF) enables the AHO to play a preparatory role.

To reduce future impacts of natural disasters on tenants and housing stock, a comprehensive risk analysis is underway.

This work will deliver lessons that we can act upon to deliver future-proof AHO properties and reduce the impacts on the people who call them home.

We have applied for round two of the Australian Government's DRF to continue this work into FY 2024-25.

"Once we know which areas are at highest risk in the short, medium and long-term, we can plan future social housing accordingly. Reducing risk in housing stock has real human impacts as well, because it will reduce the number of tenants that are displaced or affected by natural disasters."

Ash Livingston, AHO Director of Property

Pillar 1: Housing Solutions Performance Information

Strong Family, Strong Communities: Strengthened Sector and Communities Program

Initiative	Outcome	Progress at 30 June 2024
Home Ownership Options	• 320 home ownership opportunities by 30 June 2026	• 208 home ownership opportunities realised.
Tertiary Accommodation Grants	• 300 students enrolled in tertiary studies supported with the cost of housing.	• 127 students have received Tertiary Accommodation Grants.

Strong Family, Strong Communities: Closing the Gap Program

Initiative	Outcome	Progress at 30 June 2024
AHO Economic Recovery Program 23	• ACHIF new supply will deliver: o 41 new homes o 50 upgrades by 30 June 2024. • AHO new supply will deliver 45 new homes by June 2024	• 47 new homes • 133 upgrades. • 24 new homes by 30 June 2024*. **Note that the impact of post COVID construction costs reduced the number of new homes that could be delivered under this program.*
Closing the Gap — Housing Solutions Program	• By June 2025 the AHO will deliver: 1. 200 new Aboriginal homes over four years 2. 256 significant upgrades over four years 3. 4,440 Solar and Air-conditioning upgrades	• 92 new homes completed. Additional contracts awarded for 20 projects representing 32 homes for FY 2024-25. • Upgrades stream concluded with 470 upgrades completed. • 583 energy upgrades (solar and air conditioning) completed, incl. additional 5 roof replacements.
Aboriginal Housing Office (AHO) Flood Recovery Program	• $70m in funding to support Flood recovery in Northern Rivers region. • $61m of grants for Aboriginal Housing Providers to repair, upgrade and rebuild flood damaged properties with remaining funding to deliver additional Aboriginal social housing across flood affected Northern NSW	AHO New Supply: • 6 new AHO homes completed and 2 homes under construction. • Procurement underway for 13 homes (4 granny flats and 9 seniors living house) and contract awarded in Q1. ACHP: • 105 property upgrades completed, 16 properties have works in progress. Procurement underway for a further 76 properties.
AHO Housing Portfolio (formerly LAHC) Transfers Project	• Transfer 3,325 homes from LAHC to AHO, starting with 1. Tranche 1 (500 properties in May 2023) 2. Tranche 2 (500 homes November 2023) 3. Tranche 3 (2,325 homes August 2024)	• 1,642 homes transferred to AHO from Housing Portfolio in FY 2023-24, bringing total to 2,147.

Pillar 2: Client Outcomes

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

To ensure we prioritise the needs, safety, and autonomy of our tenants, each year we focus on:

A culturally responsive sector

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

Access to housing

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

Homelessness

- Improve the availability and appropriateness of accommodation to sustain tenancies.

Services working together

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

Community Safety

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

Stable homes

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

For FY 2023-24 we've highlighted programs we led or contributed to that supported culturally appropriate service delivery and helped co-ordinate services for better client outcomes.

Services Our Way

The Services Our Way program provides a wraparound service that is unique in government. They work with clients to understand their history and current situation, then help connect them to the right opportunities to realise their goals. This looks different for every client, but often includes help navigating government and providing access to available services.

"Leila has such a bright future. She's overcome a lot in life – abuse, the care system, homelessness – but she's never let it stop her being generous, kind or driven. Helping co-ordinate everything so she got her car was a huge effort when working with other service providers to achieve the best possible outcome, and the outcome has made it worth every minute.
Leila's story has helped me to understand that people can overcome adversity when they have had such a traumatic history and come out the other side in strides."

Teressa Tighe, Services Our Way (SOW)

Leila had been interacting with government institutions since she was put in the care of her aunt, aged two.

By the time she connected with the SOW team in her late teens she knew that she wanted to be a hairdresser as it would give her the creative outlet and job stability that she wanted for herself. She hoped that the job stability would eventually enable her to take on the care of her younger cousins.

Leila came to SOW, like so many others who were vulnerable and needing support, to sort out her situation. Leila was promised a car and needed assistance in acquiring it because the only TAFE that offered the right course for her hairdressing was in Tamworth, more than three hours' drive away.

"Once I get a car, I'll feel less dependent on others and this'll help me to look at training, employment, and education opportunities outside of Moree and I can't wait. I feel like in order for me to meet my personal goals, I need a car, then I have to be able to get around and get to and from TAFE every day, because I won't have the people, I have in Moree to support me in picking me up and driving me here and there.".

Leila, Services Our Way client

She had never lacked the drive or determination to achieve her goals, but her proximity to Tamworth TAFE was a challenge.

While she was grateful for the generosity and support of some family and friends who had helped her previously, she was keen to be independent and pursue her goals.

At the time of publishing, Leila has completed a work trial and is on her way to securing a job in hairdressing. She's worked hard to stay connected to her brother and cousins because family is important to her.

She's also in the process of accessing accommodation and guidance on next steps for her career in hairdressing as part of the Premier's Youth Initiative.

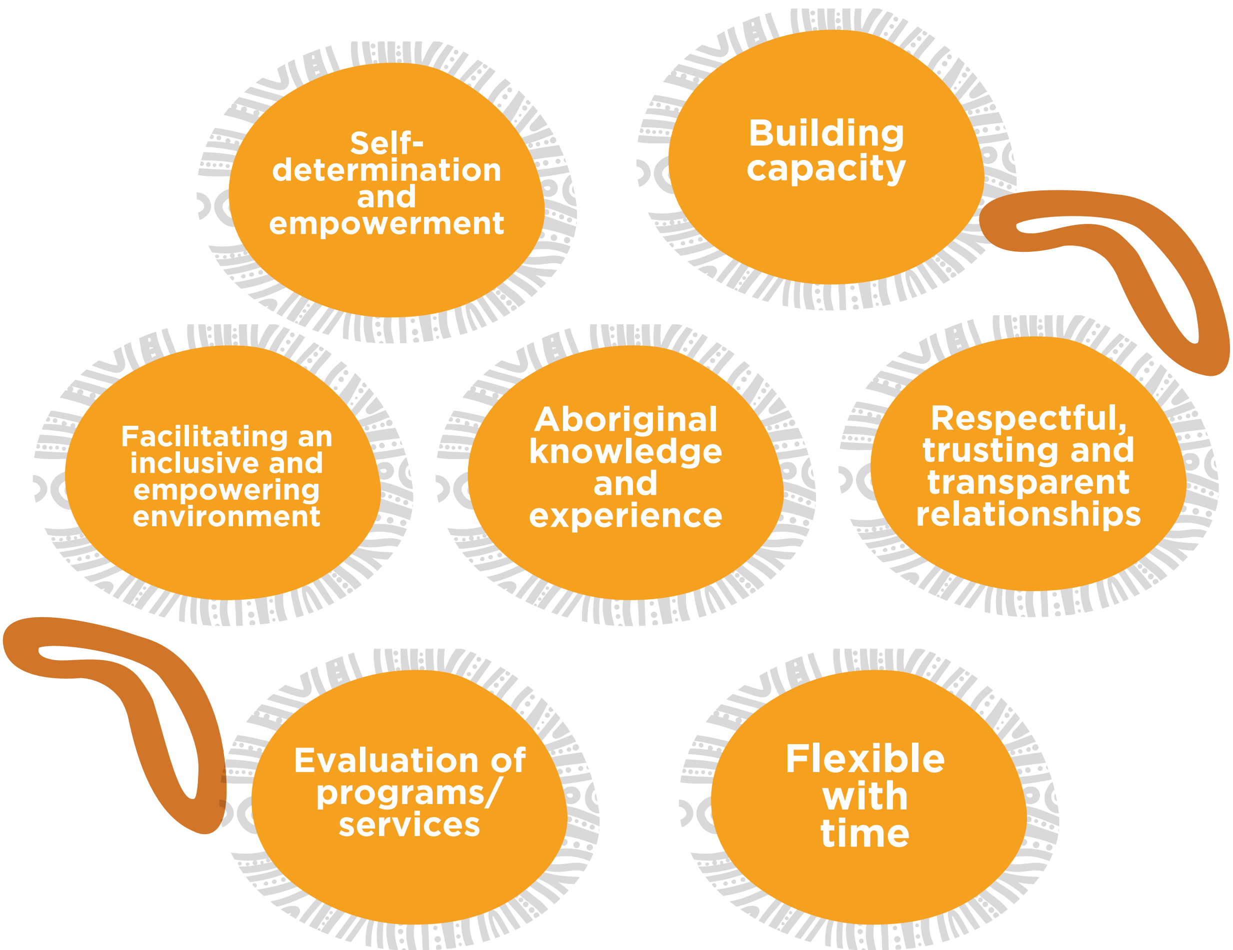
Client Experience Initiatives

Client Experience Initiative (CEI) funding enables projects that help culture flourish. Successful recipients must show that their project addresses local needs for housing and wellbeing.

CEI projects are co-designed, meaning that the local Aboriginal organisation that proposed the project works with an Aboriginal-led consultancy and the AHO to help the proposal come to life. It also means thorough and ongoing engagement with the local community.

Co-design ensures that local people have a say on the services and facilities delivered – because solutions designed *with* community, not just *for* community, produce the best outcomes

The co-design principles used when developing CEI projects with community are:



Three projects completed in FY 2023-24 demonstrated why the CEI program prioritises co-design – two of the projects were sustainable as ongoing initiatives after funding has finished, and the remaining one has spurred on further ideas from the community.

Ignite Art in Alstonville

CEI funded art therapy classes for teenagers and adults at risk of incarceration. The classes supported cultural connection and helped participants process trauma resulting from recent floods.

Participants gained confidence in themselves and their culture, built their understanding of using art as a form of healing and progressed personal goals too. One participant gained the confidence to become a facilitator, teaching a course in upcycling clothing as art.

> *"It's not only the participants who benefit from the Ignite Art project, but the artists and facilitators grow as well and give back to their communities".*
>
> **Be Westbrook, Ignite Project Co-Ordinator**

Native Garden Project in Lightning Ridge

CEI funding enabled the community to hire two staff to design and build a native garden for the local community. The aim was to create a tourist attraction by purchasing a local business' training, then having the owner deliver training to ensure the success of the business. The project also created education and employment opportunities – the local community could complete horticulture training there or grow native foods to make and sell products.

The Wirringah Elders Aboriginal Corporation was also granted funding from the initiative to run community groups to strengthen the Aboriginal language by running community events like lingo bingo.

Our Place, Our Home in Tweed Heads

The Our Place, Our Home service model is centred around creating a safe place for Aboriginal people and families experiencing homelessness and housing instability.

By providing access to a support worker and other services in a designated space two days a week, the project helped people to come together, seek support and build community.

The support worker also conducted outreach to people affected by the 2022 Lismore floods (who relocated to temporary housing accommodation in the Tweed Shire called "pod villages"). By co-ordinating activities, including cultural gatherings, they were able to help people in the pod villages reconnect with their communities and countries.

Finding Your Way transitional housing

The Finding Your Way program provides short-term accommodation and wrap-around support for Aboriginal individuals and families at increased risk of homelessness. This includes people exiting custody, people who are experiencing homelessness, single families and women and their families escaping domestic violence.

Access to transitional housing and support (for up to 18 months) allows participants the best chance to set themselves up for success. The program allows participants to build up their rental history in a safe, stable home, which gives them space to plan for their future.

There are

11

properties in the program
(managed by ACHPs)

5

and **5 Aboriginal Service Providers** that offer support.

Reducing recidivism: Yananga Wakali program

In FY 2023-24 Bungree Housing Services ran the Yananga Wakali program, which supported 12 Aboriginal men in the Lake Macquarie region. To be eligible, participants must be exiting Cessnock Correctional Facility or have a current Community Corrections Order. Two of the men have now secured their own accommodation, whilst the remainder have re-connected with family and normal community life.

"The Yananga Wakali program came about in recognition of the lack of supports for men exiting custody, particularly accommodation. The program aims to reduce homelessness and recidivism."

David Marr, House Manager and
Coordinator, Bungree Housing Services

Two clients who took part in the program shared their thoughts on being involved in the program: –

"It's the best thing I've done, the privacy of your own place, it built up my self-esteem and got me going, gave me hope. I've now got my license, ID card, own place, my kids back, daughter, grandkids, a stable life. I've got less stress now than I've ever had."

Anonymous participant, Yananga Wakali program

"Having a roof over my head allowed me to adjust to the community and slow things down. Without it, I think I'd be doing the wrong thing."

The Yananga Wakali program is one of the **11 identified properties** under the **Finding Your Way program.**

Pillar 2: Client Outcomes Performance Information

Strong Family, Strong Communities: Strengthened Sector and Communities Program

Services Our Way	Target 2023/24	Actual 2023/24
	• 738 clients supported	• 758 clients supported

Strong Family, Strong Communities: Closing the Gap Program

Initiative	Outcome by 30 June 2026	Progress at 30 June 2024
Finding Your Way Transitional Housing Options	• 20 properties repurposed • 40 families supported in transitional housing	• 11 transitional housing programs delivered • 29 participants supported
Sustaining Aboriginal Tenancies Project	• Support 260 families	• 45 families supported (inclusive of 78 support services)
Leading Community Demonstration Site	• Support 1 Leading Community Demonstration Site in financial year 2022/23 • Provide 3 years funding for a new site to FY 2025/26	• 1 LCDS supported
Client Experience Initiatives	• Support 2 Client Experience Initiatives, each over four years	• 4 CEIs supported

Pillar 3: Growing the Sector

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

Tenancy management

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

Community housing regulation

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

Growth providers

Strengthen the capacity and sustainability of Aboriginal Community Housing Providers.

Fair rent, collected reliably

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

Sector growth

Property Management Transfers to grow the sector.

Establishing ACHIA

Aboriginal Housing Peak Body.

HCCSP

Developing subsidy solutions to support the sector.

For FY 2023-24 we've highlighted programs we led or contributed to that strengthened the capacity and sustainability of ACHPs and supported the sector with regulation.

Strengthening ACHPs

We're committed to working with ACHPs so they are informed of their obligations, supported to grow and equipped to assist tenants.

Sector Capability Grants

Sector Capability Grants support ACHPs to grow their business and improve sustainability and compliance. They also allow the provider to build their capacity to provide culturally appropriate and responsive housing to Aboriginal people across NSW.

In June 2024 we allocated $600,000 in Sector Capability Grants to 12 ACHPS. We look forward to detailing the outcomes of the grants in next year's annual report.

A shared vision for the ACHP sector

In November 2023, ACHPs gathered in Coffs Harbour for the annual Sector Visioning Workshop (SVW). Held as part of the SVW series, it is the primary communication and collaboration event for the Sector Reform Steering Committee (SRSC) and Aboriginal social housing sector to talk reform outcomes and initiatives.

The workshop is co-hosted by the AHO, NSW Aboriginal Land Council (NSWALC) and Aboriginal Community Housing Industry Association of NSW (ACHIA).

This year focused on the sector's top 10 priorities and provided an opportunity to hear about relevant AHO projects and three important updates from Housing Australia: the Housing Australia Future Fund, National Housing Accord Facility and National Housing Infrastructure Fund.

AHO information sessions

In June 2024, AHO information sessions were held in Wagga Wagga, Nowra and Tamworth.

We hold information sessions each year to give ACHPs and Aboriginal Community Housing Organisations (ACHOs) an opportunity to network, hear updates about relevant AHO projects and discuss issues affecting community housing. There were 53 attendees from 20 organisations across three locations.

Improving digital tenancy management

Ngamuru is our Salesforce-based software that makes it easier for housing providers and tenants to access the data that is relevant to them.

Ngamuru allows ACHPs to manage contracts, compliance, assets, cases, work orders, programs and property assessments in one place. ACHPs can use the Ngamuru app or web portal to record or access data relevant to AHO tenancies and properties.

In FY 2023-24 we added features to the provider portal tool to better serve ACHPs. These features mean ACHPs can use Ngamuru for:

- compliance reporting
- calculating rent
- lease or rent management
- property assessments.

We also added a contractor portal tool to track procurement, approval and payment of AHO-managed maintenance activity.

Ngamuru
na-mo-roo
Compass, to see the way
Language: Eora

Supporting community housing with regulation

50 ACHPs registered under NRSCH and NSWLS

In January 2024, the NSW Aboriginal community housing sector reached a major milestone – 50 ACHPs had registered under the National Regulatory System for Community Housing (NRSCH) and New South Wales Local Scheme (NSWLS).
This meant that NSW had the highest number of registered ACHPs nationally.

Under the AHO Registration Policy 2018:

- ACHPs must register under the NRSCH
- Local Aboriginal Land Councils must register under the NSWLS.

The two types of registration help the NSW Registrar of Community Housing (RCH) to monitor the sector and take action when needed.

Registration means a more standardised sector and better outcomes for Aboriginal tenants, families and communities across NSW.

This milestone was the result of joint efforts from ACHPs, ACHIA, the RCH and the AHO.

> *"By achieving registration, ACHPs have jumped all the same hurdles required of the mainstream community housing sector. ACHPs have demonstrated that they are not only willing, they are capable of meeting the housing needs of their communities. As Aboriginal Community Controlled Organisations, they are in the best place to deliver for their communities. We celebrate this momentous milestone."*
> **Lisa Sampson, CEO, ACHIA NSW**

ACHP registration is a prerequisite to manage AHO properties and for the provision of funding and assistance under the *Aboriginal Housing Act 1998*.

As of 30 June 2024 there were:

- 54 ACHPs formally registered under the NSWLS or NRSCH with the RCH
- over 40 ACHOs registered with the AHO.

AHO registration

We work closely with the RCH to deliver support services to access regulation for the ACHP sector. This is supported by the AHO Registration Policy 2018, which mandates that ACHPs seeking to register with the AHO must be registered or scheduled for registration under the NRSCH or NSWLS.

Pillar 3: Growing the Sector Performance Information

Strengthened Sector and Communities Program

Initiative	Outcome	Progress at 30 June 2023
Aboriginal Housing Management Transfers	• Transfer 1,500 properties to the ACHP sector	• All Property Management Transfers (PMT) have been completed. • PMT financial analysis completed by Hadron.
Aboriginal Community Housing Industry Association (ACHIA) and Sector Workforce Development	• Continued support to maintain ACHIA's growth as an Aboriginal housing sector peak body in NSW, which strengthens the Aboriginal community housing and adjacent sector workforce.	• Contract has been maintained to support ACHIA as an independent Aboriginal peak body representing Aboriginal community housing sector through supporting operations and maintaining/increasing workforce. • Active engagement with the AHO and ACHIA to collaborate to better support the sector.
Sector Capability Fund	• Support up to 125 ACHPs to obtain and maintain registration by 30 June 2026	• Support provided to ACHPs, ACHOs and transitionally registered providers with over 50 NRSCH/NSWLS Registered providers in NSW. This is the highest number nationally. • Support provided via information and engagement at a Sector Visioning Workshop in November 2023 and AHO information sessions in June 2024. • FY 2023-24 Sector Capability Grants supported 12 ACHPS.
High-Cost Community Support Payments	• Provide funding to support 1,805 dwellings per annum, over 4 years.	• Provided funding to 1,655 dwellings.

Pillar 4: Data and Evidence

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

To achieve the best possible outcomes for Aboriginal people, families and communities across NSW, our decisions must have a strong evidence base. To ensure we deliver sound data and evidence, each year we focus on:

Ongoing need analysis and evaluation

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

Access to housing

Streamline reporting and compliance for ACHPs.

Share data collected with the sector to drive performance and improvement.

In FY 2023-24 we're highlighting programs (that we led or contributed to) that built the evidence base for decisions about Aboriginal social housing.

Building evidence base for future decisions

About the Research and Analysis team

Guided by principles of self-determination and self-management for Aboriginal people, the AHO works to enhance research, data collection, evaluation and analysis. Our research and analysis capability enables AHO teams to plan for the future and target resources to where they are needed most.

To achieve the best possible outcomes for Aboriginal people, families and communities across NSW the AHO's commitment to research and analysis supports us to deliver on its commitment to evidence-based decision-making.

A strengths-based model and co-design approach to our work ensures that culture is at the centre of everything we do.

Working in close partnership with AHO teams and key stakeholders in the Aboriginal community housing sector and Aboriginal Community Controlled Organisations, the team fosters a research culture committed to serving the best interests of Aboriginal people and communities.

The team commissions evaluations to inform submissions to the NSW Treasury Evidence Bank. The evidence bank allows decision makers to track performance over time and compare the effectiveness of initiatives to maximise benefits to Aboriginal families and communities across NSW.

In FY 2023-24 we're highlighting three pieces of work that the Research and Analysis team led.

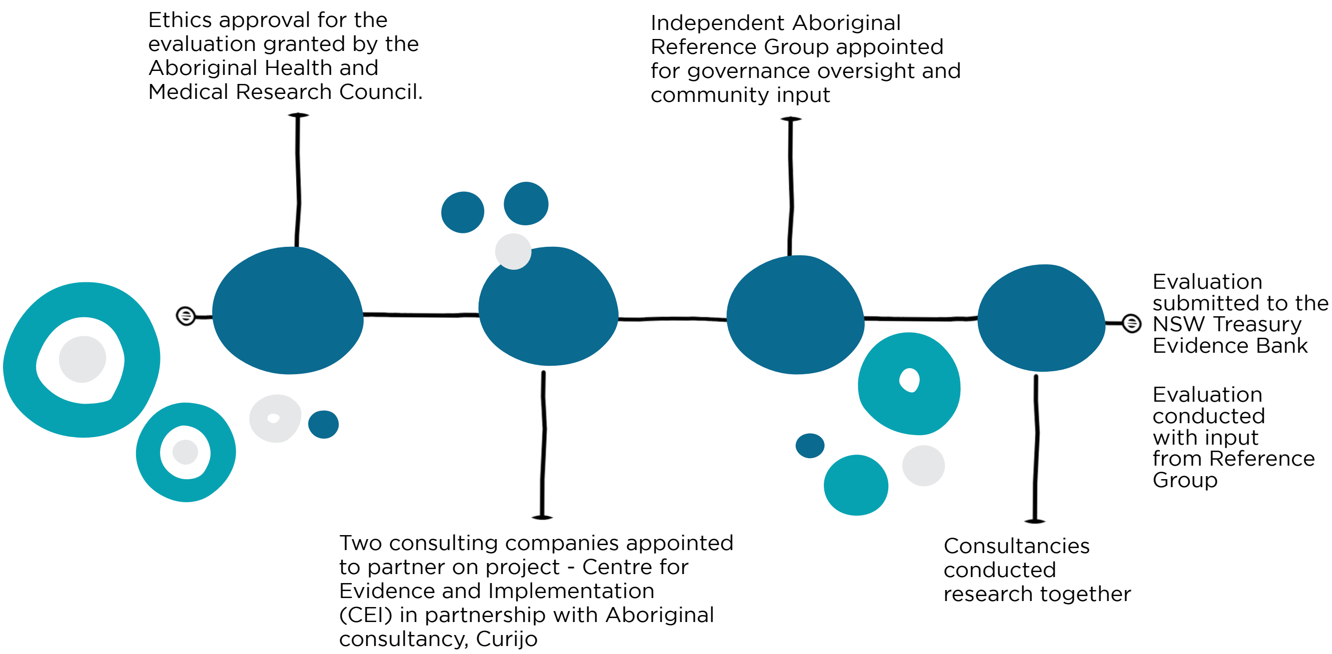
Services Our Way evaluation

"We're in the business of helping people. It's rare for us to get the chance to look back and measure impact because we're focused on helping the next person, but having our positive impact quantified means we can easily show that our work makes a difference."
- Sharon McCullough, Manager, Services Our Way

The Services Our Way program supports Aboriginal people and families in NSW by providing service coordination, support, and capacity-building in a culturally appropriate way. It was important for us to have independent confirmation that the program was being implemented as intended and that it helped clients to achieve their self-identified goals.

Overall, evaluation results were positive. Findings concluded that the program was implemented successfully – it provided flexible, culturally appropriate tailored support to 1,405 clients between July 2020 and December 2022 and delivered a positive return on investment.

Research timeline



AHO Tenant Satisfaction, Experience and Wellbeing Survey (AHOTSEW)

Continuing work delayed by COVID-19 from FY 2021-22, Roy Morgan conducted face-to-face survey with tenants living in AHO-owned or funded housing. Survey design replicated the key metrics collected in the 2018 AHOTSEWS, providing us with up-to-date data.

Tenants were asked about their experience with their housing provider, the physical aspects of their home, and their wider experience with housing, renting, discrimination and overall wellbeing.

In total, 485 AHO households participated in the survey. Survey findings showed that housing providers are particularly strong in respecting tenants and their culture, and in their service offerings. The AHO will use the findings to guide improvements in service planning and delivery.

Aboriginal Research and Knowledge Advisory Group

The AHO Aboriginal Research and Knowledge Advisory Group met in May 2024 to review recent AHO research activities. The all-Aboriginal group brings together academics and community knowledge representatives from across NSW to provide independent advice and feedback on research involving Aboriginal people, families, and communities. The group reviewed a selection of projects, including a proposal to develop an AHO Data Governance Strategy centred around Indigenous Data Sovereignty and findings from the Services Our Way Evaluation.

AHO Data Governance Strategy

In FY 2023-24, the AHO began initial scoping and planning for an AHO Data Governance Strategy, placing Indigenous Data Sovereignty and Governance (IDS&G) at its core. Our goal is to transition from focusing on IDS&G principles to operationalising them.

We aim to identify mechanisms that will enable Aboriginal communities to enhance their ownership and control over Indigenous data throughout all phases of the data lifecycle, including creation, collection, access, analysis, interpretation, management, dissemination, and reuse.

Indigenous Data Sovereignty is the right of Indigenous peoples to govern the collection, ownership and application of data about Indigenous communities, peoples, lands, and resources.

Consideration of Indigenous Data Sovereignty is critical for research teams to deliver ethical and effective research.

Land disposal

There were no sales of $5 million or more in FY 2023-24 other than by tender or public auction.
There were no family or business connections between any of the parties involved in property sales

Implementation of Price Determination

Nil

Management and Accountability

Legal change

Refer to DCJ Annual Report.

Economic or other factors

Economic factors are reflected in Appendix A: AHO Consolidated Financial Statements for the year ended 30 June 2024.

Promotion

There were no overseas visits by employees or officers to promote investments in NSW during the 2023-24 financial year.

Risk management and insurance activities

Refer to DCJ Annual Report

Audit & Risk Committees

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

Members of the ARC

Jan McClelland AM, Chairperson
Alan Zammit AM , Member
Ian Gillespie AM , Member

An AHO Audit and Risk Subcommittee is also established with meetings aligned to the AHO's ARC requirements.

Insurance Activities

FY 23-24							
Agency Name	**Line of Business**	**Policy Number**	Cost Measures	Net Incurred Cost $	Amount Paid $	Amount Recovered $	Latest Estimate $
Aboriginal Housing Office	**General Liability**	MF100834	15	$26,728.35	$6,418.35	$0.00	$20,310.00
	Motor Vehicles	MF100786	4	$13,167.51	$8,492.53	$0.00	$4,674.98
	Property	MF100788 (Offices)	2	$490,091.90	$490,091.90	$0.00	$0.00
		MF700378 (Leased)	16	$4,384,249.15	$3,309,976.15	$0.00	$1,074,273.00
	Workers Compensation	WC900774	6	$1,267,646.47	$377,629.00	$0.00	$890,017.47
	Totals		**43**	**$6,181,883.38**	**$4,192,607.93**	**$0.00**	**$1,989,275.45**

Internal Audit and Risk Management Attestation

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

Privacy and Personal Information Protection Act 1998 (PPIP Act)

Refer to DCJ Annual Report.

Exemptions

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

Human resources

Refer to DCJ Annual Report

Numbers and remuneration of senior executives

Refer to DCJ Annual Report

Government Information (Public Access) Act 2009

Refer to DCJ Annual Report

Public interest disclosures

Refer to DCJ Annual Report

Requirements arising from employment arrangements

AHO receive Payroll Services from the Department of Communities and Justice.

Consultants

In the 2023/24 financial year, the AHO had no consultant engagement equal or greater than $50,000.

Annual Report Costs

$11,287.50.

Sustainability

Disability Inclusion Action Plan

Refer to DCJ Annual Report

Work health and safety

Refer to DCJ Annual Report

Modern Slavery Act 2018 (NSW)

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

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

Workforce diversity

Refer to DCJ Annual Report

Financial Performance

Signed AHO financial statements can be found in Appendix A: AHO Consolidated Financial Statements for the year ended 30 June 2024.

Financial statements for the Dunghutti Aboriginal Elders Tribal Council can be found in Appendix C: Dunghutti Aboriginal Elders Tribal Council Trust Financial statements for theyear ended 30 June 2024.

Identification of audited financial statements

Audited financial statements can be found in Appendix D: AHO Dunghutti Trust Independent Auditor's Report 2024.

A 2023-24 Independent Auditors Report relating to the Dunghutti Aboriginal Elders Tribal Council Trust can be found in Appendix E: Independant Auditors Report

Identification of unaudited financial statements

No unaudited statements have been submitted.

Liability management performance

Not relevant to the AHO.

Cost Benefits of Machinery of Government Changes

Refer to DCJ Annual Report

Appendix A

AHO Consolidated financial statements for the year ended 30 June 2024 and Independent Auditor's Report

Aboriginal Housing Office

Consolidated Financial Statements

For the year ended 30 June 2024

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ABORIGINAL HOUSING OFFICE

STATEMENT BY THE CHIEF EXECUTIVE

For and on behalf of the ABORIGINAL HOUSING OFFICE

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

1. the accompanying consolidated financial statements and notes thereto present fairly the financial position of the reporting entity (AHO), being the Aboriginal Housing Office and its controlled entity as at 30 June 2024 and its financial performance and cash flows for the year then ended; and
2. the accompanying consolidated financial statements and notes thereto have been prepared in accordance with the Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the *Government Sector Finance Act 2018, the Government Sector Finance Regulation 2024* and Directions issued by the Treasurer; and
3. the accompanying consolidated financial statements and notes thereto have been prepared in accordance with *Treasurer's Direction TD23-24 SDA account financial reports*, and presents fairly AHO Special Deposit Account's (SDA) financial position, financial performance and cash flows.

Famey Williams
Chief Executive
Aboriginal Housing Office

25 September 2024

Aboriginal Housing Office

Consolidated Statement of Comprehensive Income for the year ended 30 June 2024

		PARENT			CONSOLIDATED		
	Notes	Actual 2024 $'000	Budget 2024 $'000	Actual 2023 $'000	Actual 2024 $'000	Budget 2024 $'000	Actual 2023 $'000
Expenses excluding losses							
Personnel services	2(a)	19,026	26,523	19,801	19,026	26,523	19,801
Operating expenses	2(b)	73,100	70,047	69,319	73,574	70,047	69,652
Depreciation	2(c)	31,531	30,067	27,151	31,626	30,067	27,252
Grants and subsidies	2(d)	37,318	58,856	42,447	37,318	58,856	42,447
Finance costs	2(e)	9	-	9	9	-	9
Total expenses excluding losses		160,984	185,493	158,727	161,553	185,493	159,161
Revenue							
Rent and other tenant charges	3(a)	61,777	56,514	45,572	61,777	56,514	45,572
Grants and contributions	3(b)	167,973	188,017	130,980	167,973	188,017	130,980
Other income	3(c)	9,240	12,438	7,514	9,240	12,438	7,514
Total revenue		238,990	256,969	184,066	238,990	256,969	184,066
Losses on disposal	4	(800)	(7,113)	(4,041)	(800)	(7,113)	(4,041)
Impairment losses on financial assets	5	(266)	(661)	(277)	(266)	(661)	(277)
Net result		76,940	63,702	21,021	76,371	63,702	20,587
Other comprehensive income							
Items that will not be reclassified to net result in subsequent periods							
Changes in revaluation surplus of property, plant and equipment	8	129,294	56,103	123,939	127,834	56,103	124,541
Total other comprehensive income		129,294	56,103	123,939	127,834	56,103	124,541
TOTAL COMPREHENSIVE INCOME		206,234	119,805	144,960	204,205	119,805	145,128

The accompanying notes form part of these financial statements, and variations to budget are disclosed in Note 17.

Aboriginal Housing Office

Consolidated Statement of Financial Position as at 30 June 2024

		PARENT			CONSOLIDATED		
	Notes	Actual 2024 $'000	Budget 2024 $'000	Actual 2023 $'000	Actual 2024 $'000	Budget 2024 $'000	Actual 2023 $'000
ASSETS							
Current Assets							
Cash and cash equivalents	6	15,349	30,400	28,868	15,349	30,400	28,868
Receivables	7	20,419	7,554	8,245	17,886	7,554	6,186
Total Current Assets		35,597	37,954	37,113	33,064	37,954	35,054
Non-Current Assets							
Property, plant and equipment							
Land and buildings	8	4,542,683	3,547,866	3,206,900	4,548,554	3,547,866	3,214,326
Plant and equipment	8	683	915	584	683	915	584
Capital work in progress	8	77,134	64,309	63,744	77,134	64,309	63,744
Leasehold improvements	8	43	-	129	43	-	129
Total property, plant and equipment		4,620,543	3,613,090	3,271,357	4,626,414	3,613,090	3,278,783
Right of use assets	9(a)	256	228	228	256	228	228
Total Non-Current Assets		4,620,799	3,613,318	3,271,585	4,626,670	3,613,318	3,279,011
Total Assets		4,656,567	3,651,272	3,308,698	4,659,905	3,651,272	3,314,065
LIABILITIES							
Current Liabilities							
Payables	11	28,447	39,425	40,418	27,447	39,425	39,418
Borrowings	9(b)	104	63	63	104	63	63
Total Current Liabilities		28,551	39,488	40,481	27,551	39,488	39,481
Non-Current Liabilities							
Borrowings	9(b)	162	171	171	162	171	171
Provisions	12	213	355	213	213	355	213
Total Non-Current Liabilities		375	526	384	375	526	384
Total Liabilities		28,926	40,014	40,865	27,926	40,014	39,865
Net Assets		4,627,641	3,611,258	3,267,833	4,631,979	3,611,258	3,274,200
EQUITY							
Asset Revaluation Reserve	1(e)(i)	1,868,717	1,823,967	1,738,880	1,874,780	1,823,967	1,746,403
Accumulated funds	1(e)(ii)	2,758,924	1,787,291	1,528,953	2,757,199	1,787,291	1,527,797
Total Equity		4,627,641	3,611,258	3,267,833	4,631,979	3,611,258	3,274,200

The accompanying notes form part of these financial statements, and variations to budget are disclosed in Note 17.

Aboriginal Housing Office

Consolidated Statement of Changes in Equity for the year ended 30 June 2024

2024 PARENT	Notes	Accumulated Funds $'000	Asset Revaluation Reserve $'000	Total $'000
Balance as at 1 July 2023		1,528,953	1,738,880	3,267,833
Net result for the year		76,940	-	76,940
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	8	-	129,294	129,294
Total other comprehensive income		-	129,294	129,294
Total comprehensive income for the year		76,940	129,294	206,234
Transaction with owners in their capacity as owners				
Increase in net assets from equity transfers	8, 11	1,153,574	-	1,153,574
Transfer between equity items				
Transfer arising from disposals of property, plant and equipment		(543)	543	-
Balance at 30 June 2024		2,758,924	1,868,717	4,627,641

2024 CONSOLIDATED	Notes	Accumulated Funds $'000	Asset Revaluation Reserve $'000	Total $'000
Balance as at 1 July 2023		1,527,797	1,746,403	3,274,200
Net result for the year		76,371	-	76,371
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	8	-	127,834	127,834
Total other comprehensive income		-	127,834	127,834
Total comprehensive income for the year		76,371	127,834	204,205
Transaction with owners in their capacity as owners				
Increase in net assets from equity transfers	8, 11	1,153,574	-	1,153,574
Transfer between equity items				
Transfer arising from disposals of property, plant and equipment		(543)	543	-
Balance at 30 June 2024		2,757,199	1,874,780	4,631,979

Aboriginal Housing Office

Consolidated Statement of Changes in Equity for the year ended 30 June 2024

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

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

The accompanying notes form part of these financial statements.

Aboriginal Housing Office

Consolidated Statement of Cash Flows for the year ended 30 June 2024

	Notes	PARENT			CONSOLIDATED		
		Actual 2024 $'000	Budget 2024 $'000	Actual 2023 $'000	Actual 2024 $'000	Budget 2024 $'000	Actual 2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Personnel services		(18,549)	(26,523)	(19,847)	(18,549)	(26,523)	(19,847)
Suppliers for goods and services		(78,691)	(70,075)	(60,326)	(78,691)	(70,075)	(60,326)
Grants and subsidies		(37,257)	(58,856)	(42,197)	(37,257)	(58,856)	(42,197)
Total payments		(134,497)	(155,454)	(122,370)	(134,497)	(155,454)	(122,370)
Receipts							
Rent and other tenant charges		52,817	56,514	46,102	52,817	56,514	46,102
Grants and contributions		164,140	188,017	130,730	164,140	188,017	130,730
Insurance Income		6,291	8,680	5,260	6,291	8,680	5,260
Other Income		2,804	1,729	1,324	2,804	1,729	1,324
Total receipts		226,052	254,940	183,416	226,052	254,940	183,416
NET CASH FLOWS FROM OPERATING ACTIVITIES	15	91,555	99,486	61,046	91,555	99,486	61,046
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale of property, plant and equipment, net of disposal costs		2,183	3,285	1,225	2,183	3,285	1,225
Purchases of property, plant and equipment		(107,144)	(101,246)	(59,922)	(107,144)	(101,246)	(59,922)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(104,961)	(97,961)	(58,697)	(104,961)	(97,961)	(58,697)
CASH FLOWS FROM FINANCING ACTIVITIES							
Payment of principal portion of lease liabilities	9(b)	(113)	-	(93)	(113)	-	(93)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(113)	-	(93)	(113)	-	(93)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(13,519)	1,525	2,256	(13,519)	1,525	2,256
Opening cash and cash equivalents		28,868	28,875	26,612	28,868	28,875	26,612
CLOSING CASH AND CASH EQUIVALENTS	6	15,349	30,400	28,868	15,349	30,400	28,868

The accompanying notes form part of these financial statements, and variations to budgets are disclosed in Note 17.

Aboriginal Housing Office
Notes to the financial statements
For the year ended 30 June 2024

1. Statement of material accounting policy information

(a) The Reporting Entity

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

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

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

AHO was within the cluster of the Department of Planning, Housing and Infrastructure (DPHI, formerly DPE) until 31 January 2024. From 1 February 2024, AHO has moved to the cluster of the Department of Communities and Justice (DCJ), under the Homes NSW division. In both instances, AHO is not a controlled entity.

The consolidated financial statements for the year ended 30 June 2024 have been authorised for issue by the Chief Executive on 25 September 2024.

(b) Basis of Preparation

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

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

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

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

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

(c) Statement of compliance

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

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

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

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

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

1. Statement of material accounting policy information (continued)

(e) Equity and reserves

(i) Asset revaluation reserve

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

(ii) Accumulated funds

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

(f) Equity transfer

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

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

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

(g) Comparative information

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

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

(i) Effective for the first time in 2023-2024

The AHO applied *"AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates"* for the first time.

Specifically, AASB 2021-2 amends:

• AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;

• AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;

• AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;

• AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and

• AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The above amendments have been applied as part of the financial statements where applicable. Several other amendments are interpretations applied for the first time in 2023-24, but do not have an impact on the consolidated financial statements of AHO.

1. Statement of material accounting policy information (continued)

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

(ii) Issued but not yet effective

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

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

- *AASB 17 Insurance Contracts (effective from 1 January 2023)*
- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (effective from 1 January 2024)*
- *AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (effective from 1 January 2023)*
- *AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback (effective from 1 January 2024)*
- *AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants (effective from 1 January 2024)*
- *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector (effective from 1 July 2026)*
- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities (effective from 1 January 2024)*
- *AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2 (effective from 1 January 2024)*

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

(i) Changes in accounting estimates

There have been no material changes in accounting estimates during the year.

2. Expenses excluding losses

(a) *Personnel services*

	PARENT		CONSOLIDATED	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Salaries and wages (including annual leave)	**15,638**	17,769	**15,638**	17,769
Superannuation - defined contribution plans	**1,497**	1,313	**1,497**	1,313
Superannuation - defined benefit plans	**-**	(139)	**-**	(139)
Long service leave	**224**	(183)	**224**	(183)
Workers' compensation insurance	**601**	165	**601**	165
Payroll tax and fringe benefit tax	**1,003**	827	**1,003**	827
Other	**63**	49	**63**	49
Fee for personnel services	**19,026**	19,801	**19,026**	19,801

Recognition and measurement

Personnel services and payable for personnel services

AHO does not have any employees. Personnel services to AHO are provided and charged by DPHI and DCJ for the time when AHO is part of these respective Clusters during the year. The Clusters also assume the Annual Leave, Long Service Leave and superannuation provisions of employees providing Personnel services to AHO. These charges include:

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

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

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

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

(ii) Superannuation on annual leave loading

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

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

2. Expenses excluding losses (continued)

(a) *Personnel services (continued)*

(iii) Long service leave and superannuation

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

Expected future payments are discounted using Commonwealth government bond rate of 4.31% (2023: 4.03%) at the reporting date.

- *Post-employment benefits*

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

- *Defined contribution superannuation schemes*

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

- *Defined benefit superannuation schemes*

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

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

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

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

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

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

2. Expenses excluding losses (continued)

(a) *Personnel services (continued)*

(iv) Consequential on-costs

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

(b) *Operating expenses*

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Building maintenance and utilities expense	**32,156**	30,607	**32,348**	30,703
Contractors and professional fees	**16,049**	10,796	**16,318**	11,024
Fee for services rendered [(ii)]	**9,370**	8,635	**9,370**	8,635
Insurance	**5,725**	5,861	**5,725**	5,861
Business services fee [(i)]	**3,921**	7,921	**3,921**	7,921
Product for clients	**1,950**	1,916	**1,950**	1,916
Travelling, removal and subsistence	**1,329**	1,156	**1,330**	1,156
Training and development expense	**707**	609	**707**	609
Data processing services	**500**	405	**500**	405
Advertising and promotions	**251**	370	**251**	370
Auditor's remuneration - audit of the financial report	**101**	87	**110**	95
Rent and accommodation expense	**57**	23	**59**	23
Motor vehicle expenses	**108**	96	**108**	96
Motor vehicle leasing costs	**-**	25	**-**	25
Other	**876**	812	**877**	813
	73,100	69,319	**73,574**	69,652

[(i)] This mainly relates to expenses charged to AHO by DCJ and DPHI of $3.9m (2023: $7.9m). Refer to Note 20(b) for further details.

[(ii)] This mainly relates to expenses charged to AHO by DCJ and DPHI for tenancy management services, as well as by Housing Portfolio (formerly LAHC) for contract administration, professional and technical advice, repairs and maintenance and related reporting services. Refer to Note 20(b) for further details.

Recognition and Measurement

Maintenance expense

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

Insurance

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

2. Expenses excluding losses (continued)

(b) *Operating expenses (continued)*

Recognition and Measurement (continued)

Lease expense

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

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

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

(c) *Depreciation*

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Depreciation				
Buildings	**31,111**	26,778	**31,206**	26,879
Right-of-use assets	**108**	94	**108**	94
Leasehold improvements	**86**	86	**86**	86
Plant and equipment	**226**	193	**226**	193
	31,531	27,151	**31,626**	27,252

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

(d) *Grants and subsidies*

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

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

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
National Partnership Agreement on Remote Indigenous Housing (NPARIH)	**-**	7,679	**-**	7,679
Stimulus Program - Grant payment for Aboriginal Community Upgrades	**5,081**	12,373	**5,081**	12,373
Strong Family, Strong Communities Phase 2 program	**10,486**	7,298	**10,486**	7,298
Closing the Gap Housing Solutions	**8,604**	1,621	**8,604**	1,621
Flood Recovery	**6,637**	4,913	**6,637**	4,913
Social Housing Accelerator Fund Program	**6,027**	-	**6,027**	-
Asset transfer to Housing Portfolio (Non-cash)	**61**	250	**61**	250
Other grants	**422**	8,313	**422**	8,313
	37,318	42,447	**37,318**	42,447

2. Expenses excluding losses (continued)

(e) *Finance costs*

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Interest expense from lease liabilities	**9**	9	**9**	9
	9	9	**9**	9

Recognition and Measurement

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

3. Revenue

Recognition and Measurement

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

(a) *Rent and other tenant charges*

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Market rental	**81,993**	65,570	**81,993**	65,570
Rental rebates	**(23,287)**	(22,024)	**(23,287)**	(22,024)
	58,706	43,546	**58,706**	43,546
Tenant charges	**3,071**	2,026	**3,071**	2,026
	61,777	45,572	**61,777**	45,572

Recognition and Measurement

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

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

3. Revenue (continued)

(b) *Grants and contributions*

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Grants without sufficiently specific performance obligations				
State Social Housing	**4,832**	4,714	**4,832**	4,714
National Housing and Homelessness Agreement (NHHA)	**32,160**	31,376	**32,160**	31,376
National Partnership Agreement on Remote Indigenous Housing (NPARIH)	**-**	11,065	**-**	11,065
Economic Recovery Grant	**12,000**	23,000	**12,000**	23,000
Closing the Gap Housing Solutions Grant	**58,205**	24,398	**58,205**	24,398
Strong Family, Strong Communities	**18,526**	16,968	**18,526**	16,968
Social Housing Accelerator Fund	**14,000**	-	**14,000**	
Flood Recovery Grant	**9,417**	7,819	**9,417**	7,819
Services Our Way	**7,267**	6,201	**7,267**	6,201
Covid-19 Economic Response Stimulus Grant	**-**	2,682	**-**	2,682
Other Grants	**9,876**	1,720	**9,876**	1,720
Asset Transfer from Housing Portfolio (Non-cash)	**990**	250	**990**	250
Grants with sufficiently specific performance obligations				
Grants from Department of Climate Change, Energy, the Environment and Water (DCCEEW)	**700**	-	**700**	-
Grants from DPHI (Formerly DPE)	**-**	787	**-**	787
	167,973	130,980	**167,973**	130,980

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

As part of an economic response to the COVID-19 situation, a stimulus and economic recovery grant was approved for AHO to maintain social housing infrastructure through addressing critical asset condition needs and support employment in the construction/trade industry. In 2023/24, a total funding of $12.0m was derived from grants from DPHI and DCJ (2023: $23.0m).

As part of the Budget 2023 Housing Package, the Closing the Gap Housing Solutions and Strong Family, Strong Communities Phase 2 programs were approved for the AHO. In 2023/24, a total funding of $76.7m was received from DPHI and DCJ (2023: $41.4m).

A flood recovery grant of $9.4m (2023: $7.8m) was recognised during the year as part of the NSW Severe Weather & Flooding 22 February 2022 package to provide additional support to severely affected communities.

As part of the Federal Government's Social Housing Accelerator initiative announced in June 2023, the AHO's Social Housing Accelerator Fund (SHAF) program was approved. In 2023/24, a total funding of $14.0m was received from DCJ.

As part of the NSW Treasury's annual cash buffer adjustment process, the AHO had received $9.7m (2023: $Nil) of grant from DCJ, and this is disclosed in Other Grants.

3. Revenue (continued)

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

Recognition and Measurement

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

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

(c) ***Other income***

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Assets recognised for the first time	**-**	930	**-**	930
Insurance Recoveries	**6,291**	5,260	**6,291**	5,260
Small-Scale Technological Certificates Revenue	**-**	99	**-**	99
Other Income	**2,949**	1,225	**2,949**	1,225
	9,240	7,514	**9,240**	7,514

AHO received $6.3m (2023: $5.3m) of insurance income during the year for properties lost through fire or structural damage. Other income of $2.9m (2023: $1.2m) includes return of surplus funds from ACHPs in relation to the ACHIF and Head Lease programs.

Recognition and Measurement

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

(i) have ownership over these properties; and

(ii) could now demonstrate control given the confirmation that these properties will not be transferred and there are valid management agreements in place.

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

Insurance and other income are recorded upon receipt of cash.

4. Losses on disposal

	PARENT		CONSOLIDATED	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Proceeds from disposal	**2,210**	1,225	**2,210**	1,225
Disposal costs	**(27)**	-	**(27)**	-
Carrying amount of assets disposed - Note 8	**(2,361)**	(3,728)	**(2,361)**	(3,728)
Net Loss on disposal of property	**(178)**	(2,503)	**(178)**	(2,503)

In the current year, there was $0.40m (2023: $2.64m) of asset that was transferred to the ACHPs as part of the Housing Aboriginal Communities Program.

Loss on transfers/demolitions and retirements

Written down value of assets demolished - Note 8	**(622)**	(1,526)	**(622)**	(1,526)
Written down value of assets written-off - Note 8	**-**	(12)	**-**	(12)
	(622)	(1,538)	**(622)**	(1,538)
	(800)	(4,041)	**(800)**	(4,041)

Recognition and Measurement

Impairment losses on non-financial assets

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

5. Impairment loss on financial assets

	PARENT		CONSOLIDATED	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
(Increase in)/Reversal of allowance for impairment of receivables - refer Note 7	**(266)**	(277)	**(266)**	(277)
	(266)	(277)	**(266)**	(277)

6. Current assets – cash and cash equivalents

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and on hand	**15,349**	28,868	**15,349**	28,868
	15,349	28,868	**15,349**	28,868

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and cash at bank. There is an amount of $0.2m for 2024 (2023: $0.2m) which relates to restricted cash held for purchase of replacement properties for the ACHPs.

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

Cash and cash equivalents (as per Statement of Financial Position)	**15,349**	28,868	**15,349**	28,868
Closing cash and cash equivalents (as per Statement of Cash Flows)	**15,349**	28,868	**15,349**	28,868

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

7. Current assets – receivables

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Rental debtors	**4,471**	4,312	**4,470**	4,312
Sundry debtors	**238**	30	**238**	30
Receivables from Trust	**2,532**	2,059	**-**	-
Receivables from NSW Reconstruction Authority	**5,462**	2,761	**5,462**	2,761
Receivables from DCJ	**2,158**	18	**2,158**	18
Receivables from DPHI (Formerly DPE)	**-**	40	**-**	40
Receivables from Housing Portfolio	**6,604**	900	**6,604**	900
Receivables from Department of Climate Change, Energy, the Environment and Water (DCCEEW)	**700**	-	**700**	-
Other Receivables	**268**	99	**268**	99
Less: Allowance for expected credit losses*	**(2,771)**	(2,565)	**(2,771)**	(2,565)
	19,662	7,654	**17,129**	5,595
Prepayments	**162**	334	**162**	334
GST receivable (net)	**595**	257	**595**	257
	20,419	8,245	**17,886**	6,186

*** Movement in the allowance for expected credit losses**				
Balance at beginning of the period	**(2,565)**	(2,828)	**(2,565)**	(2,828)
Amounts written off during the year	**42**	540	**42**	540
Increase in allowance recognised in net result	**(248)**	(277)	**(248)**	(277)
Balance at end of the period	**(2,771)**	(2,565)	**(2,771)**	(2,565)

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

7. Current assets – receivables (continued)

Recognition and measurement

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

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

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

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

Subsequent measurement

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

Impairment

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

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

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

2024 PARENT	**Land and Buildings**					
	Tenanted*	**Not Tenanted**	**Plant and Equipment**	**Leasehold Improvement**	**Capital Work in Progress**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 July 2023 - fair value						
Gross carrying amount	3,190,813	16,181	916	257	63,744	3,271,911
Accumulated depreciation and impairment	(94)	-	(332)	(128)	-	(554)
Net Carrying Amount	3,190,719	16,181	584	129	63,744	3,271,357
At 30 June 2024 - fair value						
Gross carrying amount	4,527,426	15,364	917	257	77,134	4,621,098
Accumulated depreciation and impairment	(107)	-	(234)	(214)	-	(555)
Net Carrying Amount	4,527,319	15,364	683	43	77,134	4,620,543

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

Reconciliation

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

2024 PARENT	**Land and Buildings**					
	Tenanted*	**Not Tenanted**	**Plant and Equipment**	**Leasehold Improvement**	**Capital Work in Progress**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Year ended 30 June 2024						
Net Carrying Amount at start of year	3,190,719	16,181	584	129	63,744	3,271,357
Additions	16,892	-	538	-	82,365	99,795
Equity Transfer from Housing Portfolio	1,153,574	-	-	-	-	1,153,574
Non-cash property transfers to Housing Portfolio (Note 2(d))	-	(61)	-	-	-	(61)
Non-cash property transfers from Housing Portfolio (Note 3(b))	591	399	-	-	-	990
Transfers from work in progress	70,559	(1,584)	-	-	(68,975)	-
Disposals (Note 4)	(2,148)	-	(213)	-	-	(2,361)
Demolition (Note 4)	(622)	-	-	-	-	(622)
Net revaluation increment	128,865	429	-	-	-	129,294
Depreciation expense (Note 2(c))	(31,111)	-	(226)	(86)	-	(31,423)
Net Carrying Amount at end of year	4,527,319	15,364	683	43	77,134	4,620,543

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

2023 PARENT	Land and Buildings Tenanted* $'000	Land and Buildings Not Tenanted $'000	Plant and Equipment $'000	Leasehold Improvement $'000	Capital Work in Progress $'000	Total $'000
At 1 July 2022 - fair value						
Gross carrying amount	2,737,898	16,602	745	257	62,040	2,817,542
Accumulated depreciation and impairment	(180)	-	(163)	(42)	-	(385)
Net Carrying Amount	2,737,718	16,602	582	215	62,040	2,817,157
At 30 June 2023 - fair value						
Gross carrying amount	3,190,813	16,181	916	257	63,744	3,271,911
Accumulated depreciation and impairment	(94)	-	(332)	(128)	-	(554)
Net Carrying Amount	3,190,719	16,181	584	129	63,744	3,271,357

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

Reconciliation

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

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

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

2024 CONSOLIDATED	Land and Buildings Tenanted*	Not Tenanted	Plant and Equipment	Leasehold Improvement	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2023 - fair value						
Gross carrying amount	3,196,805	17,615	916	257	63,744	3,279,337
Accumulated depreciation and impairment	(94)	-	(332)	(128)	-	(554)
Net Carrying Amount	3,196,711	17,615	584	129	63,744	3,278,783
At 30 June 2024 - fair value						
Gross carrying amount	4,531,863	16,798	917	257	77,134	4,626,969
Accumulated depreciation and impairment	(107)	-	(234)	(214)	-	(555)
Net Carrying Amount	4,531,756	16,798	683	43	77,134	4,626,414

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

Reconciliation

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

2024 CONSOLIDATED	Land and Buildings Tenanted*	Not Tenanted	Plant and Equipment	Leasehold Improvement	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2024						
Net Carrying Amount at start of year	3,196,711	17,615	584	129	63,744	3,278,783
Additions	16,892	-	538	-	82,365	99,795
Equity Transfer from Housing Portfolio	1,153,574	-	-	-	-	1,153,574
Non-cash property transfers to Housing Portfolio (Note 2(d))	-	(61)	-	-	-	(61)
Non-cash property transfers from Housing Portfolio (Note 3(b))	591	399	-	-	-	990
Transfers from work in progress	70,559	(1,584)	-	-	(68,975)	-
Disposals (Note 4)	(2,148)	-	(213)	-	-	(2,361)
Demolition (Note 4)	(622)	-	-	-	-	(622)
Net revaluation increment	127,405	429	-	-	-	127,834
Depreciation expense (Note 2(c))	(31,206)	-	(226)	(86)	-	(31,518)
Net Carrying Amount at end of year	4,531,756	16,798	683	43	77,134	4,626,414

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

2023 CONSOLIDATED	Land and Buildings Tenanted* $'000	Not Tenanted $'000	Plant and Equipment $'000	Leasehold Improvement $'000	Capital Work in Progress $'000	Total $'000
At 1 July 2022 - fair value						
Gross carrying amount	2,743,390	18,036	745	257	62,040	2,824,468
Accumulated depreciation and impairment	(180)	-	(163)	(42)	-	(385)
Net Carrying Amount	2,743,210	18,036	582	215	62,040	2,824,083
At 30 June 2023 - fair value						
Gross carrying amount	3,196,805	17,615	916	257	63,744	3,279,337
Accumulated depreciation and impairment	(94)	-	(332)	(128)	-	(554)
Net Carrying Amount	3,196,711	17,615	584	129	63,744	3,278,783

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

Reconciliation

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

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

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

Recognition and measurement

(i) Capitalisation threshold

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

(ii) Acquisition of Property, Plant and Equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

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

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

(iii) Subsequent costs

a) Major inspection costs

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

b) Repairs and maintenance

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

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

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

c) Capital improvements

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

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

Recognition and measurement (continued)

(iv) Revaluation of Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

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

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

Recognition and measurement (continued)

(v) Depreciation

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

The depreciation rates are as follows:

	2024	2023
	% Rate	% Rate
Property		
Building	2	2
Plant & Equipment		
Office furniture and fittings	33	33
Office equipment	14	14
Computer equipment	25	25
Motor vehicles	16	16

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

(vi) Leases

Right-of-Use Assets acquired by lessees

AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. AHO has elected to present right-of-use assets separately in the Statement of Financial Position. Further information on leases is contained in Note 9.

(vii) Transfer of Assets

On a regular basis, Housing Portfolio transfers properties (including legal title) to AHO to assist in meeting Aboriginal housing needs. AHO also transfers properties to Housing Portfolio, such as when the relevant properties no longer meet the requirements of Aboriginal households. AHO and Housing Portfolio regularly undertake a reconciliation of the value of property transfers in and out (quantity and dollar values). AHO records as revenue the value of properties transferred from Housing Portfolio and records as an expense the value of properties transferred to Housing Portfolio. For 2023/24, as part of an approved program to transfer the title of Aboriginal tenanted properties from Housing Portfolio to the AHO, 1,642 properties (2022/23: 505 properties) worth $1.15bn (2022/23: $292.6m) were transferred to the AHO. The properties were recognised as an equity transfer in accordance with AASB 1004 *Contributions*, rather than revenue, in line with the cabinet decision (SC1032-2020) issued on 20 July 2021 and this increased net assets by $1.15bn (2022/23: $292.6m increase).

(viii) Impairment

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

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

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

Recognition and measurement (continued)

(viii) Impairment (continued)

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

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

(ix) Trust's assets

The assets owned by the Trust, upon consolidation, form part of AHO's consolidated financial statements. As part of a Community consultation and mediation process with the beneficiaries of the Trust to decide on the future of these assets, AHO, as the Trustee of the Trust, has the intention to transfer the assets to the beneficiaries. This intention has been ratified by the AHO Board and approved by the Chief Executive, as well as published to the Community. However, the assets will not be derecognised as at the end of 30 June 2024 as:

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

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

9. Leases

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

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

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

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

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

9. Leases (continued)

(a) *Right-of-use assets under leases*

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

PARENT/CONSOLIDATED	Motor Vehicles $'000	Total $'000
Balance at 1 July 2023	228	228
Additions	136	136
Depreciation expense	(108)	(108)
Lease modification revaluation	-	-
Balance at 30 June 2024	**256**	**256**

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

(b) *Lease liabilities*

The following table presents liabilities under leases:

PARENT/CONSOLIDATED	Total $'000
Balance at 1 July 2023	234
Addition	136
Lease modification revaluation	-
Interest expenses	9
Payments	(113)
Balance at 30 June 2024	**266**
Balance at 1 July 2022	167
Addition	158
Lease modification revaluation	(7)
Interest expenses	9
Payments	(93)
Balance at 30 June 2023	**234**

9. Leases (continued)

(b) *Lease liabilities (continued)*

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Current lease liability	**104**	63	**104**	63
Non-current lease liability	**162**	171	**162**	171
	266	234	**266**	234

(c) *Right-of-use expenses under leases*

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

	2024	**2023**
	$'000	**$'000**
Depreciation expense of right-of-use assets	**108**	94
Interest expense on lease liabilities	**9**	9
Total amount recognised in the statement of comprehensive income	**117**	103

AHO had total cash outflows for leases of $0.11m in 2023-24 ($0.09m in 2022-23).

Recognition and measurement

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

i. Right-of-use assets

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

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

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

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

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

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9. Leases (continued)

(c) *Right-of-use expenses under leases (continued)*

Recognition and measurement (continued)

i. Right-of-use assets (continued)

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

ii. Lease liabilities

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

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

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

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

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

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

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

AHO applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term. AHO does not have such leases as at 30 June 2024.

9. Leases (continued)

(c) *Right-of-use expenses under leases (continued)*

Recognition and measurement (continued)

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

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable AHO to further its objectives is same as normal right-of-use assets. They are measured at cost, subject to impairment. AHO does not have such leases as at 30 June 2024.

10. Fair value measurement of non-financial assets

(a) *Fair value hierarchy*

2024 PARENT	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair vale $'000
Property, plant and equipment					
Land and buildings	8	-	-	4,542,683	4,542,683
		-	**-**	**4,542,683**	**4,542,683**

2024 CONSOLIDATED	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair vale $'000
Property, plant and equipment					
Land and buildings	8	-	-	4,548,554	4,548,554
		-	**-**	**4,548,554**	**4,548,554**

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

2023 PARENT	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair vale $'000
Property, plant and equipment					
Land and buildings	8	-	-	3,206,900	3,206,900
		-	**-**	**3,206,900**	**3,206,900**

2023 CONSOLIDATED	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair vale $'000
Property, plant and equipment					
Land and buildings	8	-	-	3,214,326	3,214,326
		-	**-**	**3,214,326**	**3,214,326**

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

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

(a) ***Fair value hierarchy (continued)***

Recognition and measurement

Fair value measurement and hierarchy

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

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

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

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

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

Fair values are determined by applying an annual rolling benchmark valuation approach whereby a third of the benchmark properties are valued by accredited property valuers with reference to market sales comparisons to calculate a market movement index. The market movement index is applied to the remaining two-thirds of the benchmark properties. This has the advantage of engaging an independent assessment annually. All benchmark properties are grouped within thirteen geographical reporting regions. The median value increase in each geographical group is then applied to the entire property portfolio. Adjustments to each property are made for any significant different characteristic from benchmark properties. The rolling benchmark valuation process is calculated annually as at 31 December. As such, an uplift market movement factor is provided from a registered valuer for the six months period ended 30 June 2024.

The uplift/(downward) market movement for the six months ended 30 June 2024 is nil. This methodology involves a physical independent valuation each year of one-third of the benchmark properties.

Significant inputs used as part of the valuation include:

- Market sales comparison approach utilising recent sales of comparable properties.
- Adjustments for any different attributes to benchmark properties- number of bedrooms, street appeal, aspect, dwelling size, yard size, internal condition and car accommodation, land size and zoning restrictions
- Where a single title exists over multiple properties, a block title adjustment is made to reflect the required costs for sub-division.
- Market movement for six months ended 30 June 2024.

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

(b) *Valuation techniques, inputs and processes (continued)*

Inter-relationship between significant inputs and fair value measurement include:

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

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

(c) *Reconciliation of Level 3 fair value measurements*

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

11. Current liabilities – payables

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Payable for personnel services - inter-agency	**5,017**	4,522	**5,017**	4,522
Creditors - trade	**3,673**	10,741	**3,673**	10,741
Creditors - sundry	**3,040**	2,235	**3,040**	2,235
Payable to the Dunghutti Trust	**1,000**	1,000	**-**	-
Payable to DCJ	**4,508**	-	**4,508**	-
Payable to Housing Portfolio	**2,889**	-	**2,889**	-
Accrued operating expenditure	**6,113**	12,365	**6,113**	12,365
Accrued capital expenditure - Housing Portfolio	**6**	2,247	**6**	2,247
Accrued capital expenditure - Others	**2,201**	7,308	**2,201**	7,308
	28,447	40,418	**27,447**	39,418

In prior year, $7.3m of defined benefit superannuation liability was transferred to the Crown through an equity transfer on 1 January 2023. The transfer is consistent with Government policy to consolidate and centrally manage employee-related liabilities with the Crown.

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

Recognition and measurement.

Trade and other payables

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

Subsequent to initial recognition, trade and other payables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are de-recognised as well as through the amortisation process.

12. Non-current liabilities – provisions

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Property replacement cost	**213**	213	**213**	213
	213	213	**213**	213

Reconciliation

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

2024 PARENT	**Property replacement**	**Total**
	$'000	**$'000**
Carrying amount at beginning of the financial year	**213**	**213**
Additional provision recognised	**-**	**-**
Provision settled	**-**	**-**
Unwinding/Change in the discount rate	**-**	**-**
Carrying amount at the end of the financial year	**213**	**213**

2024 CONSOLIDATED	**Property replacement**	**Total**
	$'000	**$'000**
Carrying amount at beginning of the financial year	**213**	**213**
Additional provision recognised	**-**	**-**
Provision settled	**-**	**-**
Unwinding/Change in the discount rate	**-**	**-**
Carrying amount at the end of the financial year	**213**	**213**

12. Non-current liabilities – provisions (continued)

Reconciliation

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

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

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

Recognition and measurement

Provisions

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

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

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

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

13. Commitments for expenditure

Capital commitments

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

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Within one year	**67,540**	48,003	**67,540**	48,003
Later than one and not later than five years	**-**	**-**	**-**	**-**
Total (including GST)	**67,540**	48,003	**67,540**	48,003

The majority of the Capital Commitments relates to AHO's Economic Recovery, Closing the Gap Housing Solutions and SHAF programs that are currently in progress.

14. Contingent liabilities and contingent assets

The AHO does not have any contingent liabilities or assets for the year ended 30 June 2024.

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

	PARENT		CONSOLIDATED	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Net cash from operating activities	**91,555**	61,046	**91,555**	61,046
Losses on disposal, demolitions and write-offs	**(800)**	(4,041)	**(800)**	(4,041)
Depreciation	**(31,531)**	(27,151)	**(31,626)**	(27,252)
Equity transfer to Crown	**-**	(7,304)	**-**	(7,304)
Assets recognised for the first time	**-**	930	**-**	930
Non-cash transfer from Housing Portfolio	**990**	250	**990**	250
Non-cash transfer to Housing Portfolio	**(61)**	(250)	**(61)**	(250)
Finance costs	**(9)**	(9)	**(9)**	(9)
Decrease / (increase) in allowance for impairment	**(206)**	263	**(206)**	263
Increase / (decrease) in receivables	**12,379**	690	**11,905**	358
Decrease / (increase) in payables	**4,623**	(3,403)	**4,623**	(3,404)
Net result	**76,940**	21,021	**76,371**	20,587

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16. Financial instruments

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

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

(a) *Financial instrument categories for consolidated entity*

Class	Note	Category	2024	2023
Financial Assets			**$'000**	**$'000**
Cash and cash equivalents	6	Amortised Cost	**15,349**	28,868
Receivables (1)	7	Amortised Cost Loans and Receivables	**17,129**	5,595
Total financial assets			**32,478**	34,463
Financial Liabilities				
Payables (2)	11	Financial liabilities measure at amortised cost	**27,447**	39,418
Borrowings	9	Financial liabilities measure at amortised cost	**266**	234
Total financial liabilities			**27,713**	39,652

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

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

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

De-recognition of financial assets and liabilities

(i) Financial assets

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

(a) AHO has transferred substantially all the risks and rewards of the asset; or

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

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

16. Financial instruments (continued)

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

De-recognition of financial assets and liabilities (continued)

(ii) Financial liabilities

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

Offsetting Financial Instruments

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

(b) *Credit risk*

Credit risk arises when there is a possibility of AHO's debtors defaulting on their contractual obligations, resulting in a financial loss to AHO. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment). Credit risk arises from the financial assets of AHO, including cash and receivables. No collateral is held by AHO. AHO has not granted any financial guarantees. AHO considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, AHO may also consider a financial asset to be in default when internal or external information indicates that AHO is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by AHO.

Cash and cash equivalents

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

Accounting policy for impairment of trade debtors and other financial assets

Receivables – trade debtors

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

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

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

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

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

16. Financial instruments (continued)

(b) *Credit risk (continued)*

Accounting policy for impairment of trade debtors and other financial assets (continued)

Receivables – trade debtors (continued)

The loss allowance for trade debtors was determined as follows (to be updated at year-end):

	30 June 2024 $'000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	-	-	63%	60%	69%	
Estimated total gross carrying amount at default	-	-	8	10	4,083	4,101
Expected credit loss	-	-	5	6	2,812	2,823

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

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

(c) *Liquidity risk*

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. NSW TC 11/12 Payment of Accounts allows the Minister to award interest for late payment. No interest for late payment was made during the 2023-24 (2023: $Nil).

16. Financial instruments (continued)

(c) *Liquidity risk (continued)*

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

30 June 2024	Interest rate exposure	Maturity dates			
	Nominal Amount	<1 year	Between 1 and 5 years	> 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Payable for personnel services	5,017	5,017	-	-	5,017
Creditors and accrual expenses	22,430	22,430	-	-	22,430
Borrowings	266	104	162	-	266
Total	27,713	27,551	162	-	27,713

30 June 2023	Interest rate exposure	Maturity dates			
	Nominal Amount	<1 year	Between 1 and 5 years	> 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Payable for personnel services	4,522	4,522	-	-	4,522
Creditors and accrual expenses	34,896	34,896	-	-	34,896
Borrowings	234	63	171	-	234
Total	39,652	39,481	171	-	39,652

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

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

	2024	2023
	$'000	$'000
Tape Negotiation Authority	**40,500**	40,500

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

	2024	2023
	$'000	$'000
AHO has access to the following credit card facility with Citibank	**950**	950

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

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16. Financial instruments (continued)

(d) *Market risk*

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

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

30 June 2024		-1%		+1%	
	Carrying amount	Net Result	Equity	Net Result	Equity
	$'000	$'000	$'000	$'000	$'000
Financial assets					
Cash and cash equivalents	15,349	(153)	(153)	153	153
Total increase/(decrease)		(153)	(153)	153	153

30 June 2023		-1%		+1%	
	Carrying amount	Net Result	Equity	Net Result	Equity
	$'000	$'000	$'000	$'000	$'000
Financial assets					
Cash and cash equivalents	28,868	(289)	(289)	289	289
Total increase/(decrease)		(289)	(289)	289	289

(e) *Fair value compared to carrying amount*

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

17. Budget review

Budgeted amounts

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

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

The Net Cost of Services (NCOS) was $76.4m surplus against the original budget surplus of $63.7m.

Revenue and Expenses

The major variances to revenue were:

Rent and other tenant charges were higher than budget by $5.3m due to higher than expected rental income that was received from the Housing Portfolio transfer properties.

Grant revenue was lower than budget by $20.0m mainly due to a carry-forward of budgets to future years for various programs as a result of Aboriginal Community driven reasons.

Other income was behind budget by $3.2m mainly due to a lower insurance income received during the year as there were less properties that were lost to fire damage which reflects the good progress made in tenant education on fire safety.

The major variances to expenses were:

Personnel services, operating expenses and grants were below budget mainly due to carry-forward of budgets to future years as a result of Aboriginal Community driven reasons.

Assets and Liabilities

The major variances to budget were:

AHO's cash position was $15.1m lower than budget mainly due to timing of rental income and grant payments from Housing Portfolio, DCJ, NSW Reconstruction Authority and DCCEEW.

Receivables was higher than budget by $10.3m mainly due to timing of cash receipt from various debtors, as mentioned above.

Property, plant and equipment was higher than budget by $1.0bn due to the approved Housing Portfolio Transfer of 1,109 properties in May 2024. This transfer was not part of the original budget at the start of the year.

Payables was lower than budget by $12.0m, which is in line with the lower expenses during the year as a result of the aforementioned carry-forwards.

Asset Revaluation Reserve and Accumulated Funds were higher than budget due to the Housing Portfolio transfer of 1,109 properties in May 2024 that was not part of the budget at the start of the year. Note that the transfer of the properties was treated as an equity transfer, resulting in an increase in Accumulated Funds during the year.

Cash Flows

As mentioned above, the AHO's cash position as at year-end was $15.1m lower than budget mainly due to a delay in rental income payment from Housing Portfolio and grant payments from DCJ, NSW Reconstruction Authority and DCCEEW.

18. Program group statement

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

19. Defined benefit superannuation plans

In the prior year, a defined benefit superannuation liability amount of $7.3m was transferred to the Crown through an equity transfer on 1 January 2023. As a result, the AHO no longer has a liability balance for 2023/24. The transfer is consistent with Government policy to consolidate and centrally manage employee-related liabilities with the Crown.

20. Related party disclosures

A related party is a person or entity that is related to AHO that is preparing consolidated financial statements. AHO is a cluster agency of DCJ as at 30 June 2024. As AHO is a statutory authority 100% controlled by the NSW Government, AHO is a related party of all NSW Government controlled agencies and State Owned Corporations.

(a) Key management personnel

In accordance with AASB 124 *Related Parties* disclosures, Key Management Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity including whether executive or otherwise. The Minister, the Secretary of DCJ and Chief Executive of the Aboriginal Housing Office have been identified as the KMP of AHO.

Key management personnel compensation

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

AHO's key management personnel compensation is as follows:

	2024	**2023**
	$'000	**$'000**
Short-term employee benefits:	**296**	334
Post-employment benefits	**-**	-
Total remuneration	**296**	334

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

KMP Related party information

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

20. Related party disclosures (continued)

(b) Other related party transactions

Cluster and other government agencies

The following table shows the related party transactions of the AHO during the year:

	Note	2024 $'000	2023 $'000
Personnel Services Expense			
DPHI (Up to 31 Jan 2024)	2(a)	**11,135**	19,801
DCJ (1 Feb 2024 onwards)	2(a)	**7,891**	-
Total		**19,026**	19,801
Management Agreement Expenses			
Housing Portfolio - Contract administration and repairs & maintenance	2(b) Fee for services	**2,855**	2,223
DPHI - Tenancy Management and Housing Services	2(b) Fee for services	**3,290**	5,606
DPHI - Office Rental	2(b) Fee for services	**856**	806
DCJ - Tenancy Management and Housing Services	2(b) Fee for services	**2,350**	-
DPHI - Corporate Services, Legacy Efficiency Dividend and Cost Recharges	2(b) Business Services	**2,730**	7,921
DCJ - Corporate Services	2(b) Business Services	**1,191**	-
Total		**13,272**	16,556
Grant Revenue			
DPHI	3(b)	**59,022**	59,862
DCJ	3(b)	**97,706**	61,329
DCCEEW	3(b)	**700**	
NSW Reconstruction Authority - Flood Recovery Program	3(b)	**9,417**	7,819
Housing Portfolio - Non-cash Grant for Assets Transferred in	3(b)	**990**	250
Department of Customer Service - Digital Restart Fund	3(b)	**138**	1,720
Total		**167,973**	130,980
Grant Expense			
Housing Portfolio - Non-cash Grant for Assets Transferred out	2(d)	**61**	250
Total		**61**	250

Other government agencies

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

20. Related party disclosures (continued)

(b) Other related party transactions (continued)

Transaction with the Trust

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

Balance with related parties

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

	Note	2024 $'000	2023 $'000
Receivables from:			
DPHI	7	**-**	40
DCJ	7	**2,158**	18
Housing Portfolio	7	**6,604**	900
The Trust	7	**2,532**	2,059
NSW Reconstruction Authority	7	**5,462**	2,761
DCCEEW	7	**700**	-
Total		**17,456**	5,778
Payables for personnel services to:			
DPHI	11	**-**	4,522
DCJ	11	**5,017**	-
Total		**5,017**	4,522
Accrued capital expenditure to:			
Housing Portfolio	11	**6**	2,247
Total		**6**	2,247
Payable to:			
The Trust	11	**1,000**	1,000
DCJ	11	**4,508**	-
Housing Portfolio	11	**2,889**	-
Total		**8,397**	1,000

21. Events after the reporting period

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

INDEPENDENT AUDITOR'S REPORT

Aboriginal Housing Office

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Aboriginal Housing Office (the Office), which comprise the Statement by the Chief Executive, the Consolidated Statement of Comprehensive Income for the year ended 30 June 2024, the Consolidated Statement of Financial Position as at 30 June 2024, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policy Information and other explanatory information of the Office and the consolidated entity. The consolidated entity comprises the Office and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2024 (GSF Regulation) and the Treasurer's Directions
- presents fairly the financial position, financial performance and cash flows of the Office and the consolidated entity.

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

Basis for Opinion

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

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

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

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

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

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

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

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

Chief Executive's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

Manuel Moncada
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

26 September 2024
SYDNEY

Appendix B

Internal Audit and Risk Management Attestation Statement for the 2023-2024 Financial Year for the Aboriginal Housing Office

Internal Audit and Risk Management Attestation Statement for the 2023-2024 Financial Year for the Aboriginal Housing Office

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

Core Requirements

Risk Management Framework		
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS/NZS ISO 31000:2018.	Compliant
Internal Audit Function		
2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the ‘model charter’.	Compliant
Audit and Risk Committee		
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency’s governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the ‘model charter’.	Compliant

Membership

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

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Carol Holley	30/03/2020	31/01/2024
Independent Member	Peter Scarlett	30/03/2020	31/01/2024
Independent Member	Alan Zammit	30/03/2020	31/01/2025
Independent Chair	Jan McClelland	01/02/2024	31/01/2028
Independent Member	Ian Gillespie	01/02/2024	31/01/2027

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

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

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

Michael Tidball,
Secretary
Date: 11 October 2024

Agency Contact:
Lakshmi Satyanarayana
A/Director, Governance, Risk, Audit & Compliance
0484 575 322

Appendix C

Dunghutti Aboriginal Elders Tribal Council Trust
Financial statements for the year ended 30 June 2024

Dunghutti Aboriginal Elders Tribal Council Trust

Financial statements for the year ended 30 June 2024

Dunghutti Aboriginal Elders Tribal Council Trust

Financial statements
For the year ended 30 June 2024

Dunghutti Aboriginal Elders Tribal Council Trust

Statement by Trustee

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

1. the accompanying financial statements and notes thereto present fairly the financial position of the Dunghutti Aboriginal Elders Tribal Council Trust as at 30 June 2024 and its financial performance and cash flows for the year then ended; and

2. have been prepared in accordance with the Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the *Government Sector Finance Act 2018,* the Government Sector Finance Regulation 2024 and Directions issued by the Treasurer.

Famey Williams
Chief Executive

For and on behalf of
Aboriginal Housing Office,
Trustee

25 September 2024

Dunghutti Aboriginal Elders Tribal Council Trust

Statement of Comprehensive Income
For the year ended 30 June 2024

	Notes	2024 ($)	2023 ($)
Expenses			
Repairs and maintenance	2	117,691	10,926
Professional fees	3	268,501	226,139
Utilities		76,088	85,847
Depreciation	5	95,390	101,210
Travel		876	-
Others		9,887	9,011
Total Expenses		568,433	433,133
Total Revenue		-	-
Net (deficit)/surplus		(568,433)	(433,133)
Other comprehensive income			
Items that will not be reclassified to net result in subsequent periods			
Changes in revaluation reserve	5	(1,460,610)	601,210
Total other comprehensive income		(1,460,610)	601,210
Total comprehensive income		(2,029,043)	168,077

The accompanying notes form part of the financial statements.

Dunghutti Aboriginal Elders Tribal Council Trust

Statement of Financial Position
For the year ended 30 June 2024

	Notes	2024 ($)	2023 ($)
Assets			
Current assets			
Receivables from Aboriginal Housing Office	4	1,000,000	1,000,000
Total current assets		1,000,000	1,000,000
Non-current assets			
Land and buildings	5	5,870,000	7,426,000
Total non-current assets		5,870,000	7,426,000
Total assets		6,870,000	8,426,000
Liabilities			
Current liabilities			
Payable to Aboriginal Housing Office	6	2,531,706	2,058,663
Total current liabilities		2,531,706	2,058,663
Total liabilities		2,531,706	2,058,663
Net assets		4,338,294	6,367,337
Equity			
Asset revaluation reserve		5,576,912	7,037,522
Accumulated funds		(1,238,618)	(670,185)
Total equity		4,338,294	6,367,337

The accompanying notes form part of the financial statements.

Dunghutti Aboriginal Elders Tribal Council Trust

Statement of Changes in Equity
For the year ended 30 June 2024

2024	Notes	**Accumulated Funds ($)**	**Asset Revaluation Reserve ($)**	**Total ($)**
Balance at 1 July 2023		(670,185)	7,037,522	6,367,337
Net deficit for the year		(568,433)	-	(568,433)
Other comprehensive income:				
Net decrease in fair value of land and buildings	5	-	(1,460,610)	(1,460,610)
Total other comprehensive income		-	(1,460,610)	(1,460,610)
Total comprehensive income for the year		(568,433)	(1,460,610)	(2,029,043)
Balance at 30 June 2024		(1,238,618)	5,576,912	4,338,294

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

Dunghutti Aboriginal Elders Tribal Council Trust

Statement of Cash Flows
For the year ended 30 June 2024

	Notes	2024 ($)	2023 ($)
Cash flows from operating activities			
Net cash flows from operating activities	12	-	-
Cash flows from investing activities			
Net cash flows from investing activities		-	-
Cash flows from financing activities			
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Opening Cash and cash equivalents		-	-
Closing Cash and cash equivalents		-	-

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

1. Summary of material accounting policies

(a) Reporting Entity

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

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

AHO, as the Trustee, holds the legal title of the land and building assets of $5.9 million (2023: $7.4 million) at the Old Burnt Bridge area in South Kempsey in northern New South Wales. The assets are held on trust for the beneficiaries.

These financial statements for the year ended 30 June 2024 have been authorised for issue by the Trustee on 25 September 2024.

(b) Basis of preparation

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

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

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

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

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

(c) Statement of compliance

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

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

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

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

1. Summary of material accounting policies (Continued)

(e) Equity and Reserve

(i) Asset revaluation reserve

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

(ii) Accumulated Funds

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

(f) Comparative information

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

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

(i) Effective for the first time in 2023-2024

The Trust applied "AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates" for the first time.

Specifically, AASB 2021-2 amends:

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

The above amendments have been applied as part of the financial statements where applicable. Several other amendments are interpretations applied for the first time in 2023-24, but do not have an impact on the financial statements of the Trust.

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

1. Summary of material accounting policies (Continued)

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

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

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

- *AASB 17 Insurance Contracts (effective from 1 January 2023)*
- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (effective from 1 January 2024)*
- *AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (effective from 1 January 2023)*
- *AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback (effective from 1 January 2024)*
- *AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants (effective from 1 January 2024)*
- *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector (effective from 1 July 2026)*
- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities (effective from 1 January 2024)*
- *AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2 (effective from 1 January 2024)*

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

2. Repairs and Maintenance

	2024 ($)	2023 ($)
Repair and maintenance	117,691	10,926

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

These costs were incurred by the AHO as the Trustees on behalf of the Beneficiaries of the Trust. There were no capital improvements for the current year (2023: Nil) as per Note 5.

3. Professional Fees

	2024 ($)	2023 ($)
Professional Fees	268,501	226,139

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

4. Current Assets - Receivables

	2024 ($)	2023 ($)
Receivables from Aboriginal Housing Office (i)	1,000,000	1,000,000
Total receivables	1,000,000	1,000,000

(h) A receivable balance of $1m in FY2024 (2023: $1m) relates to the same Commonwealth grant that was received by AHO as the Trustee in FY2021. As the Trust does not hold any bank account, the grant amount is currently being held in AHO's bank account as the Trustee.

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

5. Non-Current Assets – Land and buildings

2024	**Land & Buildings ($)**
At 1 July 2023 – fair value	
Gross carrying amount	7,426,000
Accumulated depreciation and impairment	-
Net Carrying Amount	7,426,000
At 30 June 2024 – fair value	
Gross carrying Amount	5,870,000
Accumulated depreciation and impairment	-
Net Carrying Amount	5,870,000

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

2024	**Land & Buildings ($)**
Period ended 30 June 2024	
Net carrying amount at start of year	7,426,000
Capital improvement	-
Net revaluation decrement	(1,460,610)
Depreciation expense	(95,390)
Net carrying amount at end of year	5,870,000

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

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

2023	**Land & Buildings ($)**
At 1 July 2022 – fair value	
Gross carrying amount	6,926,000
Accumulated depreciation and impairment	-
Net Carrying Amount	6,926,000
At 30 June 2023 – fair value	
Gross carrying Amount	7,426,000
Accumulated depreciation and impairment	-
Net Carrying Amount	7,426,000

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

2023	**Land & Buildings ($)**
Period ended 30 June 2023	
Net carrying amount at start of year	6,926,000
Capital improvement	-
Net revaluation increment	601,210
Depreciation expense	(101,210)
Net carrying amount at end of year	7,426,000

AHO, as the Trustee of the Trust, has the objective to transfer the assets owned by the Trust to the beneficiaries of the Trust. This intention has been ratified by the AHO Board and approved by the Chief Executive, as well as published to the Community. However, the assets will not be derecognised as at the end of 30 June 2024 as:

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

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

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

Recognition and Measurement

(i) Capitalisation thresholds

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

(ii) Recognition and measurement

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

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

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

(iii) Subsequent costs

a) Major inspection costs

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

b) Repairs and maintenance

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

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

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

c) Capital improvements

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

(iv) Revaluation of land and buildings

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

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

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

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

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

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

Recognition and Measurement (Continued)

(v) Depreciation

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

The depreciation rates are as follows:

	2024 % Rate	**2023** % Rate
Property building	2	2

(vi) Impairment

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

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

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

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

6. Current Liabilities - Payables

	2024 ($)	2023 ($)
Payable to Aboriginal Housing Office (i)	2,531,706	2,058,663
Total payables	2,531,706	2,058,663

The payable balance of $2.5m in FY2024 (2023: $2.1m) relates to expenses paid on behalf for the Trust by the AHO.

7. Fair value measurement of non-financial assets

(a) Fair value hierarchy

2024	**Level 1 ($)**	**Level 2 ($)**	**Level 3 ($)**	**Total fair value ($)**
Land and Buildings	-	-	5,870,000	5,870,000
Total	**-**	**-**	5,870,000	5,870,000

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

2023	**Level 1 ($)**	**Level 2 ($)**	**Level 3 ($)**	**Total fair value ($)**
Land and Buildings	-	-	7,426,000	7,426,000
Total	**-**	**-**	7,426,000	7,426,000

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

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

Fair value measurement and hierarchy

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

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

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

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

(b) Valuation techniques, inputs and processes

Fair values are determined by applying an annual rolling benchmark valuation approach whereby a third of the benchmark properties are valued by accredited property valuers with reference to market sales comparisons to calculate a market movement index. The market movement index is applied to the remaining two-thirds of the benchmark properties. All benchmark properties are grouped within thirteen geographical reporting regions. The median value increase in each geographical group is then applied to the entire property portfolio. Adjustments to each property are made for any significant different characteristic from benchmark properties. The rolling benchmark valuation process is calculated annually as at 31 December. As such, an uplift market movement factor is provided from a registered valuer for the six months period ended 30 June. The uplift market movement for the six months ended 30 June 2024 is nil.

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

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

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

Significant inputs

(i) Market sales comparison approach utilising recent sales of comparable properties.

(ii) Adjustments for any different attributes to benchmark properties- number of bedrooms, street appeal, aspect, dwelling size, yard size, internal condition and car accommodation, land size and zoning restrictions.

(iii) Where a single title exists over multiple properties, a block title adjustment is made to reflect the required costs for sub-division.

(iv) Uplift market movement for six months ended 30 June.

Inter-relationship between significant inputs and fair value measurement

(v) Higher (lower) market sales values reflect higher (lower) valuations.

(vi) Better (lesser) attributes for location, condition, size, aspect and street appeal over benchmark properties result in higher / (lower) valuation.

(vii) Depending on the complexity of the conversion to single title, valuations are reduced by conversion costs.

(viii) Higher / (lower) six monthly uplift market movement will result in higher / (lower) valuation.

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

8. Financial instruments

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

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

(a) Financial instrument categories

Financial Assets/Liabilities	Category	2024	2023
Class:		**($)**	**($)**
Receivables	Amortised Cost Loan and Receivables	1,000,000	1,000,000
Total financial assets		**1,000,000**	**1,000,000**
Payables	Financial liabilities measured at amortised cost	2,531,706	2,058,663
Total financial liabilities		**2,531,706**	**2,058,663**

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

8. Financial instruments (Continued)

De-recognition of financial assets and liabilities

(i) Financial assets

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

a) The Trust has transferred substantially all the risks and rewards of the asset; or

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

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

(ii) Financial liabilities

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

(b) Credit risk

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

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

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

8. Financial instruments (Continued)

(b) Credit risk (Continued)

Accounting policy for impairment of financial assets

Receivables

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

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

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

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

Debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due. As at 30 June 2024, the loss allowance for debtors is nil (2023: Nil).

(c) Liquidity risk

Liquidity risk is the risk that the Trust will be unable to meet its payment obligations when they fall due. The Trust's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. NSW TC 11/12 allows the Minister to award interest for late payment. No interest for late payment was made during 2023-24 (2022-23: Nil).

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

8. Financial instruments (Continued)

(d) Liquidity risk (Continued)

At 30 June 2024	Interest rate exposure	Maturity dates			
	Nominal Amount	<1 year	Between 1 and 5 years	> 5 years	Total
	($)	($)	($)	($)	($)
Payable to AHO	2,531,706	2,531,706	-	-	2,531,706
Total	2,531,706	2,531,706	-	-	2,531,706

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

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

(e) Fair Value compared to carrying amount

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

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

9. Related parties

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

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

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

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

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

	2024 ($)	2023 ($)
Receivable from AHO	1,000,000	1,000,000
Total receivables	**1,000,000**	**1,000,000**
Payable to AHO	(2,531,706)	(2,058,663)
Total payables	**(2,531,706)**	**(2,058,663)**

10. Commitments

The Trust has no commitments to be reported at 30 June 2024 (2023: Nil).

11. Contingent assets and Contingent liabilities

The Trust has no contingent assets or contingent liabilities to be reported at 30 June 2024.

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

	2024 ($)	2023 ($)
Net cash from operating activities	-	-
Depreciation	(95,390)	(101,210)
Increase in payables	(473,043)	(331,923)
Net (deficit)/surplus	**(568,433)**	**(433,133)**

Dunghutti Aboriginal Elders Tribal Council Trust

Notes to the Financial Statements
For the year ended 30 June 2024

13. Events after the reporting period

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

14. Additional Trust Information

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

Registered office:

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

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

Appendix D

Independant Auditor's Report
Dunghutti Aboriginal Elders Tribal Council Trust

Trustee's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Trustee is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

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

- that the Trust carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Manuel Moncada
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

26 September 2024
SYDNEY

INDEPENDENT AUDITOR'S REPORT

Dunghutti Aboriginal Elders Tribal Council Trust

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Dunghutti Aboriginal Elders Tribal Council Trust (the Trust), which comprise the Statement by Trustee, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including material accounting policy information, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2024 (GSF Regulation) and the Treasurer's Directions
- presents fairly the Trust's financial position, financial performance and cash flows.

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

Basis for Opinion

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

I am independent of the Trust in accordance with the requirements of the:

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

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

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

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

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

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