



Government of Western Australia  
Department of Communities



# Housing Authority Annual Report

2023-2024



# Accessibility statement

The Department of Communities strives to achieve online accessibility when delivering information to be inclusive of a wide range of people, including people with disability. This annual report has been designed in both a PDF and accessible Word format. Some parts of the report may not achieve accessibility standards; for example, the text size in some financial tables has been reduced to fit an A4 page.

If you require an alternative format, please email:  
**[enquiries@communities.wa.gov.au](mailto:enquiries@communities.wa.gov.au)**

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## Acknowledgement of Country

The Department of Communities proudly acknowledges Traditional Custodians throughout Western Australia and recognises their continuing connection to the land and waters, families and community.

We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders past and present.



**Cover image:** Award-winning affordable Housing in Highgate featuring 23 one, two, and three-bedroom apartments for low-income households. This project won the 2023 WINconnect Apartment Award for Affordability and showcases innovative framed timber offsite prefabrication construction.

# Statement of Compliance

For the year ended 30 June 2024

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the annual report of the Housing Authority for the financial year ended 30 June 2024.

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



**Mike Rowe**

Chief Executive Officer  
Accountable Authority

21 October 2024




**Hon John Carey**  
**MLA**

Minister for Planning;  
Lands; Housing;  
Homelessness

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# Overview



The Department is speeding up the delivery of new social housing by using timber frame and modular construction. Modular homes (such as this one in Collie) are built in Perth metro yards and transported to regional areas on trucks.

# Overview

## Operational structure

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

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

The Department has prepared an annual report for 2023–24. The Authority and the Commission have specific reporting requirements in accordance with the *Financial Management Act 2006* and have therefore prepared separate annual reports to meet those requirements.

# Contact information

## Department of Communities

**Postal address:** Locked Bag 5000, Fremantle WA 6959

**Telephone:** 1800 176 888

**Country free call:** 1800 176 888

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

**Website:** [communities.wa.gov.au](http://communities.wa.gov.au)

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

If you are deaf or have a hearing or speech impairment, contact us through the National Relay Service. For more information visit:

[www.accesshub.gov.au/about-the-nrs](http://www.accesshub.gov.au/about-the-nrs)

**Voice Relay number:** 1300 555 727

**TTY number:** 133 677

**SMS relay number:** 0423 677 767

# Agency performance



Communities has delivered more than 75 new homes for social housing in the Great Southern region since July 2021. These include a number of modular homes that are built to Silver Livable Homes Standard in Perth and transported to the regions on trucks.



# Agency performance

## Report on operations

The activities of the Authority have been reported in the Department of Communities' Annual Report for 2023–24.

## Summary of key performance indicators

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

The targets are published in the 2023–24 Western Australian State Budget Paper No 2 (Volume 2, Division 35, Part 8).

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

<b>Effectiveness key performance indicator</b>	<b>2022–23 actual</b>	<b>2023–24 target</b>	<b>2023–24 actual</b>	<b>Explanation of significant variance</b>
Responsiveness – Total housing assistances provided relative to the public rental waiting list	0.33	0.37	0.30	The variance between the 2023-24 Actual and both the 2023-24 Target and the 2022-23 Actual is primarily due to a higher than forecast decline in the number of new home loans and bond assistance loans, as a result of private market and environmental factors.
Waiting times for accommodation – applicants housed: Average (in weeks)	133	130	149	The variances between the 2023-24 Actual and both the 2023-24 Target and the 2022-23 Actual are due to continued impacts on the waiting times from external market factors. These conditions have created limited choices for potential applicants who may have taken up private market options in other years. While stock availability has continued to increase, significant demand for public housing properties remains.
Waiting times for accommodation – applicants housed: Median (in weeks)	105	103	122	The variances between the 2023-24 Actual and both the 2023-24 Target and the 2022-23 Actual are due to continued impacts on the waiting times from external market factors. These conditions have created limited choices for potential applicants who may have taken up private market options in other years. While stock availability has continued to increase, significant demand for public housing properties remains.

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

<b>Efficiency key performance indicator</b>	<b>2022–23 actual</b>	<b>2023–24 target</b>	<b>2023–24 actual</b>	<b>Explanation of significant variance</b>
Average operating cost per public rental property	\$19,088	\$18,789	\$20,593	The variance between the 2023-24 Actual and the 2023-24 Target is primarily due to higher than forecast increases in rental expenses, maintenance requirements for ageing properties, and escalated labour and material costs.
Average operating cost per Government Regional Officers' Housing (GROH) rental property	\$16,455	\$14,555	\$20,917	The variance between the 2023-24 Actual and both the 2023-24 Target and 2022-23 Actual is mainly due to an increase in rental expenses, driven by increased maintenance activity and increased labour and material costs to deliver maintenance.


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

Efficiency key performance indicator	2022–23 actual	2023–24 target	2023–24 actual	Explanation of significant variance
Average operating cost per current loan account	\$2,740	\$4,679	\$3,727	The movement between the 2023-24 Target and the 2023-24 Actual is mainly due to a reduction in current loans compared to the budget target which has resulted in a commensurate decrease in operational expenditure. The movement between the 2023-24 Actual and the 2022-23 Actual is mainly due to increased operational expenditure, including rising finance costs as a result of interest rate increases, and other administrative expenditure during 2023-24. There was also a reduction in current loans, with the level of discharges exceeding formal approvals as Keystart customers continue to refinance with other lenders, supported by an increase in property prices.

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

Efficiency key performance indicator	2022–23 actual	2023–24 target	2023–24 actual	Explanation of significant variance
Average operating cost per property sold	\$518,517	\$204,010	\$663,434	The variance between the 2023-24 Actual and both the 2023-24 Target and 2022-23 Actual is mostly due to repurposing of Affordable Housing stock to social housing as part of the Government's focus on social housing delivery. This has seen the Department's residential construction capacity being nearly exclusively deployed to deliver almost 5,000 social housing homes by 2027-28.

# Disclosures and legal compliance



Built by Dale Alcock Projects, the eight-unit social housing project in Banksia Grove was designed to meet Livable Housing Australia gold standard requirements.

# Disclosures and legal compliance

## Certification of financial statements

### For the reporting period ended 30 June 2024

The accompanying financial statements of the Housing Authority and the accompanying consolidated financial statements have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2024 and the financial position as at 30 June 2024.

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



**Les Bechelli**  
**Chief Finance Officer**  
17 October 2024



**Mike Rowe**  
**Chief Executive Officer**  
**Accountable Authority**  
17 October 2024

# Auditor General's opinion



## INDEPENDENT AUDITOR'S REPORT 2024 Housing Authority

To the Parliament of Western Australia

### Report on the audit of the financial statements

#### Basis for qualified opinion

I was unable to obtain sufficient appropriate audit evidence for Land and buildings and Buildings under construction reported amounting to \$13,782 million and \$315.2 million as disclosed in note 5.2 to the financial statements respectively, due to support for some items not being provided and we were unable to verify these by alternative means. Consequently, I was unable to determine whether any further adjustments to Land and buildings and Buildings under construction were necessary.

#### Opinion

I have audited the financial statements of the Housing Authority (Authority) which comprise:

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Housing Authority for the year ended 30 June 2024 and the financial position as at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

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### **Basis for opinion**

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

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

### **Emphasis of Matter**

#### **Loss on transfer of assets to Western Australian Land Authority (Development WA)**

I draw attention to note 9.9 to the financial statements which discloses that the Housing Authority recognised a loss of \$51.3 million on transfer of certain land assets to Development WA during the year, effected through non-reciprocal transfer of equity between the entities. My opinion is not modified in respect of this matter.

### **Responsibilities of the Chief Executive Officer for the financial statements**

The Chief Executive Officer is responsible for:

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

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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



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

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

## Report on the audit of controls

### Basis for qualified opinion

I identified significant weaknesses in controls by the Housing Authority:

#### Fixed Assets controls

Sufficient records were not available to support the reporting of Land and buildings and Buildings under construction. Consequently, I was unable to assess and determine whether controls over the acquisition and disposal of property have been designed and implemented appropriately by the Housing Authority.

#### Procurement controls

I identified significant weaknesses in procurement controls implemented by the Housing Authority. The controls were inadequate with purchase orders being raised subsequent to the receipt of an invoice. These weaknesses increase the risk of erroneous or fraudulent payments, and ordering of inappropriate or unnecessary goods or services.

### Qualified opinion

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

In my opinion, in all material respects, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the controls exercised by the Housing Authority are sufficiently adequate to provide reasonable assurance the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2024, and the controls were implemented as designed as at 30 June 2024.

### **The Chief Executive Officer's responsibilities**

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

### **Auditor General's responsibilities**

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

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

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

### **Limitations of controls**

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

## Report on the audit of the key performance indicators

### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Housing Authority for the year ended 30 June 2024 reported in accordance with *Financial Management Act 2006* and the Treasurer's Instructions (legislative requirements). The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators report of the Housing Authority for the year ended 30 June 2024 is in accordance with the legislative requirements, and the key performance indicators are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2024.

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

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

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

### Auditor General's responsibilities

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

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

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

### **My independence and quality management relating to the report on financial statements, controls and key performance indicators**

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

### **Other information**

The Director General is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial statements, key performance indicators and my auditor's report.

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Housing Authority for the year ended 30 June 2024 included in the annual report on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.

A handwritten signature in black ink, appearing to read 'C Spencer', written in a cursive style.

Caroline Spencer  
Auditor General for Western Australia  
Perth, Western Australia  
18 October 2024

# Financial statements

## Statement of comprehensive income

For the year ended 30 June 2024

**Table 5: Statement of comprehensive income**

Expenses and income	Notes	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
<b>Income</b>	–	–	–	–	–
Sales	3.1	28,534	37,579	28,534	37,293
Rental revenue	3.2	321,120	286,532	321,120	286,532
Grants, contributions and subsidies	3.3	142,668	135,834	142,668	135,834
Interest revenue	3.4	219,500	248,858	11,508	7,531
Other income	3.5	19,669	22,838	18,379	19,195
<b>Total income</b>	–	<b>731,491</b>	<b>731,641</b>	<b>522,209</b>	<b>486,385</b>
<b>Expenses</b>	–	–	–	–	–
Cost of sales	3.1	18,263	23,972	18,263	21,237
Rental expenses	4.1	417,896	397,712	417,896	397,712

Expenses and income	Notes	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
Community support expense	4.1	129,114	153,410	128,675	153,403
Supplies and services	4.1	315,467	285,328	307,426	277,354
Depreciation and amortisation expense	5.2, 5.3, 5.4, 5.5	147,112	131,087	144,951	129,145
Finance costs	7.3	156,838	142,097	156,684	141,927
Grants and subsidies	4.2	54,621	49,766	54,621	49,766
Accommodation expenses	4.1	11,154	9,028	10,828	8,741
Other expenses	4.1	65,195	48,248	46,095	36,020
Loss on disposal of non-current assets	4.3	44,992	3,632	44,992	3,632
<b>Total expenses</b>	–	<b>1,360,652</b>	<b>1,244,280</b>	<b>1,330,431</b>	<b>1,218,937</b>
<b>Loss before income from State Government</b>	–	<b>(629,161)</b>	<b>(512,639)</b>	<b>(808,222)</b>	<b>(732,552)</b>
<b>Income from State Government</b>	–	–	–	–	–
Service appropriation	3.6	262,743	110,200	262,743	110,200
Income from other public sector entities	3.6	135,780	110,202	315,865	329,628
Royalties for Regions Fund	3.6	88,924	115,389	88,924	115,389

Expenses and income	Notes	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
Resources received	3.6	266	261	266	261
<b>Total income from State Government</b>	–	<b>487,713</b>	<b>336,052</b>	<b>667,798</b>	<b>555,478</b>
<b>Surplus/(deficit) for the period</b>	7.4.2	<b>(141,448)</b>	<b>(176,587)</b>	<b>(140,424)</b>	<b>(177,074)</b>
<b>Other comprehensive income</b>	–	–	–	–	–
Changes in asset revaluation surplus	9.9	1,173,405	1,320,226	1,173,405	1,320,226
<b>Total other comprehensive income</b>	–	<b>1,173,405</b>	<b>1,320,226</b>	<b>1,173,405</b>	<b>1,320,226</b>
<b>Profit/(loss) attributable to</b>	–	–	–	–	–
Consolidated equity	–	(141,448)	(176,336)	–	–
Non-controlling interest	9.10	–	(251)	–	–
<b>Total</b>	–	<b>(141,448)</b>	<b>(176,587)</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive income attributable to</b>	–	–	–	–	–
Consolidated equity	–	1,031,957	1,143,890	–	–
Non-controlling interest	9.10	–	(251)	–	–



<b>Expenses and income</b>	<b>Notes</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated Restated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority Restated 2023 \$'000</b>
<b>Total</b>	–	<b>1,031,957</b>	<b>1,143,639</b>	<b>–</b>	<b>–</b>
<b>Total Comprehensive income for the period</b>	–	<b>1,031,957</b>	<b>1,143,639</b>	<b>1,032,981</b>	<b>1,143,152</b>

For details of the restatement, refer to Note 9.2.

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

# Statement of financial position

As at 30 June 2024

**Table 6: Statement of financial position**

Assets and liabilities	Notes	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
<b>Assets – Current assets</b>	–	–	–	–	–
Cash and cash equivalents	7.4	722,028	577,956	270,602	151,173
Restricted cash and cash equivalents	7.4	18,981	19,945	18,981	19,945
Inventories	5.1	68,532	120,879	68,532	120,879
Loans and receivables	6.1	905,939	941,816	209,828	260,217
Other current assets	6.3	14,005	11,862	30,325	30,596
Non-current assets classified as held for sale	5.6	6,242	6,272	6,242	6,272
Other financial assets	6.4	321,578	250,451	–	–
<b>Total current assets</b>	–	<b>2,057,305</b>	<b>1,929,181</b>	<b>604,510</b>	<b>589,082</b>
<b>Assets – Non-current assets</b>	–	–	–	–	–

<b>Assets and liabilities</b>	<b>Notes</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated Restated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority Restated 2023 \$'000</b>
Restricted cash and cash equivalents	7.4	–	13,000	–	13,000
Inventories	5.1	100,699	60,109	92,579	51,995
Loans and receivables	6.1	1,401,509	1,993,652	2,572,693	3,052,412
Other financial assets	6.4	–	24	2,011	2,262
Property, plant and equipment	5.2	14,099,654	12,823,931	14,098,270	12,822,114
Right-of-use assets	5.3	8,500	6,841	5,098	2,742
Intangible assets	5.4	2,268	2,980	–	–
Service concession assets	5.5	2,364,430	2,201,513	2,364,430	2,201,513
<b>Total non-current assets</b>	<b>–</b>	<b>17,977,060</b>	<b>17,102,050</b>	<b>19,135,081</b>	<b>18,146,038</b>
<b>Total assets</b>	<b>–</b>	<b>20,034,365</b>	<b>19,031,231</b>	<b>19,739,591</b>	<b>18,735,120</b>
<b>Liabilities –Current liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Payables	6.5	119,240	81,244	109,675	72,205
Borrowings	7.1	48,898	134,850	48,898	134,850
Lease liabilities	7.2	93,018	75,610	88,016	69,761

<b>Assets and liabilities</b>	<b>Notes</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated Restated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority Restated 2023 \$'000</b>
Provisions	6.6	692	1,176	–	492
Other current liabilities	6.7	23,136	23,399	23,136	23,399
<b>Total current liabilities</b>	<b>–</b>	<b>284,984</b>	<b>316,279</b>	<b>269,725</b>	<b>300,707</b>
<b>Liabilities –Non-current liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Payables	6.5	237	244	237	244
Borrowings	7.1	2,875,277	3,432,101	2,875,277	3,432,101
Lease liabilities	7.2	67,439	43,883	67,439	43,883
Provisions	6.6	58,213	59,990	58,213	59,990
Other non-current liabilities	6.7	132,694	148,989	132,694	148,989
<b>Total non-current liabilities</b>	<b>–</b>	<b>3,133,860</b>	<b>3,685,207</b>	<b>3,133,860</b>	<b>3,685,207</b>
<b>Total liabilities</b>	<b>–</b>	<b>3,418,844</b>	<b>4,001,486</b>	<b>3,403,585</b>	<b>3,985,914</b>
<b>Net assets</b>	<b>–</b>	<b>16,615,521</b>	<b>15,029,745</b>	<b>16,336,006</b>	<b>14,749,206</b>
<b>Equity</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Contributed equity	9.9	3,361,645	2,807,825	3,281,375	2,727,555

<b>Assets and liabilities</b>	<b>Notes</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated Restated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority Restated 2023 \$'000</b>
Reserves	9.9	9,667,592	8,523,111	9,667,592	8,523,111
Retained earnings	9.9	3,586,284	3,698,809	3,387,039	3,498,540
<b>Total equity attributable to the consolidated entity</b>	<b>–</b>	<b>16,615,521</b>	<b>15,029,745</b>	<b>16,336,006</b>	<b>14,749,206</b>
Non-controlling interest	9.10	–	–	–	–
<b>Total equity</b>	<b>–</b>	<b>16,615,521</b>	<b>15,029,745</b>	<b>16,336,006</b>	<b>14,749,206</b>

For details of the restatement, refer to Note 9.2.

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

# Statement of changes in equity

For the year ended 30 June 2024

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

Changes in equity	Notes	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Balance of equity at start of year</b>	–	<b>15,029,745</b>	<b>13,438,317</b>	<b>14,749,206</b>	<b>13,157,984</b>
<b>Contributed equity</b>	<b>9.9</b>	–	–	–	–
<b>Balance at start of the year</b>	–	2,807,825	2,359,755	2,727,555	2,279,485
<b>Transactions with owners in their capacity as owners</b>	–	–	–	–	–
Capital contribution	–	307,845	251,649	307,845	251,649
Other contributions by owners	–	252,489	261,471	252,489	261,471
Distributions to owners	–	(6,514)	(65,050)	(6,514)	(65,050)
<b>Balance at end of the period</b>	–	<b>3,361,645</b>	<b>2,807,825</b>	<b>3,281,375</b>	<b>2,727,555</b>
<b>Reserves</b>	<b>9.9</b>	–	–	–	–

Changes in equity	Notes	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Balance at start of the year</b>	–	<b>8,523,111</b>	<b>7,242,835</b>	<b>8,523,111</b>	<b>7,242,835</b>
Asset revaluation increment	–	1,173,405	1,320,226	1,173,405	1,320,226
Transfer to retained earnings	–	(28,924)	(39,950)	(28,924)	(39,950)
<b>Balance at end of the period</b>	–	<b>9,667,592</b>	<b>8,523,111</b>	<b>9,667,592</b>	<b>8,523,111</b>
<b>Retained earnings</b>	<b>9.9</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Balance at start of the year	–	3,698,809	3,835,195	3,498,540	3,635,664
Transfer from reserves	–	28,923	39,950	28,923	39,950
Profit/(loss) for the period	–	(141,448)	(176,336)	(140,424)	(177,074)
<b>Balance at end of the period</b>	–	<b>3,586,284</b>	<b>3,698,809</b>	<b>3,387,039</b>	<b>3,498,540</b>
<b>Equity attributable to equity holder Housing Authority</b>	–	<b>16,615,521</b>	<b>15,029,745</b>	<b>16,336,006</b>	<b>14,749,206</b>
<b>Non-controlling interest</b>	<b>9.10</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Balance at start of year</b>	–	<b>–</b>	<b>532</b>	<b>–</b>	<b>–</b>
Non-controlling loss for the period	–	–	(251)	–	–

<b>Changes in equity</b>	<b>Notes</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority 2023 \$'000</b>
Other changes to non-controlling interest	–	–	(281)	–	–
<b>Total non-controlling interest</b>	–	–	–	–	–
<b>Balance of equity at the end of the period</b>	–	<b>16,615,521</b>	<b>15,029,745</b>	<b>16,336,006</b>	<b>14,749,206</b>

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



# Statement of cash flows

For the year ended 30 June 2024

**Table 8: Statement of cash flows**

Cash flows	Notes	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Cash flows from operating activities – Receipts</b>	–	–	–	–	–
Rental receipts	–	279,992	275,029	281,219	275,029
Grants, contributions and subsidies	–	142,668	135,834	142,668	135,834
Interest received	–	1,670	18,813	10,543	6,984
Inventory receipts on sales	–	27,343	39,315	28,534	39,268
Other receipts	–	26,379	28,340	25,181	24,746
GST receipts on sales	–	20,103	10,185	20,103	10,185
GST receipts from taxation authority	–	21,951	13,670	21,936	13,615
<b>Cash flows from operating activities – Payments</b>	–	–	–	–	–
Rental property payments	–	(417,896)	(398,798)	(417,896)	(398,798)
Community support payments	–	(129,114)	(136,111)	(128,675)	(136,111)
Supplies and services	–	(319,229)	(308,521)	(291,136)	(278,496)
Finance costs	–	(156,838)	(131,886)	(156,684)	(131,716)

<b>Cash flows</b>	<b>Notes</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority 2023 \$'000</b>
Accommodation	–	(10,888)	(8,994)	(10,562)	(8,707)
Grants and Subsidies	–	(54,621)	(49,766)	(54,621)	(49,766)
Purchase and development of inventory	–	(12,501)	(79,283)	(12,495)	(79,234)
GST payments on purchases	–	(38,472)	(25,283)	(38,472)	(25,283)
GST payments to taxation authority	–	–	–	–	–
Other payments	–	(2,261)	(1,021)	(2,269)	(665)
<b>Net cash used in operating activities</b>	<b>7.4.2</b>	<b>(621,714)</b>	<b>(618,477)</b>	<b>(582,626)</b>	<b>(603,115)</b>
<b>Cash flows from investing activities – Receipts</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Proceeds from the sale of non-current physical assets	–	7,553	47,984	7,533	47,984
Home loan repayments received	–	1,147,413	2,070,028	–	–
Other investing receipts	–	–	–	880,000	1,164,500
Dividends received	–	–	–	81,403	141,898
<b>Cash flows from investing activities – Payments</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Purchase of non-current physical assets	–	(464,315)	(432,375)	(464,028)	(429,822)

<b>Cash flows</b>	<b>Notes</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority 2023 \$'000</b>
New home loans advanced	–	(262,397)	(563,044)	–	–
Other investing payments	–	(6)	(607)	(360,000)	(200,601)
<b>Net cash provided by investing activities</b>	<b>–</b>	<b>428,228</b>	<b>1,121,986</b>	<b>144,908</b>	<b>723,959</b>
<b>Cash flows from financing activities – Receipts</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Proceeds from borrowings WA Treasury Corporation	–	360,057	200,004	360,057	200,004
Finance lease receipts	–	103,836	87,805	103,836	87,805
<b>Cash flows from financing activities – Payments</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Repayment of borrowings from WA Treasury Corporation	–	(984,892)	(1,212,166)	(984,892)	(1,212,166)
Repayment of Commonwealth borrowings	–	(17,941)	(17,797)	(17,941)	(17,797)
Principal elements of lease payments	–	(107,606)	(91,318)	(106,727)	(90,436)
<b>Net cash used in financing activities</b>	<b>–</b>	<b>(646,546)</b>	<b>(1,033,472)</b>	<b>(645,667)</b>	<b>(1,032,590)</b>
<b>Cash flows from State Government</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Cash flows	Notes	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Service appropriation	–	262,743	110,200	262,743	110,200
Capital Appropriation	–	307,845	251,649	307,845	251,649
Royalties for Regions recurrent fund	–	88,924	115,389	88,924	115,389
Royalties for Regions capital fund	–	–	3,498	–	3,498
Other contributions/distributions of equity	–	245,975	221,883	245,975	221,883
Funds from other public sector entities	–	135,780	107,075	283,363	235,907
<b>Net cash provided by State Government</b>	<b>–</b>	<b>1,041,267</b>	<b>809,694</b>	<b>1,188,850</b>	<b>938,526</b>
Net increase/(decrease) in cash and cash equivalents	–	201,235	279,731	105,465	26,780
Cash and cash equivalents at the beginning of the period	–	861,352	581,621	184,118	157,338
<b>Cash and cash equivalents at the end of the period</b>	<b>7.4.1</b>	<b>1,062,587</b>	<b>861,352</b>	<b>289,583</b>	<b>184,118</b>

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

## Notes to the financial statements

### 1. Basis of Preparation

The Housing Authority is a Statutory Authority controlled by the State of Western Australia, which is the ultimate parent.

The Housing Authority is a not-for-profit entity (as profit is not its principal objective).

These financial statements have been prepared on a going concern basis as the State of Western Australia which is the ultimate parent entity has no solvency concerns.

The State budget papers highlight that the Housing Authority is fully appropriated to provide its ongoing services from 2022-23 through to 2025-26, including positive cash at bank and cashflow balances.

To the best of the Housing Authority's knowledge there are no plans from Government to reduce the Housing Authority's ability to meet its obligations. The Housing Authority also has the capacity to seek Supplementary funding from the State of Western Australia as the parent entity if cash management issues were to arise.

Noting that the appropriation published in the Budget represents the sum of funding provided to the Department of Communities, including the Housing Authority and its subsidiaries. The Housing Authority has been working with the Department of Treasury to consolidate cash appropriations to simplify arrangements going forward; within this context, there are no overall solvency concerns.

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

These annual financial statements were authorised for issue by the Accountable Authority of the Housing Authority on 17 October 2024.

## **Statement of compliance**

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by Treasurer's instructions. Several of these are modified by Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act 2006 (the Act) and Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

## **Basis of preparation**

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

## **Comparative information**

Where necessary, comparative information has been reclassified to achieve consistency in the disclosure with the current financial year amounts and other disclosures. Refer to note 9.2.

## **Basis of consolidation**

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

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

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

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

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

## Legal form of subsidiaries

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

The structure comprises of:

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

All these Keystart trusts and companies have been established in the State of Western Australia. The financial transactions for these entities have no effect on the operating result of the Housing Authority. The Housing Authority provides a support arrangement to the structure through the Support Trust.

- (ii) Homeswest Loan Scheme Trust – A special purpose Trust established by a Trust Deed in the State of Western Australia dated 19 September 1995 to operate as an agent for the Housing Authority's home loan schemes. In its capacity as agent, the Trust receives advances for the purpose of providing mortgages to Western Australians. The Housing Authority is the sole beneficiary of the Trust, and Keystart Loans Ltd is the trustee of the Trust.



(iii) Goldmaster Enterprises Pty Ltd – A property development company to assist the Housing Authority achieve its objectives. The Housing Authority has equity interest of 100 per cent in the company.

### **Ownership interest**

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

The Housing Authority is the sole shareholder in Goldmaster Enterprises Pty Ltd.

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

- Keystart Loans Ltd: 100 per cent of the total shareholding
- Keystart Support Pty Ltd: 100 per cent of the total shareholding
- Keystart Support (Subsidiary) Pty Ltd: 100 per cent of the total shareholding
- Keystart Scheme Management Pty Ltd: 100 per cent owned by Keystart Loans Ltd
- Goldmaster Enterprises Pty Ltd: 100 per cent owned by the Housing Authority. Refer to note 9.1 regarding the voluntary deregistration process for Goldmaster Enterprises Pty Ltd.

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

Name	Percentage owned 2024 %	Percentage owned 2023 %	Contribution to consolidated entity result 2024 \$'000	Contribution to consolidated entity result 2023 \$'000	Investment shares at cost 2024 \$'000	Investment shares at cost 2023 \$'000
Goldmaster Enterprises Pty Ltd	–	–	–	–	–	–
• Profit/(loss)	100.00%	100.00%	(227)	63	37,951	37,951
Keystart Loans Ltd	100.00%	100.00%	Nil	Nil	–	–
Keystart Support Pty Ltd	100.00%	100.00%	Nil	Nil	–	–
Keystart Support (Subsidiary) Pty Ltd	100.00%	100.00%	Nil	Nil	–	–
Keystart Scheme Management Pty Ltd	100.00%	100.00%	Nil	Nil	–	–
Keystart Housing Scheme Trust	–	–	–	–	–	–
• (Loss)/profits	100.00%	100.00%	Nil	Nil	–	–
• Transfer from reserve	–	–	–	–	–	–
Keystart Support Trust	100.00%	100.00%	Nil	Nil	–	–
Homeswest Loan Scheme Trust	100.00%	100.00%	Nil	Nil	–	–

The Housing Authority is obligated to the Scheme in that it has given various representations and obligations to investors or other creditors to the extent that it will meet cash shortfalls and losses from the Scheme. Funding for Keystart is through the Housing Authority with no borrowings outstanding through Keystart Bonds Ltd. The Housing Authority's obligations to the various participants are contained in a Support Agreement of the Scheme. No subsidies were required from the Housing Authority for the 2023-24 financial year.

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

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

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

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

### **Contributed equity**

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

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

## **Insurance**

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

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

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

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

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

## **Income tax**

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

## **Judgements and estimates**

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

## 2. Agency outputs

### How the agency operates

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

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

### 2.1 Agency objectives

#### Mission

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

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

## **Services**

The Housing Authority provides the following services:

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

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

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

Enabling the financing of home ownership schemes for eligible applicants.

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

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

## 2.2 Schedule of income and expenses by service

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

Consolidated 2024	Rental Housing \$'000	Home Loans \$'000	Land and Housing Supply \$'000	Total \$'000
<b>Revenue and Income</b>	–	–	–	–
Sales	861	–	27,673	28,534
Rental revenue	321,100	–	20	321,120
Grants, contributions and subsidies	142,668	–	–	142,668
Interest revenue	10,834	208,109	557	219,500
Other income	16,333	2,124	1,212	19,669
<b>Total revenue and income</b>	<b>491,796</b>	<b>210,233</b>	<b>29,462</b>	<b>731,491</b>
<b>Expenses</b>	–	–	–	–
Cost of sales	135	–	18,128	18,263
Rental expenses	418,785	60	(949)	417,896
Community support expense	127,416	614	1,084	129,114
Employee benefits expense	–	–	–	–
Supplies and services	284,681	11,830	18,956	315,467
Depreciation and amortisation expense	137,673	8,401	1,038	147,112



<b>Consolidated 2024</b>	<b>Rental Housing \$'000</b>	<b>Home Loans \$'000</b>	<b>Land and Housing Supply \$'000</b>	<b>Total \$'000</b>
Finance costs	22,273	132,420	2,145	156,838
Grants and subsidies	54,585	6	30	54,621
Accommodation expenses	9,749	505	900	11,154
Other expenses	40,192	20,213	4,790	65,195
Loss on disposal of non-current assets	288	(6,316)	51,020	44,992
<b>Total expenses</b>	<b>1,095,777</b>	<b>167,733</b>	<b>97,142</b>	<b>1,360,652</b>
Loss before income from State Government	(603,981)	42,500	(67,680)	(629,161)
<b>Income from State Government</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Service appropriation	262,031	712	–	262,743
Income from other public sector entities	135,263	85	432	135,780
Royalties for Regions Fund	88,924	–	–	88,924
Resources received	235	5	26	266
<b>Total income from State Government</b>	<b>486,453</b>	<b>802</b>	<b>458</b>	<b>487,713</b>
<b>Surplus/(deficit) for the period</b>	<b>(117,528)</b>	<b>43,302</b>	<b>(67,222)</b>	<b>(141,448)</b>

<b>Consolidated 2024</b>	<b>Rental Housing \$'000</b>	<b>Home Loans \$'000</b>	<b>Land and Housing Supply \$'000</b>	<b>Total \$'000</b>
<b>Other comprehensive income</b>	–	–	–	–
Changes in asset revaluation surplus	1,173,405	–	–	1,173,405
<b>Total other comprehensive income</b>	<b>1,173,405</b>	<b>–</b>	<b>–</b>	<b>1,173,405</b>
<b>Surplus/(deficit) attributable to:</b>	–	–	–	–
Consolidated equity	(117,528)	43,302	(67,222)	(141,448)
Non-controlling interest	–	–	–	–
<b>Total</b>	<b>(117,528)</b>	<b>43,302</b>	<b>(67,222)</b>	<b>(141,448)</b>
<b>Total comprehensive income attributable to</b>	–	–	–	–
Consolidated equity	1,055,877	43,302	(67,222)	1,031,957
Non-controlling interest	–	–	–	–
<b>Total</b>	<b>1,055,877</b>	<b>43,302</b>	<b>(67,222)</b>	<b>1,031,957</b>
<b>Total Comprehensive income for the period</b>	<b>1,055,877</b>	<b>43,302</b>	<b>(67,222)</b>	<b>1,031,957</b>

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

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

<b>Consolidated 2023</b>	<b>Rental Housing Restated \$'000</b>	<b>Home Loans Restated \$'000</b>	<b>Land and Housing Supply Restated \$'000</b>	<b>Total Restated \$'000</b>
<b>Revenue and Income</b>	–	–	–	–
Sales	–	–	37,579	37,579
Rental revenue	286,495	–	37	286,532
Grants, contributions and subsidies	135,834	–	–	135,834
Interest revenue	7,019	241,411	428	248,858
Other income	17,413	4,842	583	22,838
<b>Total revenue and income</b>	<b>446,761</b>	<b>246,253</b>	<b>38,627</b>	<b>731,641</b>
<b>Expenses</b>	–	–	–	–
Cost of sales	178	–	23,794	23,972
Rental expenses	396,815	94	803	397,712
Community support expense	153,410	–	–	153,410
Employee benefits expense	–	–	–	–
Supplies and services	257,202	12,483	15,643	285,328
Depreciation and amortisation expense	121,729	7,900	1,458	131,087
Finance costs	19,769	120,087	2,241	142,097
Grants and subsidies	49,641	21	104	49,766

<b>Consolidated 2023</b>	<b>Rental Housing Restated \$'000</b>	<b>Home Loans Restated \$'000</b>	<b>Land and Housing Supply Restated \$'000</b>	<b>Total Restated \$'000</b>
Accommodation expenses	8,540	320	168	9,028
Other expenses	23,171	17,296	7,781	48,248
Loss on disposal of non-current assets	7,903	(4,275)	4	3,632
<b>Total expenses</b>	<b>1,038,358</b>	<b>153,926</b>	<b>51,996</b>	<b>1,244,280</b>
(Loss)/profit before income from State Government	(591,597)	92,327	(13,369)	(512,639)
<b>Income from State Government</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Service appropriation	110,200	–	–	110,200
Income from other public sector entities	110,010	32	160	110,202
Royalties for Regions Fund	115,389	–	–	115,389
Resources received	230	5	26	261
<b>Total income from State Government</b>	<b>335,829</b>	<b>37</b>	<b>186</b>	<b>336,052</b>
<b>Surplus/(deficit) for the period</b>	<b>(255,768)</b>	<b>92,364</b>	<b>(13,183)</b>	<b>(176,587)</b>
<b>Other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Changes in asset revaluation surplus	1,320,226	–	–	1,320,226
<b>Total other comprehensive income</b>	<b>1,320,226</b>	<b>–</b>	<b>–</b>	<b>1,320,226</b>

<b>Consolidated 2023</b>	<b>Rental Housing Restated \$'000</b>	<b>Home Loans Restated \$'000</b>	<b>Land and Housing Supply Restated \$'000</b>	<b>Total Restated \$'000</b>
<b>Surplus/(deficit) attributable to</b>	–	–	–	–
Consolidated equity	(255,768)	92,364	(12,932)	(176,336)
Non-controlling interest	–	–	(251)	(251)
<b>Total</b>	<b>(255,768)</b>	<b>92,364</b>	<b>(13,183)</b>	<b>(176,587)</b>
<b>Total comprehensive income attributable to</b>	–	–	–	–
Consolidated equity	1,064,458	92,364	(12,932)	1,143,890
Non-controlling interest	–	–	(251)	(251)
<b>Total</b>	<b>1,064,458</b>	<b>92,364</b>	<b>(13,183)</b>	<b>1,143,639</b>
<b>Total Comprehensive income for the period</b>	<b>1,064,458</b>	<b>92,364</b>	<b>(13,183)</b>	<b>1,143,639</b>

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

**Table 12: Schedule of income and expenses by service**

Housing Authority 2024	Rental Housing \$'000	Home Loans \$'000	Land and Housing Supply \$'000	Total \$'000
<b>Revenue and Income</b>	–	–	–	–
Sales	861	–	27,673	28,534
Rental revenue	321,100	–	20	321,120
Grants, contributions and subsidies	142,668	–	–	142,668
Interest revenue	10,834	117	557	11,508
Gains on disposal of fixed assets	–	–	–	–
Other income	16,333	848	1,198	18,379
<b>Total revenue and income</b>	<b>491,796</b>	<b>965</b>	<b>29,448</b>	<b>522,209</b>
<b>Expenses</b>	–	–	–	–
Cost of sales	135	–	18,128	18,263
Rental expenses	418,785	60	(949)	417,896
Community support expense	127,416	175	1,084	128,675
Employee benefits expense	–	–	–	–
Supplies and services	284,681	3,789	18,956	307,426
Depreciation and amortisation expense	137,673	6,240	1,038	144,951
Finance costs	22,273	132,266	2,145	156,684

Housing Authority 2024	Rental Housing \$'000	Home Loans \$'000	Land and Housing Supply \$'000	Total \$'000
Grants and subsidies	54,585	6	30	54,621
Accommodation expenses	9,749	179	900	10,828
Other expenses	40,192	1,340	4,563	46,095
Loss on disposal of non-current assets	288	(6,316)	51,020	44,992
<b>Total expenses</b>	<b>1,095,777</b>	<b>137,739</b>	<b>96,915</b>	<b>1,330,431</b>
<b>Loss before income from State Government</b>	<b>(603,981)</b>	<b>(136,774)</b>	<b>(67,467)</b>	<b>(808,222)</b>
<b>Income from State Government</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Service appropriation	262,031	712	–	262,743
Income from other public sector entities	135,263	180,170	432	315,865
Royalties for Regions Fund	88,924	–	–	88,924
Services received	235	5	26	266
<b>Total income from State Government</b>	<b>486,453</b>	<b>180,887</b>	<b>458</b>	<b>667,798</b>
<b>Surplus/(deficit) for the period</b>	<b>(117,528)</b>	<b>44,113</b>	<b>(67,009)</b>	<b>(140,424)</b>
<b>Other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Changes in asset revaluation surplus	1,173,405	–	–	1,173,405

<b>Housing Authority 2024</b>	<b>Rental Housing \$'000</b>	<b>Home Loans \$'000</b>	<b>Land and Housing Supply \$'000</b>	<b>Total \$'000</b>
<b>Total other comprehensive income</b>	<b>1,173,405</b>	<b>–</b>	<b>–</b>	<b>1,173,405</b>
<b>Total Comprehensive income for the period</b>	<b>1,055,877</b>	<b>44,113</b>	<b>(67,009)</b>	<b>1,032,981</b>

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



**Table 13: Schedule of income and expenses by service**

Housing Authority 2023	Rental Housing Restated \$'000	Home Loans Restated \$'000	Land and Housing Supply Restated \$'000	Total Restated \$'000
<b>Revenue and Income</b>	–	–	–	–
Sales	–	–	37,293	37,293
Rental revenue	286,495	–	37	286,532
Grants, contributions and subsidies	135,834	–	–	135,834
Interest revenue	7,018	85	428	7,531
Other income	17,413	1,213	569	19,195
<b>Total revenue and income</b>	<b>446,760</b>	<b>1,298</b>	<b>38,327</b>	<b>486,385</b>
<b>Expenses</b>	–	–	–	–
Cost of sales	178	–	21,059	21,237
Rental expenses	396,815	94	803	397,712
Community support expense	153,403	–	–	153,403
Employee benefits expense	–	–	–	–
Supplies and services	257,200	4,511	15,643	277,354
Depreciation and amortisation expense	121,728	5,959	1,458	129,145
Finance costs	19,769	119,917	2,241	141,927
Grants and subsidies	49,641	21	104	49,766

<b>Housing Authority 2023</b>	<b>Rental Housing Restated \$'000</b>	<b>Home Loans Restated \$'000</b>	<b>Land and Housing Supply Restated \$'000</b>	<b>Total Restated \$'000</b>
Accommodation expenses	8,540	33	168	8,741
Other expenses	23,180	2,137	10,703	36,020
Loss on disposal of non-current assets	7,903	(4,275)	4	3,632
<b>Total expenses</b>	<b>1,038,357</b>	<b>128,397</b>	<b>52,183</b>	<b>1,218,937</b>
<b>Loss before income from State Government</b>	<b>(591,597)</b>	<b>(127,099)</b>	<b>(13,856)</b>	<b>(732,552)</b>
<b>Income from State Government</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Service appropriation	110,200	–	–	110,200
Income from other public sector entities	110,010	219,458	160	329,628
Royalties for Regions Fund	115,389	–	–	115,389
Services received	230	5	26	261
<b>Total income from State Government</b>	<b>335,829</b>	<b>219,463</b>	<b>186</b>	<b>555,478</b>
<b>Surplus/(deficit) for the period</b>	<b>(255,768)</b>	<b>92,364</b>	<b>(13,670)</b>	<b>(177,074)</b>
<b>Other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Changes in asset revaluation surplus	1,320,226	–	–	1,320,226
<b>Total other comprehensive income</b>	<b>1,320,226</b>	<b>–</b>	<b>–</b>	<b>1,320,226</b>

Housing Authority 2023	Rental Housing Restated \$'000	Home Loans Restated \$'000	Land and Housing Supply Restated \$'000	Total Restated \$'000
<b>Total Comprehensive income for the period</b>	<b>1,064,458</b>	<b>92,364</b>	<b>(13,670)</b>	<b>1,143,152</b>

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

### 3 Our Funding Sources

#### How we obtain our funding

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

**Table 14: Primary income received**

Primary income received	Notes	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
Sales	3.1	28,534	37,579	28,534	37,293
Rental revenue	3.2	321,120	286,532	321,120	286,532
Grants, contributions and subsidies	3.3	142,668	135,834	142,668	135,834
Interest revenue	3.4	219,500	248,858	11,508	7,531
Other income	3.5	19,669	22,838	18,379	19,195
Income from State Government	3.6	487,713	336,052	667,798	555,478

For details of the restatement, refer to Note 9.2.

### 3.1. Sales

**Table 15: Sales**

Sales	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Sales</b>	–	–	–	–
Joint operations land	22,261	25,877	22,261	25,877
Land	1,505	1,624	1,505	1,624
House and land packages	4,768	10,078	4,768	9,792
<b>Total</b>	<b>28,534</b>	<b>37,579</b>	<b>28,534</b>	<b>37,293</b>
<b>Less cost of sales</b>	–	–	–	–
Joint operations land	(13,052)	(13,259)	(13,052)	(13,259)
Land	(2,884)	(314)	(2,884)	(314)
House and land packages	(2,327)	(10,399)	(2,327)	(7,664)
<b>Total</b>	<b>(18,263)</b>	<b>(23,972)</b>	<b>(18,263)</b>	<b>(21,237)</b>
<b>Trading profit</b>	<b>10,271</b>	<b>13,607</b>	<b>10,271</b>	<b>16,056</b>

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

### 3.2. Rental revenue

**Table 16: Rental revenue**

Rental revenue	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Rental and other properties	317,977	283,385	317,977	283,385
Rental amenities	3,143	3,147	3,143	3,147
<b>Total rental revenue</b>	<b>321,120</b>	<b>286,532</b>	<b>321,120</b>	<b>286,532</b>

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

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

### 3.3. Grants, contributions and subsidies

**Table 17: Grants, contributions and subsidies**

Grants, contributions and subsidies	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Commonwealth grants and contributions</b>	–	–	–	–
<b>Recurrent grants</b>	–	–	–	–
National Agreement on Social Housing and Homelessness	139,201	135,834	139,201	135,834
<b>Total Commonwealth recurrent grants</b>	<b>139,201</b>	<b>135,834</b>	<b>139,201</b>	<b>135,834</b>
<b>Capital Grants</b>	–	–	–	–
Homelessness projects	3,467	–	3,467	–
<b>Total Commonwealth capital grants</b>	<b>3,467</b>	<b>–</b>	<b>3,467</b>	<b>–</b>
<b>Total grants, contributions and subsidies</b>	<b>142,668</b>	<b>135,834</b>	<b>142,668</b>	<b>135,834</b>

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

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

### 3.4. Interest revenue

**Table 18: Interest revenue**

Interest revenue	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Loan interest</b>	–	–	–	–
Keystart secured mortgage advances	178,670	224,158	–	–
<b>Total loan interest</b>	<b>178,670</b>	<b>224,158</b>	–	–
<b>Other interest</b>	–	–	–	–
Interest on cash at bank	5,635	4,307	5,635	4,307
Interest on finance leases	5,867	3,219	5,867	3,219
Interest on investments	29,322	17,169	–	–
Interest other	6	5	6	5
<b>Total other interest</b>	<b>40,830</b>	<b>24,700</b>	<b>11,508</b>	<b>7,531</b>
<b>Total interest revenue</b>	<b>219,500</b>	<b>248,858</b>	<b>11,508</b>	<b>7,531</b>

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



### 3.5. Other income

**Table 19: Other income**

Other income	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Bad debts recovered	979	1,046	979	1,046
Conveyancing fees	694	1,203	694	1,203
Revenue related to service concession arrangements	3,295	3,295	3,295	3,295
Other revenue	14,701	17,294	13,411	13,651
<b>Total other income</b>	<b>19,669</b>	<b>22,838</b>	<b>18,379</b>	<b>19,195</b>

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

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

### 3.6. Income from State Government

**Table 20: Income from State Government**

Income from State Government	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
<b>Appropriation received during the period</b>	–	–	–	–
Service appropriation	262,743	110,200	262,743	110,200
<b>Total service appropriation received</b>	<b>262,743</b>	<b>110,200</b>	<b>262,743</b>	<b>110,200</b>
<b>Royalties for Regions Fund</b>	–	–	–	–
Regional Infrastructure and Headworks account	88,924	115,389	88,924	115,389
<b>Total Royalties for Regions Fund</b>	<b>88,924</b>	<b>115,389</b>	<b>88,924</b>	<b>115,389</b>
<b>Resources received from other public sector entities</b>	–	–	–	–
Department of Finance – Government accommodation leasing	266	261	266	261
<b>Total resources received</b>	<b>266</b>	<b>261</b>	<b>266</b>	<b>261</b>
<b>Income received from other public sector entities during the period</b>	–	–	–	–
<b>Recurrent grants</b>	–	–	–	–
Department of Primary Industries and Regional Development	–	1,309	–	1,309

<b>Income from State Government</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated Restated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority Restated 2023 \$'000</b>
Department of Fire and Emergency Services	12,195	–	12,195	–
Water Corporation	–	25	–	25
<b>Total recurrent grants</b>	<b>12,195</b>	<b>1,334</b>	<b>12,195</b>	<b>1,334</b>
<b>Capital grants</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Mental Health Commission	5,990	4,901	5,990	4,901
Department of Primary Industries and Regional Development	2,344	1,000	2,344	1,000
<b>Total capital grants</b>	<b>8,334</b>	<b>5,901</b>	<b>8,334</b>	<b>5,901</b>
<b>Other income received</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
GROH rental revenue	110,886	98,217	110,886	98,217
Department of Communities – Service Delivery Agreement	4,365	4,750	4,365	4,750
Keystart dividend revenue	–	–	34,916	81,403
Keystart interest revenue	–	–	145,169	138,023
<b>Total other income received</b>	<b>115,251</b>	<b>102,967</b>	<b>295,336</b>	<b>322,393</b>
<b>Total income received from other public sector entities</b>	<b>135,780</b>	<b>110,202</b>	<b>315,865</b>	<b>329,628</b>
<b>Total income from State Government</b>	<b>487,713</b>	<b>336,052</b>	<b>667,798</b>	<b>555,478</b>

For details of the restatement, refer to Note 9.2.

**Service Appropriations** are recognised as income at fair value of consideration received in the period in which the Housing Authority gains control of the appropriated funds. The Housing Authority gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at Treasury.

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

**The Regional Infrastructure and headwork Account** is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when the Housing Authority receives the funds.

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

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

## Summary of consolidated account appropriations

For the year ended 30 June 2024

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

Account appropriations	2024 Budget \$'000	2024 Additional Funding* \$'000	2024 Revised Budget \$'000	2024 Actual \$'000	2024 Variance \$'000
<b>Delivery of Services</b>	–	–	–	–	–
Item 71 net amount appropriated to deliver the services	141,778	120,253	262,031	262,743	712
<b>Capital</b>	–	–	–	–	–
Item 141 capital appropriations	211,153	96,692	307,845	307,845	–
<b>Grand total</b>	<b>352,931</b>	<b>216,945</b>	<b>569,876</b>	<b>570,588</b>	<b>712</b>

\* Additional funding includes supplementary funding and new funding authorised under section 27 of the Act and amendments to standing appropriations.

## 4. Use of our funding

### Expenses incurred in the delivery of services

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

**Table 22: Primary Expenses**

Primary Expenses	Notes	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
Other expenditures	4.1	938,826	893,726	910,920	873,230
Grants and subsidies expense	4.2	54,621	49,766	54,621	49,766
(Gain)/Loss on disposal of non-current assets	4.3	44,992	3,632	44,992	3,632

For details of the restatement, refer to Note 9.2.

#### 4.1. Other expenditures

**Table 23: Other expenditures**

Other expenditures	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
<b>Rental expenses</b>	–	–	–	–
Debt collection expenses	879	978	879	978
Demolition costs	4,999	3,500	4,999	3,500
Estate management expenses	6,533	7,166	6,533	7,166
General expenses	41,849	22,137	41,849	22,137
Self-insurance expenses	12,730	14,512	12,730	14,512
Maintenance expenses	228,925	232,115	228,925	232,115
Rates expenses	109,583	104,915	109,583	104,915
Renovations and improvements	12,398	12,389	12,398	12,389
<b>Total rental expenses</b>	<b>417,896</b>	<b>397,712</b>	<b>417,896</b>	<b>397,712</b>
<b>Community support expense</b>	–	–	–	–
Aboriginal Housing	106,107	137,903	106,107	137,903

<b>Other expenditures</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated Restated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority Restated 2023 \$'000</b>
Community Housing	23,007	15,507	22,568	15,500
<b>Total community support expense</b>	<b>129,114</b>	<b>153,410</b>	<b>128,675</b>	<b>153,403</b>
<b>Supplies and services</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Asset maintenance	41	123	41	123
Audit fees	1,749	1,405	1,267	888
Communication	445	3,243	285	3,051
Minor equipment purchases	116	112	116	112
Motor vehicles	1,316	1,094	1,316	1,094
Other personnel costs	3,300	3,379	3,579	3,379
Professional services, consultants and contractors	11,650	16,217	11,650	16,217
Stationery and supplies	903	1,084	325	536
Travel	2,396	1,697	2,396	1,697
Other costs and expenses	9,301	11,964	2,984	5,700
Services Delivery Agreement (SDA) employee benefits	153,406	193,513	152,623	193,060
SDA overheads	130,844	51,497	130,844	51,497



<b>Other expenditures</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated Restated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority Restated 2023 \$'000</b>
<b>Total supplies and services expenses</b>	<b>315,467</b>	<b>285,328</b>	<b>307,426</b>	<b>277,354</b>
<b>Accommodation Expenses</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Rental	4,718	4,000	4,718	4,000
Accommodation outgoings and repairs and maintenance	6,436	5,028	6,110	4,741
<b>Total accommodation expenses</b>	<b>11,154</b>	<b>9,028</b>	<b>10,828</b>	<b>8,741</b>
<b>Other expenses</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Assets transferred to Crown Land	260	–	260	–
Expected credit loss expense	13,543	5,971	15,985	9,871
Fees – Keystart	20,481	18,204	–	–
Impairment – Investments	24	–	251	3,489
Impairment of non-current assets	9,876	343	9,876	23
Land expenses	3,370	6,658	3,370	6,658
Loan scheme expenses	208	878	276	878
Project expenses	1,109	5,158	1,109	5,158
Other expenses	16,324	11,036	14,968	9,943

Other expenditures	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
<b>Total other expenses</b>	<b>65,195</b>	<b>48,248</b>	<b>46,095</b>	<b>36,020</b>
<b>Total other expenditure</b>	<b>938,826</b>	<b>893,726</b>	<b>910,920</b>	<b>873,230</b>

For details of the restatement, refer to Note 9.2.

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

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

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

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

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

**Expected credit loss** is an allowance of trade receivables and loans to homebuyers, measured at the lifetime expected credit losses at each reporting date. The Housing Authority has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Keystart (Consolidated entity) has a 'three-stage' model for impairment based on changes in credit quality since initial recognition in accordance with AASB 9. Please refer to Note 6.1.1 Movement in the allowance for impairment of trade receivables and Movement in the allowance for impairment of loans to homebuyers (Consolidated entity only).

**Grants and subsidies** are transactions in which the Housing Authority provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return. These payments or transfers are recognised at fair value at the time of the

transaction and are recognised as an expense in the reporting period in which they are paid. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

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

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

**Service Delivery Agreement (SDA) expenses** relate to the cost associated with the provision of staff resources by the Department of Communities to the Housing Authority. The Department of Communities recovers the costs for these services from the Housing Authority and the Housing Authority recognises these as a service expense rather than employee expense. In addition, the overhead costs paid by the Housing Authority to other entities are included in supplies and services and the recoverable amounts from other entities (where applicable) are shown as Income from State government.

## 4.2. Grants and subsidies

**Table 24: Grants and subsidies**

Grants and subsidies	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Proceeds from Grants and subsidies</b>	–	–	–	–
Regional renewal program grants	4,729	3,045	4,729	3,045
National rent affordability scheme grants	12,842	7,957	12,842	7,957
Social Housing Economic Recovery Package grants	31,904	34,954	31,904	34,954
Regional construction program grants	3,973	2,760	3,973	2,760
Other	1,173	1,050	1,173	1,050
<b>Total grants and subsidies expense</b>	<b>54,621</b>	<b>49,766</b>	<b>54,621</b>	<b>49,766</b>

### 4.3. (Gain)/Loss on disposal of non-current assets

**Table 25: (Gain)/Loss on disposal of non-current assets**

(Gain)/Loss on disposal of non-current assets	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Proceeds from the disposal of non-current assets</b>	–	–	–	–
Community Housing properties	–	137	–	137
Rental properties	6,864	6,669	5,694	6,669
Shared Equity properties	34,000	37,640	34,000	37,640
<b>Total</b>	<b>40,864</b>	<b>44,446</b>	<b>39,694</b>	<b>44,446</b>
<b>Carrying amount of non-current assets disposed</b>	–	–	–	–
Community Housing properties	1,430	28	1,430	28
Rental properties	2,347	14,683	1,177	14,683
Shared Equity properties	30,504	33,337	30,504	33,337
Plant and equipment and intangible assets	273	33	273	33
Right-of-use assets	(3)	(3)	(3)	(3)
<b>Total</b>	<b>34,551</b>	<b>48,078</b>	<b>33,381</b>	<b>48,078</b>
<b>Net loss/(gain) on non-current assets</b>	<b>(6,313)</b>	<b>3,632</b>	<b>(6,313)</b>	<b>3,632</b>

(Gain)/Loss on disposal of non-current assets	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Loss on transfer of land assets to Development WA	51,305	–	51,305	–
<b>Net loss/(gain)</b>	<b>44,992</b>	<b>3,632</b>	<b>44,992</b>	<b>3,632</b>

The cost on disposal of properties includes the value of properties demolished of \$10.563 million (2023: \$7.992 million).

The loss on transfer of land assets to DevelopmentWA arises on the transfer of the Bentley Redevelopment Project (Bentley 360) land assets to Development WA in accordance with the agreement between both parties as detailed in note 9.9.

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

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

## 5. Key assets

### Assets the agency utilises for economic benefit or service potential

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

**Table 26: Key assets**

Key Assets	Notes	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Inventories	5.1	169,231	180,988	161,111	172,874
Property, plant and equipment	5.2	14,099,654	12,823,931	14,098,270	12,822,114
Right-of-use assets	5.3	8,500	6,841	5,098	2,742
Intangibles	5.4	2,268	2,980	–	–
Service concession assets	5.5	2,364,430	2,201,513	2,364,430	2,201,513
Non-current assets classified as held for sale	5.6	6,242	6,272	6,242	6,272

## 5.1. Inventories

**Table 27: Inventories**

Inventories	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Current</b>	–	–	–	–
Land acquisition and development at cost	48,937	85,516	48,937	85,516
Joint operations land at cost	14,610	15,338	14,610	15,338
House and land packages for sale	694	9,989	694	9,989
House and land packages construction in progress	4,291	10,036	4,291	10,036
<b>Total current inventories</b>	<b>68,532</b>	<b>120,879</b>	<b>68,532</b>	<b>120,879</b>
<b>Non-current</b>	–	–	–	–
Land acquisition and development at cost	92,025	46,635	83,905	38,521
Joint operations land at cost	8,674	13,474	8,674	13,474
<b>Total non-current inventories</b>	<b>100,699</b>	<b>60,109</b>	<b>92,579</b>	<b>51,995</b>
<b>Total inventories</b>	<b>169,231</b>	<b>180,988</b>	<b>161,111</b>	<b>172,874</b>



## **Inventories**

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

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

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

## **Joint Operations**

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

The Housing Authority also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods and services by the joint operations.

- Joint operations land represents the Housing Authority's equity in Joint operations land development projects.
- Development costs represent the agreed proportion of development costs incurred plus capitalised costs.
- Land owned by the Housing Authority is shown at cost plus capitalised costs.

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

The Housing Authority enters into joint operations for the development of land holdings. The principal place of business for all operations is Western Australia. Listed below are current joint operations.

### **Butler**

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

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

### **Dalyellup Beach**

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

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

### Bentley360 DevelopmentWA transfer

As part of Machinery of Government changes, DevelopmentWA (DevWA) has become the primary agency through which the Western Australian government conducts its commercial land and buildings developments. Over the last couple of years the Housing Authority has been transferring its ownership interests in its commercial developments to DevWA. In 2023-24 the Housing Authority continued with the Machinery of Government changes by transferring its ownership interests in various Bentley Land Assets. The land assets which had a carrying amount of \$54 million as at 4 June 2024 were transferred to Development WA at an agreed transfer value of \$2.65 million resulting in a loss on transfer of \$51.35 million.

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

Table 28: Inventories

Inventories 2024	Notes	Butler \$'000	Dalyellup Beach \$'000	Total \$'000
<b>Current assets</b>	–	–	–	–
Cash and cash equivalents	7.4	3,365	5,265	8,630
Receivables	6.1	134	250	384
Inventories	5.1	7,068	7,542	14,610
Other current assets	6.3	224	–	224
<b>Total</b>	–	<b>10,791</b>	<b>13,057</b>	<b>23,848</b>
<b>Non-current assets</b>	–	–	–	–
Office equipment	5.2	–	33	33
Buildings	5.2	972	–	972

<b>Inventories 2024</b>	<b>Notes</b>	<b>Butler \$'000</b>	<b>Dalyellup Beach \$'000</b>	<b>Total \$'000</b>
Development costs (1)	5.1	1,393	6,888	8,281
<b>Total</b>	–	<b>2,365</b>	<b>6,921</b>	<b>9,286</b>
<b>Total assets</b>	–	<b>13,156</b>	<b>19,978</b>	<b>33,134</b>
<b>Current liabilities</b>	–	–	–	–
Payables	6.5	1,383	449	1,832
Other liabilities	6.7	7	–	7
<b>Total</b>	–	<b>1,390</b>	<b>449</b>	<b>1,839</b>
<b>Non-current liabilities</b>	–	–	–	–
Payables	6.5	237	–	237
<b>Total</b>	–	<b>237</b>	–	<b>237</b>
<b>Total liabilities</b>	–	<b>1,627</b>	<b>449</b>	<b>2,076</b>
<b>Net assets</b>	–	<b>11,529</b>	<b>19,529</b>	<b>31,058</b>
<b>Land (1)</b>	–	<b>391</b>	<b>2</b>	<b>393</b>

(1) The total development costs (\$8.281 million) and Authority land (\$0.393 million) represents the total (\$8.674 million) joint operations land non-current portion, per Note 5.1 on page 71.

**Table 29: Inventories**

<b>Inventories 2023</b>	<b>Notes</b>	<b>Butler \$'000</b>	<b>Dalyellup Beach \$'000</b>	<b>Total \$'000</b>
<b>Current assets</b>	–	–	–	–
Cash and cash equivalents	7.4	4,137	6,059	10,196
Receivables	6.1	152	609	761
Inventories	5.1	10,303	5,035	15,338
Other current assets	6.3	237	–	237
<b>Total</b>	–	<b>14,829</b>	<b>11,703</b>	<b>26,532</b>
<b>Non-current assets</b>	–	–	–	–
Office equipment	5.2	–	34	34
Buildings	5.2	1,022	–	1,022
Development costs (1)	5.1	2,779	10,145	12,924
<b>Total</b>	–	<b>3,801</b>	<b>10,179</b>	<b>13,980</b>
<b>Total assets</b>	–	<b>18,630</b>	<b>21,882</b>	<b>40,512</b>
<b>Current liabilities</b>	–	–	–	–
Payables	6.5	1,266	1,335	2,601
Other liabilities	6.7	7	–	7
<b>Total</b>	–	<b>1,273</b>	<b>1,335</b>	<b>2,608</b>

<b>Inventories 2023</b>	<b>Notes</b>	<b>Butler \$'000</b>	<b>Dalyellup Beach \$'000</b>	<b>Total \$'000</b>
<b>Non-current liabilities</b>	–	–	–	–
Payables	6.5	244	–	244
<b>Total</b>	–	<b>244</b>	–	<b>244</b>
<b>Total liabilities</b>	–	<b>1,517</b>	<b>1,335</b>	<b>2,852</b>
<b>Net assets</b>	–	<b>17,113</b>	<b>20,547</b>	<b>37,660</b>
Land (1)	–	<b>548</b>	<b>2</b>	<b>550</b>

(1) The total development costs (\$12.924 million) and Authority land (\$0.550 million) represents the total (\$13.474 million) joint operations land non-current portion, per Note 5.1 on page 71.

## 5.2. Property, plant and equipment

**Table 30: Property, plant and equipment**

Consolidated Year ended 30 June 2024	Land and Buildings \$'000	Plant and Equipment \$'000	Buildings Under Construction \$'000	Total \$'000
<b>1 July 2023</b>	–	–	–	–
Gross carrying amount	12,612,206	11,332	217,160	12,840,698
Accumulated depreciation	(8,265)	(8,502)	–	(16,767)
Accumulated impairment loss	–	–	–	–
<b>Carrying amount at start of period</b>	<b>12,603,941</b>	<b>2,830</b>	<b>217,160</b>	<b>12,823,931</b>
Additions	131,341	84	331,415	462,840
Transfer from /(to) owner	–	–	–	–
Transfers within business outcomes	–	–	–	–
Transfers – Service Concession Assets	(10,413)	–	–	(10,413)
Transfers to Profit and Loss	–	–	–	–
Transfers from inventory and asset held for sale	388	–	–	388
Transfer to/(from) buildings under construction	233,330	–	(233,330)	–
Disposals	(54,097)	(276)	–	(54,373)
Impairment losses (a)	–	–	–	–
Impairment losses reversed (a)	–	–	–	–

<b>Consolidated Year ended 30 June 2024</b>	<b>Land and Buildings \$'000</b>	<b>Plant and Equipment \$'000</b>	<b>Buildings Under Construction \$'000</b>	<b>Total \$'000</b>
Realised reserves	–	–	–	–
Revaluation increments (decrements)	997,810	–	–	997,810
Depreciation	(119,840)	(689)	–	(120,529)
<b>Carrying amount at 30 June 2024</b>	<b>13,782,460</b>	<b>1,949</b>	<b>315,245</b>	<b>14,099,654</b>
Gross carrying amount	13,891,373	11,140	315,245	14,217,758
Accumulated depreciation	(108,913)	(9,191)	–	(118,104)
<b>Carrying amount at 30 June 2024</b>	<b>13,782,460</b>	<b>1,949</b>	<b>315,245</b>	<b>14,099,654</b>

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



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

Consolidated Year ended 30 June 2023	Land and Buildings \$'000	Plant and Equipment \$'000	Buildings Under Construction \$'000	Total \$'000
<b>1 July 2022</b>	–	–	–	–
Gross carrying amount	11,230,721	16,412	132,094	11,379,227
Accumulated depreciation	(6,559)	(13,238)	–	(19,797)
Accumulated impairment loss	–	–	–	–
<b>Carrying amount at start of period</b>	<b>11,224,162</b>	<b>3,174</b>	<b>132,094</b>	<b>11,359,430</b>
Additions	198,793	514	230,538	429,845
Transfer from /(to) owner	(28,960)	–	–	(28,960)
Transfers within business outcomes	–	–	–	–
Transfers – buildings under construction	132,461	–	(132,461)	–
Transfers	–	–	–	–
Transfers – Service Concession Assets	(10,527)	–	–	(10,527)
Transfers to Profit and Loss	–	–	(15,792)	(15,792)
Transfers from inventory and asset held for sale*	97,637	–	2,781	100,418
Disposals	(43,496)	(63)	–	(43,559)
Depreciation eliminated on disposal	–	–	–	–
Impairment losses (a)	(23)	–	–	(23)

<b>Consolidated Year ended 30 June 2023</b>	<b>Land and Buildings \$'000</b>	<b>Plant and Equipment \$'000</b>	<b>Buildings Under Construction \$'000</b>	<b>Total \$'000</b>
Impairment losses reversed (a)	–	–	–	–
Revaluation increments (decrements)	1,139,412	–	–	1,139,412
Depreciation	(105,518)	(795)	–	(106,313)
<b>Carrying amount at 30 June 2023</b>	<b>12,603,941</b>	<b>2,830</b>	<b>217,160</b>	<b>12,823,931</b>
Gross carrying amount	12,612,206	11,332	217,160	12,840,698
Accumulated depreciation	(8,265)	(8,502)	–	(16,767)
<b>Carrying amount at 30 June 2023</b>	<b>12,603,941</b>	<b>2,830</b>	<b>217,160</b>	<b>12,823,931</b>

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

**Table 32: Property, plant and equipment**

Housing Authority Year ended 30 June 2024	Land and Buildings \$'000	Plant and Equipment \$'000	Buildings Under Construction \$'000	Total \$'000
<b>1 July 2023</b>	–	–	–	–
Gross carrying amount	12,612,206	4,014	217,160	12,833,380
Accumulated depreciation	(8,265)	(3,001)	–	(11,266)
Accumulated impairment loss	–	–	–	–
<b>Carrying amount at start of period</b>	<b>12,603,941</b>	<b>1,013</b>	<b>217,160</b>	<b>12,822,114</b>
Additions	131,341	12	331,415	462,840
Transfer from /(to) owner	–	–	–	–
Transfers within business outcomes	–	–	–	–
Transfers – Service Concession Assets	(10,413)	–	–	(10,413)
Transfers to Profit and Loss	–	–	–	–
Transfers from inventory and asset held for sale	388	–	–	388
Transfer to/(from) buildings under construction	233,330	–	(233,330)	–
Disposals	(54,097)	(276)	–	(54,373)
Impairment losses (a)	–	–	–	–
Impairment losses reversed (a)	–	–	–	–

Housing Authority Year ended 30 June 2024	Land and Buildings \$'000	Plant and Equipment \$'000	Buildings Under Construction \$'000	Total \$'000
Depreciation eliminated on disposal	–	–	–	–
Realised reserves	–	–	–	–
Revaluation increments (decrements)	997,810	–	–	997,810
Depreciation	(119,840)	(184)	–	(120,024)
<b>Carrying amount at 30 June 2024</b>	<b>13,782,460</b>	<b>565</b>	<b>315,245</b>	<b>14,098,270</b>
Gross carrying amount	13,891,373	3,727	315,245	14,210,345
Accumulated depreciation	(108,913)	(3,162)	–	(112,075)
<b>Carrying amount at 30 June 2024</b>	<b>13,782,460</b>	<b>565</b>	<b>315,245</b>	<b>14,098,270</b>

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

**Table 33: Property, plant and equipment**

Housing Authority Year ended 30 June 2023	Land and Buildings \$'000	Plant and Equipment \$'000	Buildings Under Construction \$'000	Total \$'000
<b>1 July 2022</b>	–	–	–	–
Gross carrying amount	11,230,721	9,096	132,094	11,371,911
Accumulated depreciation	(6,559)	(8,266)	–	(14,825)
<b>Carrying amount at start of period</b>	<b>11,224,162</b>	<b>830</b>	<b>132,094</b>	<b>11,357,086</b>
Additions	198,793	491	230,538	429,822
Transfer from /(to) owner	(28,960)	–	–	(28,960)
Transfers	–	–	–	–
Transfers within business outcomes	–	–	–	–
Transfers – buildings under construction	132,461	–	(132,461)	–
Transfers – Service Concession Assets	(10,527)	–	–	(10,527)
Transfers to Profit and Loss	–	–	(15,792)	(15,792)
Transfers from inventory and asset held for sale	97,637	–	2,781	100,418
Disposals	(43,496)	(63)	–	(43,559)
Impairment losses (a)	(23)	–	–	(23)
Impairment losses reversed (a)	–	–	–	–
Depreciation eliminated on disposal	–	–	–	–
Realised reserves	–	–	–	–

<b>Housing Authority Year ended 30 June 2023</b>	<b>Land and Buildings \$'000</b>	<b>Plant and Equipment \$'000</b>	<b>Buildings Under Construction \$'000</b>	<b>Total \$'000</b>
Revaluation increments (decrements)	1,139,412	–	–	1,139,412
Depreciation	(105,518)	(245)	–	(105,763)
<b>Carrying amount at 30 June 2023</b>	<b>12,603,941</b>	<b>1,013</b>	<b>217,160</b>	<b>12,822,114</b>
Gross carrying amount	12,612,206	4,014	217,160	12,833,380
Accumulated depreciation	(8,265)	(3,001)	–	(11,266)
<b>Carrying amount at 30 June 2023</b>	<b>12,603,941</b>	<b>1,013</b>	<b>217,160</b>	<b>12,822,114</b>

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

### Initial recognition

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

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

### **Subsequent measurement**

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

Land is carried at fair value.

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

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

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

## **Revaluation model**

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

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

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period. Where properties have not been valued by Valuation Services, these are valued by management with inference to similar assets valued by Valuation Services.

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

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

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

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

Derecognition:

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

Asset revaluation reserve:

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



## 5.2.1. Depreciation and impairment

**Table 34: Depreciation and impairment**

Charge for the period	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Depreciation</b>	–	–	–	–
Rental properties	103,658	94,519	103,658	94,519
Community Housing properties	8,729	4,468	8,729	4,468
Shared Equity properties	6,032	5,668	6,032	5,668
Other properties	1,421	863	1,421	863
Plant, equipment and vehicles	689	795	184	245
<b>Total depreciation for the year</b>	<b>120,529</b>	<b>106,313</b>	<b>120,024</b>	<b>105,763</b>

As at 30 June 2024 there were no indications of impairment to property, plant and equipment.

All surplus assets as at 30 June 2024 have either been classified as assets held for sale or have been written-off.

## Useful lives

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

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

**Table 35: Asset depreciation rate**

Asset	Depreciation rate
Land	Nil
Buildings	2 – 6%
Plant and equipment	10% – 50%

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

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

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

## Impairment of assets

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

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

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

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

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

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

### 5.3. Right-of-use assets

**Table 36: Right-of-use assets**

Consolidated – Year ended 30 June 2024	Buildings GROH \$'000	Other \$'000	Vehicles \$'000	Total \$'000
<b>1 July 2023</b>	–	–	–	–
Gross carrying amount	9,688	–	3,375	13,063
Accumulated depreciation	(4,036)	–	(2,186)	(6,222)
Accumulated impairment loss	–	–	–	–
<b>Carrying amount at start of period</b>	<b>5,652</b>	<b>–</b>	<b>1,189</b>	<b>6,841</b>
Additions	3,467	–	1,889	5,356
Transfers	–	–	–	–
Disposals	(461)	–	(14)	(475)
Impairment losses/loss on disposal	(2)	–	–	(2)
Impairment losses reversed	–	–	–	–
Depreciation	(2,220)	–	(1,000)	(3,220)
<b>Carrying amount at 30 June 2024</b>	<b>6,436</b>	<b>–</b>	<b>2,064</b>	<b>8,500</b>
Gross carrying amount	12,692	–	5,250	17,942
Accumulated depreciation	(6,256)	–	(3,186)	(9,442)
<b>Carrying amount at 30 June 2024</b>	<b>6,436</b>	<b>–</b>	<b>2,064</b>	<b>8,500</b>

**Table 37: Right-of-use assets**

<b>Consolidated – Year ended 30 June 2023</b>	<b>Buildings \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Vehicles \$'000</b>	<b>Total \$'000</b>
<b>1 July 2022</b>	–	–	–	–
Gross carrying amount	8,662	–	2,739	11,401
Accumulated depreciation	(3,017)	–	(1,777)	(4,794)
Accumulated impairment loss	–	–	–	–
<b>Carrying amount at start of period</b>	<b>5,645</b>	<b>–</b>	<b>962</b>	<b>6,607</b>
Additions	2,484	–	1,162	3,646
Transfers	–	–	–	–
Disposals	(628)	–	(48)	(676)
Impairment losses	–	–	–	–
Impairment losses reversed	–	–	–	–
Depreciation	(1,849)	–	(887)	(2,736)
<b>Carrying amount at 30 June 2023</b>	<b>5,652</b>	<b>–</b>	<b>1,189</b>	<b>6,841</b>
Gross carrying amount	9,688	–	3,375	13,063
Accumulated depreciation	(4,036)	–	(2,186)	(6,222)
<b>Carrying amount at 30 June 2023</b>	<b>5,652</b>	<b>–</b>	<b>1,189</b>	<b>6,841</b>

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

Housing Authority – Year ended 30 June 2024	Buildings GROH \$'000	Other \$'000	Vehicles \$'000	Total \$'000
<b>1 July 2023</b>	–	–	–	–
Gross carrying amount	2,407	–	3,375	5,782
Accumulated depreciation	(854)	–	(2,186)	(3,040)
Accumulated impairment loss	–	–	–	–
<b>Carrying amount at start of period</b>	<b>1,553</b>	<b>–</b>	<b>1,189</b>	<b>2,742</b>
Additions	3,435	–	1,889	5,324
Transfers	–	–	–	–
Disposals	(461)	–	(14)	(475)
Impairment losses/loss on disposal	(2)	–	–	(2)
Impairment losses reversed	–	–	–	–
Depreciation	(1,491)	–	(1,000)	(2,491)
<b>Carrying amount at 30 June 2024</b>	<b>3,034</b>	<b>–</b>	<b>2,064</b>	<b>5,098</b>
Gross carrying amount	5,379	–	5,250	10,629
Accumulated depreciation	(2,345)	–	(3,186)	(5,531)
<b>Carrying amount at 30 June 2024</b>	<b>3,034</b>	<b>–</b>	<b>2,064</b>	<b>5,098</b>

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

Housing Authority – Year ended 30 June 2023	Buildings \$'000	Plant and equipment \$'000	Vehicles \$'000	Total \$'000
<b>1 July 2022</b>	–	–	–	–
Gross carrying amount	1,584	–	2,739	4,323
Accumulated depreciation	(575)	–	(1,777)	(2,352)
Accumulated impairment loss	–	–	–	–
<b>Carrying amount at start of period</b>	<b>1,009</b>	<b>–</b>	<b>962</b>	<b>1,971</b>
Additions	2,282	–	1,162	3,444
Transfers	–	–	–	–
Disposals	(628)	–	(48)	(676)
Impairment losses	–	–	–	–
Impairment losses reversed	–	–	–	–
Depreciation	(1,110)	–	(887)	(1,997)
<b>Carrying amount at 30 June 2023</b>	<b>1,553</b>	<b>–</b>	<b>1,189</b>	<b>2,742</b>
Gross carrying amount	2,407	–	3,375	5,782
Accumulated depreciation	(854)	–	(2,186)	(3,040)
<b>Carrying amount at 30 June 2023</b>	<b>1,553</b>	<b>–</b>	<b>1,189</b>	<b>2,742</b>

### **Initial recognition**

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

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

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

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

### **Subsequent Measurement**

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

### **Depreciation and impairment of right-of-use assets**

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

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

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



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

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

Right-of-use assets relating to leases	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Depreciation expense of right-of-use assets	3,220	2,736	2,491	1,997
Lease interest expense	6,234	3,493	6,091	3,329
<b>Total amount recognised in the statement of comprehensive income</b>	<b>9,454</b>	<b>6,229</b>	<b>8,582</b>	<b>5,326</b>

The total cash outflow for leases in 2024 was \$106.727 million (2023: \$90.436 million – Housing Authority) and \$107.606 million (2023: \$91.318 million - Consolidated entity).

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

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

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

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

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

## 5.4. Intangible assets

**Table 41: Consolidated – Intangible assets**

Consolidated – Intangible assets	Computing software 2024 \$'000	Computing software 2023 \$'000	Computing development 2024 \$'000	Computing development 2023 \$'000	Total 2024 \$'000	Total 2023 \$'000
Gross carrying amount	9,938	7,850	50,253	50,718	60,191	58,568
Accumulated depreciation	(6,958)	(6,650)	(50,253)	(50,701)	(57,211)	(57,351)
Carrying amount at start of period	<b>2,980</b>	<b>1,200</b>	–	<b>17</b>	<b>2,980</b>	<b>1,217</b>
<b>Intangible assets reconciliation</b>	–	–	–	–	–	–
Additions	215	2,530	–	–	215	2,530
Amortisation expense	(927)	(750)	–	(17)	(927)	(767)
<b>Carrying amount at end of period</b>	<b>2,268</b>	<b>2,980</b>	–	–	<b>2,268</b>	<b>2,980</b>
Gross carrying amount	10,153	9,938	50,253	50,253	60,406	60,191
Accumulated depreciation	(7,885)	(6,958)	(50,253)	(50,253)	(58,138)	(57,211)
<b>Carrying amount at end of period</b>	<b>2,268</b>	<b>2,980</b>	–	–	<b>2,268</b>	<b>2,980</b>

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

Housing Authority – Intangible assets	Computing software 2024 \$'000	Computing software 2023 \$'000	Computing development 2024 \$'000	Computing development 2023 \$'000	Total 2024 \$'000	Total 2023 \$'000
Gross carrying amount	2,048	2,491	50,253	50,718	52,301	53,209
Accumulated depreciation	(2,048)	(2,394)	(50,253)	(50,701)	(52,301)	(53,095)
<b>Carrying amount at start of period</b>	<b>–</b>	<b>97</b>	<b>–</b>	<b>17</b>	<b>–</b>	<b>114</b>
<b>Intangible assets reconciliation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Amortisation expense	–	(97)	–	(17)	–	(114)
<b>Carrying amount at end of period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Gross carrying amount	2,048	2,048	50,253	50,253	52,301	52,301
Accumulated depreciation	(2,048)	(2,048)	(50,253)	(50,253)	(52,301)	(52,301)
<b>Carrying amount at end of period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

### **Initial recognition**

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

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

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

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

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

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

### **Subsequent measurement**

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

### 5.4.1. Amortisation and impairment

**Table 43: Amortisation and impairment**

Amortisation and impairment charge for the period	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Computer development	–	17	–	17
Computer software	927	750	–	97
<b>Total amortisation and impairment</b>	<b>927</b>	<b>767</b>	<b>–</b>	<b>114</b>

As at 30 June 2024 there were no indications of impairment to intangible assets.

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

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

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

<b>Intangible asset</b>	<b>Depreciation Rate</b>
Computing software (a)	20%–50%
Computing development	20%

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

**Impairment of intangible assets**

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

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

## 5.5. Service concession assets

**Table 44: Service concession assets 30 June 2024**

Service concession assets Year ending 30 June 2024	Consolidated \$'000	Housing Authority \$'000
<b>Year ended 30 June 2024</b>	–	–
<b>1 July 2023</b>	–	–
Gross carrying amount	2,201,513	2,201,513
Accumulated depreciation	–	–
<b>Carrying amount at start of period</b>	<b>2,201,513</b>	<b>2,201,513</b>
Additions	1,260	1,260
Transfers from/(to) Property, plant and equipment	10,413	10,413
Revaluation gains/(losses)	–	–
Disposals	(1,915)	(1,915)
Revaluation increments/(decrements)	175,595	175,595
Depreciation	(22,436)	(22,436)
<b>Carrying amount at 30 June 2024</b>	<b>2,364,430</b>	<b>2,364,430</b>
Gross carrying amount	2,364,430	2,364,430
Accumulated depreciation	–	–
<b>Carrying amount at 30 June 2024</b>	<b>2,364,430</b>	<b>2,364,430</b>

**Table 45: Service concession assets 30 June 2023**

Service concession assets Year ending 30 June 2023	Consolidated \$'000	Housing Authority \$'000
<b>Year ended 30 June 2023</b>	–	–
<b>1 July 2022</b>	–	–
Gross carrying amount	2,034,156	2,034,156
Accumulated depreciation	(196)	(196)
Carrying amount at start of period	2,033,960	2,033,960
<b>Service concessions reconciliation</b>	–	–
Additions	–	–
Transfers from/(to) Property, plant and equipment	10,527	10,527
Revaluation gains/(losses)	–	–
Disposals	(2,517)	(2,517)
Revaluation increments/(decrements)	180,814	180,814
Depreciation	(21,271)	(21,271)
<b>Carrying amount at 30 June 2023</b>	<b>2,201,513</b>	<b>2,201,513</b>
Gross carrying amount	2,201,513	2,201,513
Accumulated depreciation	–	–
<b>Carrying amount at 30 June 2023</b>	<b>2,201,513</b>	<b>2,201,513</b>



## Scope

A service concession arrangement is an arrangement which involves an operator:

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

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

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

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

## Recognition

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

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

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

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

Requirement (b) above is not applicable for assets that will be used in a service concession arrangement for its entire economic life or the major part of its economic life. The grantor is considered to have control if they meet requirement (a) under this circumstance.

Assets recognised in a service concession arrangement include:

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

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

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

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

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

## **Measurement**

A service concession asset is initially measured at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. This reflects the amount that would be required currently to replace the service capacity of the assets.

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

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

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

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

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

**Table 46: Service concession arrangement**

<b>Name of the service concession asset (SCA)</b>	<b>Social housing properties</b>
<b>Description of the arrangements</b>	Social housing properties that maybe owned and not owned by the Housing Authority that are managed and maintained by Community Housing Organisations (CHOs).
<b>Terms of the arrangement</b>	Varies as this is contract/program specific. Typically involves the contribution of capital or property by the HA to the CHO for their management of the social housing property and HA maintains its interest via certain limitations such as caveats on property titles.
<b>Period of the arrangement</b>	Varies as this is contract specific, though most SCA agreements run indefinitely subject to future reassessments / reviews.
<b>Rights and obligations</b>	Grantor (HA) controls the tenant allocation rights to these assets, while the operator (CHO) manages and maintain these properties.
<b>Changes in the arrangements occurred in period ending 30 June 2023</b>	n/a
<b>Carrying amount as at 30 June 2024</b>	\$2.364 billion

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

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

Non-current assets classified as held for sale	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Opening Balance</b>	–	–	–	–
Rental properties	6,272	7,233	6,272	7,233
<b>Movement for the period</b>	–	–	–	–
Disposals	(5,637)	(4,864)	(5,637)	(4,864)
Reclassified from/(to) Rental properties	5,607	3,903	5,607	3,903
<b>Total assets classified as held for sale</b>	<b>6,242</b>	<b>6,272</b>	<b>6,242</b>	<b>6,272</b>

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

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

## 6. Other assets and liabilities

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

**Table 48: Other assets and liabilities**

Other assets and liabilities	Notes	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
Loans and receivables	6.1	2,307,448	2,935,468	2,782,521	3,312,629
Deferred income tax asset	6.2	–	–	–	–
Other current assets	6.3	14,005	11,862	30,325	30,596
Other financial assets	6.4	321,578	250,475	2,011	2,262
Trade and other payables	6.5	119,477	81,488	109,912	72,449
Provisions	6.6	58,905	61,166	58,213	60,482
Other liabilities	6.7	155,830	172,388	155,830	172,388

For details of the restatement, refer to Note 9.2.

## 6.1. Loans and receivables

**Table 49: Loans and receivables**

Loans and receivables	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Current</b>	–	–	–	–
General debtors	25,925	38,151	24,508	36,820
Rental and lease bonds	15,799	14,052	15,799	14,052
Rents from tenants and other rents	79,589	62,040	79,589	62,040
Loans to commercial organisations	327	1,153	7,783	8,608
Dividend receivable	–	–	34,916	81,403
Finance leases receivables	82,512	83,415	82,512	83,415
Joint operations receivables	383	761	383	761
Loans to homebuyers	737,038	769,083	–	–
Other debtors	4,965	49	4,965	49
GST Receivable/(payable)	(344)	3,238	(372)	3,195
Less allowance for impairment – receivables	(40,255)	(30,126)	(40,255)	(30,126)
<b>Total current loans and receivables</b>	<b>905,939</b>	<b>941,816</b>	<b>209,828</b>	<b>260,217</b>
<b>Non-current</b>	–	–	–	–

<b>Loans and receivables</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority 2023 \$'000</b>
Finance leases receivables	67,693	27,412	67,693	27,412
Keystart preferential shares	–	–	2,505,000	3,025,000
Loans to homebuyers	1,341,714	1,978,451	–	–
Less provision for impairment – loans to homebuyers	(7,898)	(12,211)	–	–
<b>Total non-current loans and receivables</b>	<b>1,401,509</b>	<b>1,993,652</b>	<b>2,572,693</b>	<b>3,052,412</b>
<b>Total loans and receivables at the end of the period</b>	<b>2,307,448</b>	<b>2,935,468</b>	<b>2,782,521</b>	<b>3,312,629</b>



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

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

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

**Keystart preferential shares** – The Western Australian Treasury Corporation has provided the Housing Authority with a \$2.530 billion (2023: \$3.130 billion) loan facility to fund Keystart Loans Ltd. The Housing Authority has purchased redeemable preference shares in Keystart Loans Ltd to the same value as the drawn down loan facility as security over the funds. The terms and conditions of the shares reflect the terms and conditions of the loan facility. Keystart Loans Ltd. meets all principal, interest and other costs associated with the facility. To date \$2.505 billion (June 2023: \$3.025 billion) of this facility has been drawn down.

**Commercial Organisations** – The Non-Current loans to Commercial Organisations represent Acknowledgement of Debt totalling \$7.456 million to Goldmaster Enterprises at an interest rate of 0.00 per cent. Goldmaster repaid its debt to the Housing Authority in August 2024.

**Loans to Homebuyers** – Refer to Note 8.1 'Financial risk management' for an analysis of the Consolidated Entity's exposure to interest rate risk in relation to loans to homebuyers and other receivables. Summarised analysis of the sensitivity of loan and other receivables to interest rate is illustrated in Note 8.1 'Financial risk management'.

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

### 6.1.1. Movement in the allowance for impairment of loans and receivables

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

Reconciliation of changes in the allowances for impairment of receivables	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Balance at the start of the period	30,126	28,313	30,126	28,313
Expected credit loss expense	15,882	9,871	15,882	9,871
Reversal of opening allowance for impairment of receivables	103	163	103	163
Amounts written off during the period	(5,856)	(8,221)	(5,856)	(8,221)
<b>Balance at the end of period</b>	<b>40,255</b>	<b>30,126</b>	<b>40,255</b>	<b>30,126</b>

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

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

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

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

Movement in allowance for impairment of loans to homebuyers	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Balance at the start of the period	12,211	16,755	–	–
Expected credit loss expense	(3,761)	(4,000)	–	–
Amounts written off during the period	(602)	(841)	–	–
Bad debts recovered	50	297	–	–
<b>Balance at the end of period</b>	<b>7,898</b>	<b>12,211</b>	<b>–</b>	<b>–</b>

As at 30 June 2024, loans to homebuyers with a nominal value of \$0.602 million (2023: \$0.841 million) were impaired and written off against provision the for impairment following disposal of mortgaged property. All loans and advances are reviewed and graded according to the anticipated level of credit risk.

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

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

**Table 52: Loans provided by Keystart**

Loans provided by Keystart	2024 Number	2024 \$'000	2023 Number	2023 \$'000
Financial hardship loans	242	80,134	139	45,103
Allowance for impairment	–	(795)	–	(586)

## Reposessed loans

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

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

**Table 53: Reposessed loans – Parent**

Reposessed loans – Parent	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
<b>Outstanding balance on loans for which collateral will be reposessed</b>	–	–	–	–
Balance	3,035	3,203	–	–
Allowance for impairment	(1,056)	(1,631)	–	–

**Table 54: Repossessed loans – Housing Authority**

Repossessed loans – Housing Authority	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Fair value of collateral obtained in terms of the exercising of rights under the mortgages	1,591	2,125	–	–
Interest foregone on repossessed loans	248	504	–	–

**Collateral held**

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

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

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

## 6.2. Deferred income tax asset

**Table 55: Deferred income tax asset**

Deferred income tax asset for Goldmaster Pty Ltd	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Numerical reconciliation of income tax expense to the prima facie tax payable</b>	–	–	–	–
Accounting profit/(loss) before income tax	(227)	(2,682)	–	–
Prima facie tax payable on profit/(loss) at 30%	(68)	(805)	–	–
<b>Add/(less) tax effect of</b>	–	–	–	–
Current year taxable differences not recognised	2	(4)	–	–
Deferred tax benefits not recognised	66	809	–	–
<b>Income tax expense/(benefit)</b>	–	–	–	–

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

The company estimates it has accumulated income tax losses of \$39.470 million (2023: \$39.248 million). The benefit of these losses and timing difference will only be obtained if:

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



### 6.3. Other current assets

**Table 56: Other current assets**

Other current assets	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Accrued revenue</b>	–	–	–	–
Interest on cash at bank	2,050	1,085	2,050	1,085
Accrued housing sales	–	–	–	–
Interest Keystart investments	–	–	16,320	18,734
<b>Total</b>	<b>2,050</b>	<b>1,085</b>	<b>18,370</b>	<b>19,819</b>
<b>Prepayments</b>	–	–	–	–
General	11,731	10,540	11,731	10,540
Development proposals	–	–	–	–
Joint operations	224	237	224	237
<b>Total</b>	<b>11,955</b>	<b>10,777</b>	<b>11,955</b>	<b>10,777</b>
<b>Total other current assets at the end of the period</b>	<b>14,005</b>	<b>11,862</b>	<b>30,325</b>	<b>30,596</b>

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

## 6.4. Other financial assets

**Table 57: Other financial assets**

Other financial assets	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Current</b>	–	–	–	–
Deposits at call (a)	321,578	250,451	–	–
<b>Total current other financial assets</b>	<b>321,578</b>	<b>250,451</b>	–	–
<b>Non-current investments</b>	–	–	–	–
Ellenbrook Management Pty Ltd Shares (b)	–	24	–	24
Goldmaster Enterprises Pty Ltd Shares (b)	–	–	2,011	2,238
<b>Total non-current other financial assets</b>	–	<b>24</b>	<b>2,011</b>	<b>2,262</b>
<b>Total other financial assets at the end of the period</b>	<b>321,578</b>	<b>250,475</b>	<b>2,011</b>	<b>2,262</b>

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

(b) Interest is held in the following companies:

**Table 58: Interest held in companies**

Name	Principal activities	Types of shares	Percentage of each share class held 2024 %	Percentage of each share class held 2023 %	Value of shares 2024 \$'000	Value of shares 2023 \$'000
Goldmaster Enterprises Pty Ltd	Property development	Ord	100.00%	100.00%	2,011	2,238

## 6.5. Trade and other payables

**Table 59: Trade and other payables**

Trade and other payables	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
<b>Current</b>	–	–	–	–
Accrued SDA Employee Benefits Expense	2,844	3,362	2,844	3,362
Contractors retention monies	10,943	7,127	10,943	7,127
Joint operations creditors	1,832	2,602	1,832	2,602
Rental tenants bonds	2	3	2	3
Trade creditors	103,619	68,150	94,054	59,111
<b>Total current trade and other payables</b>	<b>119,240</b>	<b>81,244</b>	<b>109,675</b>	<b>72,205</b>
<b>Non-current</b>	–	–	–	–
Joint operations creditors	237	244	237	244
<b>Total non-current trade and other payables</b>	<b>237</b>	<b>244</b>	<b>237</b>	<b>244</b>
<b>Total trade and other payables at the end of the period</b>	<b>119,477</b>	<b>81,488</b>	<b>109,912</b>	<b>72,449</b>

For details of the restatement, refer to Note 9.2.

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

**Table 60: Indian Ocean Territories unspent funds**

Indian Ocean Territories unspent funds	2024 \$'000	2023 \$'000
Amounts carried forward from previous financial year	19	52
Payments made by the Commonwealth for IOT services	36	–
Cost of services	(29)	(33)
Construction paid	–	–
<b>Amounts carried forward to following financial year</b>	<b>26</b>	<b>19</b>

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

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

**Accrued SDA Employee Benefits Expense** represent the amount due to Department of Communities for provision of staff that remain unpaid at the end of the financial year. Accrued amounts are settled within a fortnight of the financial year end. The Authority considers the carrying amount of accrued amounts to be equivalent to its fair value.

## 6.6. Provisions

**Table 61: Provisions**

Provisions	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
<b>Current</b>	–	–	–	–
Joint operations provisions	–	–	–	–
Native Title settlement provision	–	492	–	492
Other provisions	692	684	–	–
Leave provisions - transfer to Department of Communities	–	–	–	–
<b>Total current provisions</b>	<b>692</b>	<b>1,176</b>	<b>–</b>	<b>492</b>
<b>Non-current</b>	–	–	–	–
Development levies	–	1,643	–	1,643
Native Title settlement provision	58,213	58,347	58,213	58,347
<b>Total non-current provisions</b>	<b>58,213</b>	<b>59,990</b>	<b>58,213</b>	<b>59,990</b>
<b>Total provisions at the end of the period</b>	<b>58,905</b>	<b>61,166</b>	<b>58,213</b>	<b>60,482</b>

**Table 62: Movement in Provisions**

<b>Movement in provisions</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority 2023 \$'000</b>
<b>Movements in each class of provisions during the period, are set out below</b>	–	–	–	–
<b>Other Provisions</b>	–	–	–	–
Carrying amount at start of period	684	1,040	–	–
Additional/(reversal of) provisions recognised	8	(356)	–	–
<b>Carrying amount at end of period</b>	<b>692</b>	<b>684</b>	–	–
<b>Native Title settlement provision</b>	–	–	–	–
Carrying amount at start of period	58,839	59,490	58,839	59,490
Additional/(reversal of) provisions recognised	(626)	(651)	(626)	(651)
<b>Carrying amount at end of period</b>	<b>58,213</b>	<b>58,839</b>	<b>58,213</b>	<b>58,839</b>
<b>Development levies</b>	–	–	–	–
Carrying amount at start of period	1,643	1,657	1,643	1,657
Additional provisions recognised	(1,643)	5	(1,643)	5
Payments	–	(19)	–	(19)
<b>Carrying amount at end of period</b>	<b>–</b>	<b>1,643</b>	<b>–</b>	<b>1,643</b>

Provisions are liabilities of uncertain timing or amount. The Housing Authority only recognises a provision where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable



and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

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

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

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

The reclassification of current to non-current primarily related to housing transfers as part of the South West Native Title Settlement. This is due to the Housing Authority reflowing the timing of the transfers from 2022-23 and 2023-24 to future years, 2024-25 and 2025-26, respectively.

## 6.7. Other liabilities

**Table 63: Other liabilities**

Other liabilities	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
<b>Current</b>	–	–	–	–
Administrative and general expenses	1,268	2,515	1,268	2,515
Joint operations liabilities	7	7	7	7
Unearned income	18,566	17,582	18,566	17,582
Grant of right to operate under service concessions	3,295	3,295	3,295	3,295
<b>Total current other liabilities</b>	<b>23,136</b>	<b>23,399</b>	<b>23,136</b>	<b>23,399</b>
<b>Non-current</b>	–	–	–	–
Contract liability	–	13,000	–	13,000
Grant of right to operate under service concessions	132,694	135,989	132,694	135,989
<b>Total non-current other liabilities</b>	<b>132,694</b>	<b>148,989</b>	<b>132,694</b>	<b>148,989</b>
<b>Total other liabilities at the end of the period</b>	<b>155,830</b>	<b>172,388</b>	<b>155,830</b>	<b>172,388</b>

For details of the restatement, refer to Note 9.2.

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

**Contract Liabilities** relate to income received for maintenance to another agency properties at the end of the reporting period. The Housing Authority does not expect to satisfy the performance obligations unsatisfied at the end of the reporting period within the next 12 months.

## 7. Financing

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

	<b>Notes:</b>
Borrowings	7.1
Lease liabilities	7.2
Finance costs	7.3
Cash and cash equivalents	7.4
Reconciliation of cash	7.4.1
Reconciliation of operating activities	7.4.2
Commitments	7.5

## 7.1. Borrowings

**Table 64: Borrowings**

<b>Borrowings</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority 2023 \$'000</b>
<b>Current</b>	–	–	–	–
WATC	31,004	116,909	31,004	116,909
Commonwealth advances	17,894	17,941	17,894	17,941
<b>Total current borrowings</b>	<b>48,898</b>	<b>134,850</b>	<b>48,898</b>	<b>134,850</b>
<b>Non-current</b>	–	–	–	–
WATC	2,575,309	3,114,295	2,575,309	3,114,295
Commercial loan	62,344	62,287	62,344	62,287
Commonwealth advances	237,624	255,519	237,624	255,519
<b>Total non-current borrowings</b>	<b>2,875,277</b>	<b>3,432,101</b>	<b>2,875,277</b>	<b>3,432,101</b>
<b>Total borrowings at the end of the period</b>	<b>2,924,175</b>	<b>3,566,951</b>	<b>2,924,175</b>	<b>3,566,951</b>

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

The fair values for WATC borrowings have been calculated by Western Australian Treasury Corporation, based on market valuations. The State Nominated and Commonwealth advances have been calculated using a discount rate of 4.31 per cent which is the Commonwealth bond rate. (June 2023: 3.92 per cent).

**Commercial loan** is a \$62.344 million liability payable to Westpac. The liability is for construction costs for the Osprey Key Workers Village. The current repayments are interest only and the loan is due to be repaid in full by July 2029.

**Commonwealth advances** refer to the Commonwealth and State Housing Agreements. The Commonwealth made advances to the states from 1945 to the mid-to-late-1980s to provide financial assistance to Servicemen for building new public housing and low interest loans to home builders, as well as a range of other housing-related purposes.

**Table 65: Borrowings**

<b>Borrowings</b>	<b>Total carrying amount 2024 \$'000</b>	<b>Total carrying amount 2023 \$'000</b>	<b>Aggregate net fair value 2024 \$'000</b>	<b>Aggregate net fair value 2023 \$'000</b>
<b>Consolidated</b>	–	–	–	–
WATC	2,606,313	3,231,204	2,604,419	3,240,487
Commercial loan	62,344	62,287	69,106	71,008
Commonwealth advances	255,518	273,460	258,796	282,312
<b>Total</b>	<b>2,924,175</b>	<b>3,566,951</b>	<b>2,932,321</b>	<b>3,593,807</b>
<b>Housing Authority</b>	–	–	–	–
WATC	2,606,313	3,231,204	2,604,419	3,240,487
Commercial loan	62,344	62,287	69,106	71,008
Commonwealth advances	255,518	273,460	258,796	282,312

<b>Borrowings</b>	<b>Total carrying amount 2024 \$'000</b>	<b>Total carrying amount 2023 \$'000</b>	<b>Aggregate net fair value 2024 \$'000</b>	<b>Aggregate net fair value 2023 \$'000</b>
<b>Total</b>	<b>2,924,175</b>	<b>3,566,951</b>	<b>2,932,321</b>	<b>3,593,807</b>

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

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

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

## 7.2. Lease liabilities

**Table 66: Lease liabilities**

Lease liabilities	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Current	93,018	75,610	88,016	69,761
Non-current	67,439	43,883	67,439	43,883
<b>Total lease liabilities</b>	<b>160,457</b>	<b>119,493</b>	<b>155,455</b>	<b>113,644</b>



## **Initial Measurement**

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

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

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

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

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

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

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

## **Subsequent Measurement**

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

### 7.3. Finance costs

**Table 67: Finance costs**

Finance costs	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Interest expense	150,593	138,598	150,593	138,598
Finance charges	11	6	–	–
Lease interest expense	6,234	3,493	6,091	3,329
<b>Total finance costs</b>	<b>156,838</b>	<b>142,097</b>	<b>156,684</b>	<b>141,927</b>

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

## 7.4. Cash and cash equivalents

### 7.4.1. Reconciliation of cash

**Table 68: Reconciliation of cash**

Reconciliation of cash	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority (a) Restated 2023 \$'000
<b>Current</b>	–	–	–	–
Cash and cash equivalents	722,028	577,956	270,602	151,173
<b>Total</b>	<b>722,028</b>	<b>577,956</b>	<b>270,602</b>	<b>151,173</b>
<b>Current – Restricted cash</b>	–	–	–	–
Rental tenants bonds	2	3	2	3
Joint operations cash	8,630	10,196	8,630	10,196
Remote indigenous housing	1,374	1,594	1,374	1,594
Royalties for Regions fund	8,975	8,152	8,975	8,152
<b>Total</b>	<b>18,981</b>	<b>19,945</b>	<b>18,981</b>	<b>19,945</b>
Deposits at call	321,578	250,451	–	–
<b>Total cash and cash equivalents at the end of the period</b>	<b>1,062,587</b>	<b>848,352</b>	<b>289,583</b>	<b>171,118</b>
<b>Non-current – Restricted cash</b>	–	–	–	–
Other	–	13,000	–	13,000

Reconciliation of cash	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority (a) Restated 2023 \$'000
Total non-current cash and cash equivalents	–	13,000	–	13,000
Total cash and cash equivalents at the end of the period	1,062,587	861,352	289,583	184,118

**Rental Tenants Bonds** represents bond monies received by the Housing Authority from rental clients. These funds are held in trust in accordance with the Residential Tenancies Act.

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

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

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

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

For the purpose of the Statement of cash flows, cash and cash equivalents (and restricted cash and cash equivalents) and deposits at call comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

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

**Table 69: Reconciliation of net cost of services**

Reconciliation of net cost of services	Notes	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
<b>Surplus/(deficit) for the period</b>	–	(141,448)	(176,587)	(140,424)	(177,074)
<b>Non-cash items</b>	–	–	–	–	–
Depreciation and amortisation expense	5.2, 5.3, 5.4, 5.5	147,112	131,087	144,951	129,145
Expected credit loss expense	4.1	13,543	5,971	15,985	9,871
Loss/(gain) on disposal of non-current assets	4.3	52,807	10,509	52,117	10,509
Impairment – investments	4.1	–	–	–	–
Keystart dividends	3.6	–	–	(34,916)	(80,103)
Impairment – non-current assets	4.1	9,876	343	10,127	3,512
Revenue related to service concession arrangements	–	(3,295)	(3,295)	(3,295)	(3,295)
Other non-cash items	–	(4,496)	11,559	(1,416)	1,068
<b>Cash items</b>	–	–	–	–	–

Reconciliation of net cost of services	Notes	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
Proceeds from State Government (excluding capital contributions)	–	(487,447)	(332,664)	(635,030)	(461,496)
<b>(Increase)/decrease in assets</b>	–	–	–	–	–
Receivables	–	(234,724)	(237,577)	(16,553)	(8,284)
Inventories	–	5,762	(55,311)	5,768	(57,997)
Other assets	–	(2,156)	1,189	(2,143)	1,224
<b>Increase/(decrease) in liabilities</b>	–	–	–	–	–
Payables	–	37,989	15,809	37,463	19,014
Provisions	–	(2,261)	(370)	(2,269)	(14)
Other liabilities	–	(16,558)	12,288	(16,558)	12,288
Net GST payments	–	3,582	(1,428)	3,567	(1,483)
<b>Net cash flows provided by/ (used in) operating activities</b>	–	<b>(621,714)</b>	<b>(618,477)</b>	<b>(582,626)</b>	<b>(603,115)</b>

## 7.5. Commitments

### 7.5.1. Capital expenditure commitments

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

**Table 70: Capital expenditure commitments**

Capital expenditure commitments	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Within 1 year	202,138	439,515	202,138	380,340
Later than 1 year and not later than 5 years	90,783	78,857	90,783	78,857
Later than 5 years	–	–	–	–
<b>Total</b>	<b>292,921</b>	<b>518,372</b>	<b>292,921</b>	<b>459,197</b>
<b>The capital commitments include amounts for the following</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Community Housing	55,738	81,502	55,738	81,321
Dwelling construction and upgrades	230,255	265,543	230,255	259,242
Joint operations land development**	–	1,797	–	1,797
Development Management Agreements**	–	–	–	–
Land development and redevelopment	6,928	105,707	6,928	105,707
Affordable Housing	–	57,934	–	5,241
Facilities management	–	5,889	–	5,889

<b>Capital expenditure commitments</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority 2023 \$'000</b>
<b>Balance at the end of period</b>	<b>292,921</b>	<b>518,372</b>	<b>292,921</b>	<b>459,197</b>



## 7.5.2. Loan advance commitment

**Table 71: Loan advance commitment**

Loan advance commitment	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Approved loans not yet fully disbursed	78,924	220,601	–	–
<b>Total</b>	<b>78,924</b>	<b>220,601</b>	–	–
<b>Loan advance commitment includes the following:</b>	–	–	–	–
Loans to home buyers	78,924	220,601	–	–
<b>Total</b>	<b>78,924</b>	<b>220,601</b>	–	–

## 8. Risks and Contingencies

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

	<b>Notes</b>
Financial risk management	8.1
Contingent assets and liabilities	8.2
Fair value measurements	8.3

### 8.1. Financial risk management

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

#### (a) Summary of risks and risk management

##### Credit Risk

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

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

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

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

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

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

## **Housing Authority**

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

## **Liquidity Risk**

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

## **Keystart**

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

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

## **Market Risk**

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

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

## **Keystart**

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

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

### **(i) Interest rate risk**

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

During the financial year ending 30 June 2024 and the prior financial year, there were no hedges used by Keystart. Borrowings were denominated in Australian Dollars.

**(ii) Summarised sensitivity analysis**

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

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

**Table 72: Summary of risks and risk management**

Summary of risks and risk management	Weighted average interest rate 2024 %	Balance 2024 \$'000	Weighted average interest rate 2023 %	Balance 2023 \$'000
Variable rate loans	7.52%	2,070,853	6.89%	2,735,321
Short term deposits	4.47%	321,578	2.93%	250,451
Cash and liquid assets	4.17%	450,082	2.76%	425,203

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

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

Historical VaR (99%, 20 day) by risk type	Average \$'000	Minimum \$'000	Maximum \$'000	Year End \$'000
<b>2024</b>	-	-	-	-
Total VaR Exposure	1,926	1,548	2,269	1,889
<b>2023</b>	-	-	-	-
Total VaR Exposure	2,261	1,628	2,932	2,141

**(b) Categories of financial instruments**

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

**Table 74: Carrying amounts of financial assets and liabilities**

Carrying amounts of financial assets and liabilities	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
<b>Financial assets</b>	–	–	–	–
Cash and cash equivalents	722,028	577,956	270,602	151,173
Restricted cash and cash equivalents	18,981	19,945	18,981	19,945
<b>Other financial assets through profit and loss</b>	–	–	–	–
Non-current investments	–	24	2,011	2,262
<b>Other financial assets at amortised cost</b>	–	–	–	–
Deposits at call	321,578	250,451	–	–
<b>Financial assets at amortised cost – comprising (a)</b>	–	–	–	–
Keystart preference shares	–	–	2,505,000	3,025,000
General debtors	25,361	37,752	23,944	36,421
Rental and lease bonds	15,173	13,378	15,173	13,378
Rent from tenants and other rents	40,524	32,987	40,524	32,987

Carrying amounts of financial assets and liabilities	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
Loans to commercial organisations	327	1,153	7,783	8,608
Dividends receivable	–	–	34,916	81,403
Finance lease receivable	150,205	110,827	150,205	110,827
Joint operations receivable	383	761	383	761
Loans to homebuyers	2,070,854	2,735,323	–	–
Other debtors	4,965	49	4,965	49
<b>Other current assets at amortised cost</b>	–	–	–	–
Accrued revenue	2,050	1,085	18,370	19,819
<b>Total financial assets</b>	<b>3,372,429</b>	<b>3,781,691</b>	<b>3,092,857</b>	<b>3,502,633</b>
<b>Financial Liabilities</b>	–	–	–	–
<b>Financial Liabilities at amortised cost – comprising</b>	–	–	–	–
<b>Borrowings</b>	–	–	–	–
WATC	2,606,313	3,231,204	2,606,313	3,231,204
Commercial loan	62,344	62,287	62,344	62,287
Commonwealth advances	255,518	273,460	255,518	273,460
<b>Payables</b>	–	–	–	–



Carrying amounts of financial assets and liabilities	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
General	119,475	81,485	<b>109,910</b>	72,446
Rental deposits and tenant bonds	2	3	<b>2</b>	3
Finance lease liabilities	160,457	119,493	<b>155,455</b>	113,644
Other liabilities	1,275	2,522	<b>1,275</b>	2,522
<b>Total financial liabilities</b>	<b>3,205,384</b>	<b>3,770,454</b>	<b>3,190,817</b>	<b>3,755,566</b>

(a) The amount of Financial assets at amortised cost – Loans and receivables excludes GST recoverable from the Australian Taxation Office (statutory receivable).

### **(c) Credit risk exposure**

#### **Keystart**

##### **Loans to homebuyers**

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

##### **Recognition and derecognition**

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

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

##### **Subsequent measurement**

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

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

## **Fair value**

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

## **Impairment of loans**

The Consolidated Entity assesses on a forward-looking basis the expected credit loss (ECL) associated with its loans carried at amortised cost. The Consolidated Entity recognises a loss allowance for such losses at each reporting date. Considerable judgement is exercised in determining the extent of the loan loss provision (impairment) for financial assets assessed for impairment both individually and collectively. The loan loss provision for financial assets is based on assumptions about risk of default and expected loss rates. The key judgement area are the assumptions used to measure expected credit losses, including the use of forward-looking and macro-economic information for individual and collective impairment assessment.

The measurement of ECL reflects:

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

### Three stage approach

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

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

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

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

The following table details credit risk exposure of loans at each stage of impairment.

**Table 75: Credit risk exposure 2024–2023**

Details of allowance for impairment	2024 \$'000	2023 \$'000
<b>Collective impairment</b>	–	–
Collective impairment – Stage 1	656	991
Collective impairment – Stage 2	2,326	2,240
Individual impairment – Stage 3	4,916	8,980
	<b>7,898</b>	<b>12,211</b>

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

**Table 76: Credit risk exposure 2024**

Credit risk exposure 2024	Days past due					
	Total \$'000	Current \$'000	<90 days \$'000	91–180 days \$'000	181–360 days \$'000	<361 days \$'000
<b>Housing Authority General debtors</b>	–	–	–	–	–	–
Expected credit loss rate	–	0.09%	0.09%	0.13%	0.57%	5.67%
Estimated total gross carrying amount at default	21,070	3,825	2,896	253	4,732	9,364
<b>Expected credit losses</b>	<b>564</b>	<b>3</b>	<b>3</b>	<b>–</b>	<b>27</b>	<b>531</b>
<b>Rent from tenants and other</b>	–	–	–	–	–	–
Expected credit loss rate	–	1.25%	9.79%	17.55%	22.26%	83.32%
Estimated total gross carrying amount at default	78,261	29,795	1,377	577	488	46,024
<b>Expected credit losses</b>	<b>39,064</b>	<b>372</b>	<b>135</b>	<b>101</b>	<b>109</b>	<b>38,347</b>
<b>Rental and lease bonds</b>	–	–	–	–	–	–
Expected credit loss rate	–	3.86%	1.21%	2.30%	3.66%	8.98%
Estimated total gross carrying amount at default	15,799	15,008	127	101	132	431
<b>Expected credit losses</b>	<b>627</b>	<b>579</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>39</b>
<b>Total Expected Credit Loss Allowance</b>	<b>40,255</b>	<b>954</b>	<b>140</b>	<b>103</b>	<b>141</b>	<b>38,917</b>

**Table 77: Credit risk exposure 2023**

Credit risk exposure 2023	Days past due					
	Total \$'000	Current \$'000	<90 days \$'000	91–180 days \$'000	181–360 days \$'000	<361 days \$'000
<b>Housing Authority General debtors</b>	–	–	–	–	–	–
Expected credit loss rate	–	0.60%	0.60%	0.63%	0.97%	1.98%
Estimated total gross carrying amount at default	37,844	18,605	2,317	298	5,580	11,044
<b>Expected credit losses</b>	<b>399</b>	<b>111</b>	<b>14</b>	<b>2</b>	<b>54</b>	<b>218</b>
<b>Rent from tenants and other</b>	–	–	–	–	–	–
Expected credit loss rate	–	1.87%	14.32%	24.71%	30.58%	83.52%
Estimated total gross carrying amount at default	62,040	26,485	1,010	423	358	33,764
<b>Expected credit losses</b>	<b>29,053</b>	<b>495</b>	<b>145</b>	<b>105</b>	<b>109</b>	<b>28,199</b>
<b>Rental and lease bonds</b>	–	–	–	–	–	–
Expected credit loss rate	–	4.46%	1.32%	2.53%	4.25%	10.26%
Estimated total gross carrying amount at default	14,052	12,684	136	135	163	934
<b>Expected credit losses</b>	<b>674</b>	<b>566</b>	<b>2</b>	<b>3</b>	<b>7</b>	<b>96</b>
<b>Total Expected Credit Loss Allowance</b>	<b>30,126</b>	<b>1,172</b>	<b>161</b>	<b>110</b>	<b>170</b>	<b>28,513</b>

## **Loans and receivables**

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

The Housing Authority has established a provision matrix that is based on its historical credit loss experience. The loss allowance for receivables reflects the lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting the Authority's debtors, and relevant industry data form part of the impairment assessment. Refer to Note 6.1 'Reconciliation of changes in the allowance for impairment of receivables'.

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



**(d) Liquidity risk and interest rate exposure**

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

**Table 78: Interest rate exposure and maturity analysis of financial assets and financial liabilities – Consolidated 2024**

Consolidated 2024	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure Fixed interest rate \$'000	Interest rate exposure Variable interest rate \$'000	Interest rate exposure Non- interest bearing \$'000	Nominal amount \$'000	Contractual maturity dates Within 1 year \$'000	Contractual maturity dates 1–5 years \$'000	Contractual maturity dates Greater than 5 years \$'000
<b>(i) Financial Assets</b>	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	4.12%	722,028	–	722,028	–	722,028	722,028	–	–
Restricted cash and cash equivalents	4.05%	18,981	–	18,981	–	18,981	18,981	–	–
<b>Other financial assets</b>	–	–	–	–	–	–	–	–	–
• deposits at call	4.47%	321,578	–	321,578	–	321,578	321,578	–	–
• other assets	–	–	–	–	–	–	–	–	–
<b>Receivables</b>	–	–	–	–	–	–	–	–	–
• general debtors	–	25,361	–	–	25,361	25,361	25,361	–	–

Consolidated 2024	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure Fixed interest rate \$'000	Interest rate exposure Variable interest rate \$'000	Interest rate exposure Non- interest bearing \$'000	Nominal amount \$'000	Contractual maturity dates Within 1 year \$'000	Contractual maturity dates 1–5 years \$'000	Contractual maturity dates Greater than 5 years \$'000
• rental and lease bonds	–	15,173	–	–	15,173	15,173	15,173	–	–
• rent from tenants and other rents	–	43,886	–	–	43,886	43,886	43,886	–	–
• loans to commercial organisations	–	327	–	–	327	327	327	–	–
• finance lease receivable	4.79%	150,205	150,205	–	–	158,571	90,878	65,869	1,824
• joint operations receivable	–	383	–	–	383	1,596	1,596	–	–
• loans to homebuyers	7.52%	2,070,854	–	2,070,854	–	2,074,645	48	2,391	2,072,206
• other debtors	–	4,965	–	–	4,965	4,965	4,965	–	–
Other current assets	4.12%	2,050	–	2,050	–	2,050	2,050	–	–
<b>Total financial assets</b>	<b>–</b>	<b>3,375,791</b>	<b>150,205</b>	<b>3,135,491</b>	<b>90,095</b>	<b>3,389,161</b>	<b>1,246,871</b>	<b>68,260</b>	<b>2,074,030</b>
<b>(ii) Financial Liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Borrowings</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
• WATC	3.61%	2,606,313	66,724	2,539,588	–	2,888,471	19,583	2,467,852	401,036
• Commercial loan	6.80%	62,344	–	62,344	–	83,435	4,232	79,203	–

Consolidated 2024	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure Fixed interest rate \$'000	Interest rate exposure Variable interest rate \$'000	Interest rate exposure Non- interest bearing \$'000	Nominal amount \$'000	Contractual maturity dates Within 1 year \$'000	Contractual maturity dates 1–5 years \$'000	Contractual maturity dates Greater than 5 years \$'000
• Common- wealth advances	4.31%	255,518	255,518	–	–	344,911	29,356	114,300	201,255
<b>Payables</b>	–	–	–	–	–	–	–	–	–
• general	–	119,475	–	–	119,475	119,475	119,475	–	–
• rental deposits and tenant bonds **	–	2	–	–	2	2	2	–	–
Finance lease liabilities	4.83%	160,457	160,457	–	–	169,507	94,219	73,130	2,158
Other current liabilities	–	1,275	–	–	1,275	1,275	1,275	–	–
<b>Total financial liabilities</b>	–	<b>3,205,384</b>	<b>482,699</b>	<b>2,601,932</b>	<b>120,752</b>	<b>3,607,076</b>	<b>268,142</b>	<b>2,734,485</b>	<b>604,449</b>

**Table 79: Interest rate exposure and maturity analysis of financial assets and financial liabilities – Consolidated 2023**

Consolidated 2023	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure Fixed interest rate \$'000	Interest rate exposure Variable interest rate \$'000	Interest rate exposure Non- interest bearing \$'000	Nominal amount \$'000	Contractual Maturity dates Within 1 year \$'000	Contractual Maturity dates 1–5 years \$'000	Contractual Maturity dates Greater than 5 years \$'000
<b>Financial assets</b>	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	2.69%	577,956	–	577,956	–	577,956	577,956	–	–
Restricted cash and cash equivalents	2.72%	19,945	–	19,945	–	19,945	19,945	–	–
<b>Other financial assets</b>	–	–	–	–	–	–	–	–	–
• deposits at call	2.93%	250,451	–	250,451	–	250,451	250,451	–	–
• other assets	–	24	–	–	24	–	–	–	–
<b>Receivables</b>	–	–	–	–	–	–	–	–	–
• general debtors	–	37,752	–	–	37,752	37,752	37,752	–	–
• rental and lease bonds	–	13,378	–	–	13,378	13,378	13,378	–	–
• rent from tenants and other rents	–	32,987	–	–	32,987	32,987	32,987	–	–
• loans to commercial organisations	–	1,153	–	–	1,153	2,160	1,153	1,007	–
• finance lease receivable	3.74%	110,827	110,827	–	–	115,725	71,291	41,489	2,945

Consolidated 2023	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure Fixed interest rate \$'000	Interest rate exposure Variable interest rate \$'000	Interest rate exposure Non- interest bearing \$'000	Nominal amount \$'000	Contractual Maturity dates Within 1 year \$'000	Contractual Maturity dates 1–5 years \$'000	Contractual Maturity dates Greater than 5 years \$'000
• joint operations receivable	–	761	–	–	761	1,596	1,596	–	–
• loans to homebuyers	6.89%	2,735,323	–	2,735,323	–	2,740,329	414	1,929	2,737,986
• other debtors	–	49	–	–	49	49	49	–	–
Other current assets	0.43%	1,085	–	1,085	–	1,085	1,085	–	–
<b>Total financial assets</b>	<b>–</b>	<b>3,781,691</b>	<b>110,827</b>	<b>3,584,760</b>	<b>86,104</b>	<b>3,793,413</b>	<b>1,008,057</b>	<b>44,425</b>	<b>2,740,931</b>
<b>Financial liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Borrowings</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
• WATC	3.38%	3,231,204	152,445	3,078,759	–	3,523,899	107,707	3,198,918	217,274
• Commercial loan	6.70%	62,287	–	62,287	–	87,325	4,173	16,692	66,460
• Commonwealth advances	4.63%	273,460	273,460	–	–	375,120	30,209	116,762	228,149
<b>Payables</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
• general	–	81,630	–	–	81,630	81,630	81,630	–	–
• rental deposits and tenant bonds**	–	3	–	–	3	3	3	–	–
Finance lease liabilities	3.77%	119,493	119,493	–	–	125,099	73,705	47,126	4,268

Disclosures and legal compliance

Consolidated 2023	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure Fixed interest rate \$'000	Interest rate exposure Variable interest rate \$'000	Interest rate exposure Non- interest bearing \$'000	Nominal amount \$'000	Contractual Maturity dates Within 1 year \$'000	Contractual Maturity dates 1–5 years \$'000	Contractual Maturity dates Greater than 5 years \$'000
Other current liabilities	–	2,377	–	–	2,377	2,377	2,377	–	–
<b>Total financial liabilities</b>	<b>–</b>	<b>3,770,454</b>	<b>545,398</b>	<b>3,141,046</b>	<b>84,010</b>	<b>4,195,453</b>	<b>299,804</b>	<b>3,379,498</b>	<b>516,151</b>

**Table 80: Interest rate exposure and maturity analysis of financial assets and financial liabilities – Housing Authority 2024**

Housing Authority 2024	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure Fixed interest rate \$'000	Interest rate exposure Variable interest rate \$'000	Interest rate exposure Non-interest bearing \$'000	Nominal amount \$'000	Contractual Maturity dates Within 1 year \$'000	Contractual Maturity dates 1–5 years \$'000	Contractual Maturity dates Greater than 5 years \$'000
<b>(i) Financial Assets</b>	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	4.05%	270,602	–	270,602	–	270,602	270,602	–	–
Restricted cash and cash equivalents	4.05%	18,981	–	18,981	–	18,981	18,981	–	–
<b>Other financial assets</b>	–	–	–	–	–	–	–	–	–
• other assets	–	2,011	–	–	2,011	5,751	5,751	–	–
<b>Receivables</b>	–	–	–	–	–	–	–	–	–
• Keystart preference shares	4.63%	2,505,000	–	2,505,000	–	2,847,341	679,546	1,781,588	386,207
• general debtors	–	23,944	–	–	23,944	23,944	23,944	–	–
• rental and lease bonds	–	15,173	–	–	15,173	15,173	15,173	–	–
• rent from tenants and other rents	–	43,886	–	–	43,886	43,886	43,886	–	–
• loans to commercial organisations	–	7,783	–	–	7,783	7,783	7,783	–	–
• dividends receivable	–	34,916	–	–	34,916	34,916	34,916	–	–

Housing Authority 2024	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure Fixed interest rate \$'000	Interest rate exposure Variable interest rate \$'000	Interest rate exposure Non-interest bearing \$'000	Nominal amount \$'000	Contractual Maturity dates Within 1 year \$'000	Contractual Maturity dates 1–5 years \$'000	Contractual Maturity dates Greater than 5 years \$'000
• finance lease receivable	4.79%	150,205	150,205	–	–	158,571	90,878	65,869	1,824
• joint operations receivable	–	383	–	–	383	1,596	1,596	–	–
• other debtors	–	4,965	–	–	4,965	4,965	4,965	–	–
Other current assets	4.17%	18,370	–	18,370	–	18,370	18,370	–	–
<b>Total financial assets</b>	<b>–</b>	<b>3,096,219</b>	<b>150,205</b>	<b>2,812,953</b>	<b>133,061</b>	<b>3,451,879</b>	<b>1,216,391</b>	<b>1,847,457</b>	<b>388,031</b>
<b>(ii) Financial Liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Borrowings</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
• WATC	3.61%	2,606,313	66,724	2,539,588	–	2,888,471	19,583	2,467,852	401,036
• Commercial loan	6.80%	62,344	–	62,344	–	83,435	4,232	79,203	–
• Commonwealth advances	4.31%	255,518	255,518	–	–	344,911	29,356	114,300	201,255
<b>Payables</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
• general	–	109,910	–	–	109,910	109,910	109,910	–	–
• rental deposits and tenant bonds **	–	2	–	–	2	2	2	–	–



Housing Authority 2024	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure Fixed interest rate \$'000	Interest rate exposure Variable interest rate \$'000	Interest rate exposure Non-interest bearing \$'000	Nominal amount \$'000	Contractual Maturity dates Within 1 year \$'000	Contractual Maturity dates 1–5 years \$'000	Contractual Maturity dates Greater than 5 years \$'000
Finance lease liabilities	4.83%	155,455	155,455	–	–	164,130	93,210	69,026	1,894
Other current liabilities	–	1,275	–	–	1,275	1,275	1,275	–	–
<b>Total financial liabilities</b>	<b>–</b>	<b>3,190,817</b>	<b>477,697</b>	<b>2,601,932</b>	<b>111,187</b>	<b>3,592,134</b>	<b>257,568</b>	<b>2,730,381</b>	<b>604,185</b>

**Table 81: Interest rate exposure and maturity analysis of financial assets and financial liabilities – Housing Authority 2023**

Housing Authority 2023	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure Fixed interest rate \$'000	Interest rate exposure Variable interest rate \$'000	Interest rate exposure Non-interest bearing \$'000	Nominal amount \$'000	Contractual Maturity dates Within 1 year \$'000	Contractual Maturity dates 1–5 years \$'000	Contractual Maturity dates Greater than 5 years \$'000
<b>(i) Financial Assets</b>	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	2.72%	151,173	–	151,173	–	151,173	151,173	–	–
Restricted cash and cash equivalents	2.72%	19,945	–	19,945	–	19,945	19,945	–	–
<b>Other financial assets</b>	–	–	–	–	–	–	–	–	–
• other assets	–	2,262	–	–	2,262	5,751	5,751	–	–
<b>Receivables</b>	–	–	–	–	–	–	–	–	–
• Keystart preference shares	3.95%	3,025,000	–	3,025,000	–	3,404,148	808,646	2,397,894	197,608
• general debtors	–	36,421	–	–	36,421	36,421	36,421	–	–
• rental and lease bonds	–	13,378	–	–	13,378	13,378	13,378	–	–
• rent from tenants and other rents	–	32,987	–	–	32,987	32,987	32,987	–	–

Housing Authority 2023	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure Fixed interest rate \$'000	Interest rate exposure Variable interest rate \$'000	Interest rate exposure Non-interest bearing \$'000	Nominal amount \$'000	Contractual Maturity dates Within 1 year \$'000	Contractual Maturity dates 1–5 years \$'000	Contractual Maturity dates Greater than 5 years \$'000
• loans to commercial organisations	–	8,608	–	–	8,608	8,006	8,006	–	–
• dividends receivable	–	81,403	–	–	81,403	81,403	81,403	–	–
• finance lease receivable	3.74%	110,827	110,827	–	–	115,725	71,291	41,489	2,945
• joint operations receivable	–	761	–	–	761	1,596	1,596	–	–
• other debtors	–	49	–	–	49	49	49	–	–
Other current assets	3.88%	19,819	–	19,819	–	19,819	19,819	–	–
<b>Total financial assets</b>	<b>–</b>	<b>3,502,633</b>	<b>110,827</b>	<b>3,215,937</b>	<b>175,869</b>	<b>3,890,401</b>	<b>1,250,465</b>	<b>2,439,383</b>	<b>200,553</b>
<b>(ii) Financial Liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Borrowings</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
• WATC	3.38%	3,231,204	152,445	3,078,759	–	3,523,899	107,707	3,198,918	217,274

Housing Authority 2023	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure Fixed interest rate \$'000	Interest rate exposure Variable interest rate \$'000	Interest rate exposure Non-interest bearing \$'000	Nominal amount \$'000	Contractual Maturity dates Within 1 year \$'000	Contractual Maturity dates 1–5 years \$'000	Contractual Maturity dates Greater than 5 years \$'000
• Commercial loan	6.70%	62,287	–	62,287	–	87,325	4,173	16,692	66,460
• Commonwealth advances	4.63%	273,460	273,460	–	–	375,120	30,209	116,762	228,149
<b>Payables</b>	–	–	–	–	–	–	–	–	–
• General	–	72,591	–	–	72,591	72,591	72,591	–	–
• Rental deposits and tenant bonds **	–	3	–	–	3	3	3	–	–
Finance lease liabilities	3.77%	113,644	113,644	–	–	118,735	72,691	43,090	2,954
Other current liabilities	–	2,377	–	–	2,377	2,377	2,377	–	–
<b>Total financial liabilities</b>	–	<b>3,755,566</b>	<b>539,549</b>	<b>3,141,046</b>	<b>74,971</b>	<b>4,180,050</b>	<b>289,751</b>	<b>3,375,462</b>	<b>514,837</b>

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

**(e) Interest rate sensitivity analysis**

The following table represents a summary of the interest rate sensitivity of the Consolidated Entity's financial assets and liabilities at the end of the reporting period on the profit for the period and equity for a 1 per cent change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period. The Consolidated Entity's exposure to market interest rates relates primarily to the Consolidated Entity's long term debt obligations.

**Table 82: Interest rate sensitivity analysis – Consolidated**

<b>Consolidated</b>	<b>Carrying amount \$'000</b>	<b>Interest rate risk Profit -1% \$'000</b>	<b>Interest rate risk Equity -1% \$'000</b>	<b>Interest rate risk Profit 1% \$'000</b>	<b>Interest rate risk Equity 1% \$'000</b>
<b>Financial Assets 2024</b>	–	–	–	–	–
Cash and cash equivalents	722,028	(7,220)	(7,220)	7,220	7,220
Restricted cash and cash equivalents	18,981	(190)	(190)	190	190
Deposits at call	321,578	(3,216)	(3,216)	3,216	3,216
Loans to homebuyers	2,070,854	(20,709)	(20,709)	20,709	20,709
<b>Financial Liabilities 2024</b>	–	–	–	–	–

<b>Consolidated</b>	<b>Carrying amount \$'000</b>	<b>Interest rate risk Profit –1% \$'000</b>	<b>Interest rate risk Equity –1% \$'000</b>	<b>Interest rate risk Profit 1% \$'000</b>	<b>Interest rate risk Equity 1% \$'000</b>
<b>Borrowings</b>	–	–	–	–	–
WATC floating	2,539,589	25,396	25,396	(25,396)	(25,396)
WATC fixed *	66,724	–	–	–	–
Commercial loan	62,344	623	623	(623)	(623)
Commonwealth advances *	255,518	–	–	–	–
<b>Total Increase/(Decrease)</b>	–	<b>(5,316)</b>	<b>(5,316)</b>	<b>5,316</b>	<b>5,316</b>
<b>Financial Assets 2023</b>	–	–	–	–	–
Cash and cash equivalents	577,956	(5,780)	(5,780)	5,780	5,780
Restricted cash and cash equivalents	19,945	(199)	(199)	199	199
Deposits at call	250,451	(2,505)	(2,505)	2,505	2,505
Loans to homebuyers	2,735,323	(27,353)	(27,353)	27,353	27,353
<b>Financial Liabilities 2023</b>	–	–	–	–	–

<b>Consolidated</b>	<b>Carrying amount \$'000</b>	<b>Interest rate risk Profit –1% \$'000</b>	<b>Interest rate risk Equity –1% \$'000</b>	<b>Interest rate risk Profit 1% \$'000</b>	<b>Interest rate risk Equity 1% \$'000</b>
<b>Borrowings</b>	–	–	–	–	–
WATC floating	3,078,759	30,788	30,788	(30,788)	(30,788)
WATC fixed *	152,445	–	–	–	–
Commercial loan	62,287	623	623	(623)	(623)
Commonwealth advances *	273,460	–	–	–	–
<b>Total Increase/(Decrease)</b>	–	<b>(4,426)</b>	<b>(4,426)</b>	<b>4,426</b>	<b>4,426</b>

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

The following table represents a summary of the interest rate sensitivity of the Parent Entity's financial assets and liabilities at the end of the reporting period on the profit for the period and equity for a 1 per cent change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period. The Parent Entity's exposure to market interest rates relates primarily to the Parent Entity's long term debt obligations.

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

Housing Authority	Carrying amount \$'000	Interest rate risk Profit –1% \$'000	Interest rate risk Equity –1% \$'000	Interest rate risk Profit 1% \$'000	Interest rate risk Equity 1% \$'000
<b>Financial Assets 2024</b>	–	–	–	–	–
Cash and cash equivalents	270,602	(2,706)	(2,706)	2,706	2,706
Restricted cash and cash equivalents	18,981	(190)	(190)	190	190
Keystart preference shares	2,505,000	(25,050)	(25,050)	25,050	25,050
Loans to commercial organisations	7,783	(78)	(78)	78	78
<b>Financial Liabilities 2024</b>	–	–	–	–	–
<b>Borrowings</b>	–	–	–	–	–
WATC floating	2,539,589	25,396	25,396	(25,396)	(25,396)



Housing Authority	Carrying amount \$'000	Interest rate risk Profit -1% \$'000	Interest rate risk Equity -1% \$'000	Interest rate risk Profit 1% \$'000	Interest rate risk Equity 1% \$'000
WATC fixed *	66,724	–	–	–	–
Commercial loan	62,344	623	623	(623)	(623)
Commonwealth advances *	255,518	–	–	–	–
<b>Total Increase/(Decrease)</b>	<b>–</b>	<b>(2,005)</b>	<b>(2,005)</b>	<b>2,005</b>	<b>2,005</b>
<b>Financial Assets 2023</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cash and cash equivalents	151,173	(1,512)	(1,512)	1,512	1,512
Restricted cash and cash equivalents	19,945	(199)	(199)	199	199
Keystart preference shares	3,025,000	(30,250)	(30,250)	30,250	30,250
Loans to commercial organisations	8,608	(86)	(86)	86	86
<b>Financial Liabilities 2023</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Borrowings</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

<b>Housing Authority</b>	<b>Carrying amount \$'000</b>	<b>Interest rate risk Profit -1% \$'000</b>	<b>Interest rate risk Equity -1% \$'000</b>	<b>Interest rate risk Profit 1% \$'000</b>	<b>Interest rate risk Equity 1% \$'000</b>
WATC floating	3,078,759	30,788	30,788	(30,788)	(30,788)
WATC fixed *	152,445	–	–	–	–
Commercial loan	62,287	623	623	(623)	(623)
Commonwealth advances *	273,460	–	–	–	–
<b>Total Increase/ (Decrease)</b>	<b>–</b>	<b>(636)</b>	<b>(636)</b>	<b>636</b>	<b>636</b>

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

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

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

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

### **8.2.1. Contingent assets**

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

#### **Litigation in progress**

There is one legal case pending for which the outcome is not certain in 2023-24. It is estimated that \$6 million may be receivable as compensation to the Housing Authority at some future point in time. For 2022-23 the State Solicitor's Office had estimated that no amount would have been receivable as compensation to the Housing Authority at some future point in time.

### **8.2.2. Contingent liabilities**

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

#### **Litigation in progress**

There are currently a number of legal cases pending for which the outcomes are not certain. The State Solicitor's Office and the Housing Authority legal team have estimated that a total amount of \$2.055 million (2023: \$18.411 million) may be payable as compensation to claimants at some future point in time. Whilst this is acknowledged as a contingent liability of the Housing Authority, it has yet to be determined whether the Housing Authority will ultimately be responsible for funding the actual amounts paid as compensation, if any.

## **Other contingent liabilities**

### *Shared equity costs on Required Additional Repayment (RAR) contracts*

A potential underpayment or non-payment of the Housing Authority's contribution of shared equity costs has been identified.

Required Additional Repayment (RAR) contracts are contracts issued by Keystart in the late 1990s and early 2000s. These are substantially like other Keystart lending contracts, with a key difference regarding payment of costs in relation to council rates and Water Corporation expenses. Keystart has identified an issue in how these RAR contracts have been managed on shared equity accounts, where the responsibility for council rates and Water Corporation expenses is shared between the co-owner (the Keystart customer) and Housing Authority. This issue has been notified to ASIC in July 2022. The issues under consideration and the remediation are:

- Whether the customers are owed a contribution from the Housing Authority towards shire, water and other outgoings for the property (pursuant to the rights and obligations between those parties as co-owners' of the property); and
- Whether Keystart has operated the RAR facility on the loan correctly and, if not, whether the customers have suffered loss as a result, referred to as 'impact to loan' remediation.

The Housing Authority now accepts that it has likely breached the terms of the co-ownership deeds in question and is likely to be liable to compensate co-owners to the extent of the rates and charges overpaid by those co-owners.

While significant efforts have been made during this financial year to ascertain the extent of this liability, the amount of remediation is not presently quantifiable as further investigation and analysis is being undertaken.

### *Proceedings filed in the Federal Court*

Recently Slater and Gordon, filed proceedings in the Federal Court for a class action against the Housing Authority (first respondent) and State of Western Australia (second respondent) on 19 August 2024. The first case management hearing is scheduled for 11 September 2024.

The Statement of Claim concerns an aboriginal housing tenant that asserts the Authority has failed to comply with the Residential Tenancies Act 1987 (WA) (the RTA), various local laws of the Shire of Derby-West Kimberley and the Australian Consumer Law (the ACL). The plaintiff seeks orders for the Authority to comply with relevant legislation, and seeks damages, restitution and legal costs. The plaintiff seeks these orders on behalf of group members consisting of Aboriginal people resident outside the South West of WA who entered into a residential

tenancy agreement with the Housing Authority or the State and who suffered loss or damage by reason of the alleged failure to comply with the law. The Statement of Claim estimates there to be 3000 tenancies falling within this scope. It is very difficult to quantify any liability at this stage. There are 3000 tenancies, however the exposure per property is unknown.

### **Contaminated sites**

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

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

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

### 8.3. Fair value measurements

**Table 84: Assets measured at fair value**

Assets measured at fair value	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value at end of period \$'000
<b>2024</b>	–	–	–	–
Non-current assets classified as held for sale	–	6,242	–	6,242
Land <sup>a</sup>	–	7,955,530	18,977	7,974,507
Buildings and improvements	–	6,860,654	65,142	6,925,796
<b>Total</b>	<b>–</b>	<b>14,822,426</b>	<b>84,119</b>	<b>14,906,545</b>
<b>2023</b>	–	–	–	–
Non-current assets classified as held for sale	–	6,272	–	6,272
Land (a)	–	7,486,788	18,947	7,505,735
Buildings and improvements	–	6,537,654	33,468	6,571,122
<b>Total</b>	<b>–</b>	<b>14,030,714</b>	<b>52,415</b>	<b>14,083,129</b>

(a) The land values include inventory land assets held at lower of cost and net realisable value. Net value has been approximated based on the fair value (being market value from Landgate).

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

### **Valuation techniques to derive Level 2 fair values**

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

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

### **Valuation processes**

There were no changes in valuation techniques during the period.

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

## 9. Other Disclosures

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

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



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

### **9.1.1. Goldmaster Enterprises Pty Ltd.**

Goldmaster Enterprises Pty Ltd has finalised the sale of the remaining vacant land to the Housing Authority for \$8,932,000 inclusive of GST. The sale of this vacant land was finalised on 2 August 2024 and the proceeds from the sale were applied for the full repayment of the loan from Housing Authority. A voluntary deregistration process of Goldmaster Enterprises Pty Ltd has now commenced and is expected to be concluded during 2024-25.

### **9.1.2. Keystart Housing Scheme**

The Housing Authority is the instigator of the Keystart Housing Scheme and has effective control over the whole structure either directly or indirectly through various agreements which constitute the structure and to which it is a party. In September 2024, the Western Australian (WA) Government announced Legislation was being introduced into Parliament to establish Keystart as a Government Trading Enterprise (GTE). The legislation will result in Keystart operating through the same structure and governance as other Government Trading Enterprise. The legislation is part of the WA Governments ongoing reforms to increase housing supply and affordability across the State. The change is expected to provide Keystart with flexible functions and powers to offer financial assistance for housing as market conditions change. Keystart is expected to transition to a GTE on 1 July 2025.

There were no other events occurring after the end of the reporting period except for the possible financial liability relating to a complaint brought against the Housing Authority. Refer to Note 8.2.2.

## 9.2 Prior period restatements

During the financial year, Housing Authority (HA) went through a change in its enterprise resource planning (ERP), with changes to the chart of accounts actioned in conjunction with the go-live of the new ERP at 1 October 2023. This has resulted in the reclassification of certain items within the entity's prior year financial statements.

This reclassification has resulted in a reallocation of amounts solely between the categories within the statement of comprehensive income and the statement of financial position. Importantly, this reclassification does not affect the profit and loss or overall financial outcomes disclosed in the prior year. The purpose of these restatements is to enhance the consistency and comparability of financial information across reporting periods, aligning the prior year disclosures with the current year format and facilitating a more coherent understanding of the financial data.

This process is in compliance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (AASB 108), which differentiates between adjustments arising from errors and those from changes in presentation. In this case, the reclassification represents neither an error nor a misstatement but rather is reflective of a change in presentation format in accordance with AASB 101 Presentation of Financial Statements (AASB 101). AASB 108 and AASB 101 allow for such a reclassification when there is no alteration in accounting policy and if the change provides a more appropriate presentation of events or transactions in the financial statements. Following the requirements of AASB 101, HA has accordingly restated the comparative information.

As a result of this exercise, there have been reallocations across the different categories within HA's FY23 financial statements as follows:

**Table 85: Consolidated Statement of Comprehensive Income (Extract)**

Consolidated Statement of Comprehensive Income (Extract)	Notes	2023 (Previously stated) \$'000	Adjustments \$'000	2023 Restated \$'000
<b>Expenses</b>	–	–	–	–
Rental expenses	4.1	398,798	(1,086)	397,712
Community support expense	4.1	151,903	1,507	153,410
Supplies and services	4.1	281,973	3,355	285,328
Accommodation expenses	4.1	9,255	(227)	9,028
Other expenses	4.1	48,670	(422)	48,248
Other items	–	350,554	–	350,554
<b>Total expenses</b>	–	<b>1,241,153</b>	<b>3,127</b>	<b>1,244,280</b>
<b>Income from State Government</b>	–	–	–	–
Income from other public sector entities	3.6	107,075	3,127	110,202
Other items	–	225,850	–	225,850
<b>Total income from State Government</b>	–	<b>332,925</b>	<b>3,127</b>	<b>336,052</b>
<b>Surplus/(deficit) for the period</b>	–	<b>(176,587)</b>	–	<b>(176,587)</b>
<b>Total comprehensive income for the period</b>	–	<b>1,143,639</b>	–	<b>1,143,639</b>

**Table 86: Consolidated Statement of Financial Position (Extract)**

Consolidated Statement of Financial Position (Extract)	2023 (Previously stated) \$'000	Adjustments \$'000	2023 Restated \$'000
<b>Current assets</b>	1,929,181	–	1,929,181
<b>Non-current assets</b>	17,102,050	–	17,102,050
Total assets	19,031,231	–	19,031,231
<b>Current liabilities</b>			
Payables	81,389	(145)	81,244
Other current liabilities	23,254	145	23,399
Other items	211,636	–	211,636
<b>Total current liabilities</b>	<b>316,279</b>	<b>–</b>	<b>316,279</b>
<b>Non-current liabilities</b>	<b>3,685,207</b>	<b>–</b>	<b>–</b>
<b>Total liabilities</b>	<b>4,001,486</b>	<b>–</b>	<b>4,001,486</b>
<b>Net assets</b>	<b>15,029,745</b>	<b>–</b>	<b>15,029,745</b>
<b>Total equity</b>	<b>15,029,745</b>	<b>–</b>	<b>15,029,745</b>

**Table 87: Housing Authority Statement of Comprehensive Income (Extract)**

Housing Authority Statement of Comprehensive Income (Extract)	Notes	2023 (Previously stated) \$'000	Adjustments \$'000	2023 Restated \$'000
<b>Expenses</b>	–	–	–	–
Rental expenses	4.1	398,798	(1,086)	397,712
Community support expense	4.1	151,903	1,500	153,403
Supplies and services	4.1	274,000	3,354	277,354
Accommodation expenses	4.1	8,968	(227)	8,741
Other expenses	4.1	36,434	(414)	36,020
Other items	–	345,707	–	345,707
<b>Total expenses</b>	–	<b>1,215,810</b>	<b>3,127</b>	<b>1,218,937</b>
<b>Income from State Government</b>	–	–	–	–
Income from other public sector entities	3.6	326,501	3,127	329,628
Other items	–	225,850	–	225,850
<b>Total income from State Government</b>	–	<b>552,351</b>	<b>3,127</b>	<b>555,478</b>
<b>Surplus/(deficit) for the period</b>	–	<b>(177,074)</b>	–	<b>(177,074)</b>
<b>Total comprehensive income for the period</b>	–	<b>1,143,152</b>	–	<b>1,143,152</b>

**Table 88: Housing Authority of Financial Position (Extract)**

Housing Authority Statement of Financial Position (Extract)	2023 (Previously stated) \$'000	Adjustments \$'000	2023 Restated \$'000
<b>Current assets</b>	589,082	–	589,082
<b>Non-current assets</b>	18,146,038	–	18,146,038
Total assets	18,735,120	–	18,735,120
<b>Current liabilities</b>			
Payables	72,350	(145)	72,205
Other current liabilities	23,254	145	23,399
Other items	205,103	–	205,103
<b>Total current liabilities</b>	<b>300,707</b>	–	<b>300,707</b>
<b>Non-current liabilities</b>	<b>3,685,207</b>	–	–
<b>Total liabilities</b>	<b>3,985,914</b>	–	<b>3,985,914</b>
<b>Net assets</b>	<b>14,749,206</b>	–	<b>14,749,206</b>
<b>Total equity</b>	<b>14,749,206</b>	–	<b>14,749,206</b>

### 9.3. Future impact of Australian Accounting Standards not yet operative

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

	<b>Operative for reporting period beginning on/after 1 Jan 2024</b>	<b>Operative for reporting periods beginning on/after</b>
AASB 2020-1	<p><i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i></p> <p>This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.</p> <p>There is no financial impact.</p>	<b>1 Jan 2024</b>
AASB 2022-5	<p><i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i></p> <p>This Standard amends AASB 16 to add measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 to be accounted for as a sale.</p> <p>There is no financial impact.</p>	<b>1 Jan 2024</b>
AASB 2022-6	<p><i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i></p> <p>This Standard amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.</p> <p>The Standard also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.</p> <p>There is no financial impact.</p>	<b>1 Jan 2024</b>
AASB 2022-10	<p><i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.</i></p> <p>This Standard amends AASB 13 including adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.</p>	<b>1 Jan 2024</b>

The Housing Authority has not assessed the impact of the Standard.

*AASB 2023-1*

*Amendments to Australian Accounting Standards – Supplier Finance Arrangements*

This Standard amends: (a) AASB 107; and (b) AASB 7 as a consequence of the issuance of International Financial Reporting Standard Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) by the International Accounting Standards Board in May 2023.

**1 Jan 2024**

There is no financial impact.

**Operative for reporting periods beginning on/after 1 Jan 2025**

*AASB 2014-10*

*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

This Standard amends AASB 10 and AASB 128 to address an inconsistency between the two standards.

**1 Jan 2025**

The Housing Authority has not assessed the impact of the Standard.

*AASB 2021-7C*

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

This Standard further defers (to 1 January 2025) the amendments to AASB 10 and AASB 128 relating to the sale or contribution of assets between an investor and its associate or joint venture.

**1 Jan 2025**

The standard also includes editorial corrections.

The Housing Authority has not assessed the impact of the Standard..

*AASB 2023-5*

*Amendments to Australia Accounting Standards – Lack of Exchangeability*

This Standard amends AASB 121 and AASB 1 to require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable.

**1 Jan 2025**

The Standard also amends AASB 121 to extend the exemption from complying with the disclosure requirements for entities that apply AASB 1060 to ensure Tier 2 entities are not required to comply with the new disclosure requirements in AASB 121 when preparing their Tier 2 financial statements.

The Housing Authority has not assessed the impact of the Standard.

**Operative for reporting periods on/after 1 Jan 2026**

*AASB 2022-9*

*Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*

**1 Jan 2026**



This Standard amends AASB 17 and AASB 1050 to include modifications with respect to the application of AASB 17 by public sector entities.

This Standard also amends the following Standards to remove the temporary consequential amendments set out in AASB 2022-8 since AASB 4 and AASB 1023 do not apply to public sector entities for periods beginning on or after 1 July 2026: (a) AASB 1; (b) AASB 3; (c) AASB 5; (d) AASB 7; (e) AASB 9; (f) AASB 15; (g) AASB 119; (h) AASB 132; (i) AASB 136; (j) AASB 137; (k) AASB 138; (l) AASB 1057; and (m) AASB 1058

The Housing Authority has not assessed the impact of the Standard.

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

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

Compensation payments for key management personnel of the Housing Authority are made by the Department of Communities (as they perform services across the Department of Communities, Disability Services Commission and/or Housing Authority) and included in the Department of Communities Annual Report. The Department of Communities recovers these costs through the Service Delivery Agreement expenses as disclosed in note 4.1.

#### **9.5. Related party transactions**

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

Related parties of the Authority include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- the Government Employees Superannuation Board (GESB);
- subsidiaries including Keystart and Goldmaster; and
- all joint venture parties, for details refer to Note 5.1.

### **Significant transactions with Government-related entities**

The In conducting its activities, the Agency is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Significant transactions include:

- service appropriation (Note 3.6);
- capital appropriation (Note 9.9);
- remuneration for services provided by the Auditor General (Note 9.7);
- Service delivery agreement income received from and expenses paid to the Department of Communities (Note 3.6 and Note 4.1);
- Lease rentals payments to the Department of Finance (Note 4.1) and related outstanding balances (Note 6.5);
- Insurance payments to the Insurance Commission of Western Australia and Risk Cover (Note 4.1);
- Receipt and repayment of borrowings to WATC (Note 7.1); and
- Interest expenses payable to WATC (Note 7.3).

### **Material transactions with other related parties**

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

### **Material transactions with subsidiaries**

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

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

Significant transactions include:

- Interest revenue (Note 3.6)
- Dividends (Note 3.6)
- Preferential shares (Note 6.1)
- Other current assets (Note 6.3)

**Goldmaster**, a fully owned subsidiary entity is financed by the Housing Authority. The Housing Authority has provided three loans to Goldmaster for the development of property in Cockburn. Two loans have been fully repaid (in 2015 and 2021). The third loan was repaid in August 2024 (subsequent to year end).

Significant transactions include:

- Loans and receivables (Note 6.1)
- Other financial assets (Note 6.4)

## 9.6. Administered transactions – Remote Indigenous Housing

**Table 89: Administered transactions – Remote Indigenous Housing**

Housing Authority	2024 \$'000	2023 \$'000
Balance at start of the period	1,754	6,227
<b>Receipts</b>	–	–
Transfer of internal funds	24,921	18,600
Other receipts	10,091	11,887
Payments	(32,943)	(34,960)
<b>Balance at end of period</b>	<b>3,823</b>	<b>1,754</b>

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

## 9.7. Remuneration of auditors

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

**Table 90: Remuneration of auditors**

Remuneration of auditors	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Auditing the accounts, controls, financial statements and key performance indicators	1,014	885	793	620
<b>Total</b>	<b>1,014</b>	<b>885</b>	<b>793</b>	<b>620</b>

## 9.8. Act of Grace payments

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

## 9.9. Equity

### Contributed equity

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

**Table 91: Contributed equity**

Contributed equity	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority 2023 \$'000
Balance at start of period	2,807,825	2,359,755	2,727,555	2,279,485
<b>Contributions by owners</b>	–	–	–	–
Capital contributions	307,845	251,649	307,845	251,649
<b>Other contributions by owner</b>	–	–	–	–
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	–	3,498	–	3,498
Social Housing Investment Fund	250,355	251,123	250,355	251,123
Digital Capability Fund	1,780	900	1,780	900
Remote Communities Fund	–	50	–	50
Mandurah Common Ground	–	700	–	700

<b>Contributed equity</b>	<b>Consolidated 2024 \$'000</b>	<b>Consolidated 2023 \$'000</b>	<b>Housing Authority 2024 \$'000</b>	<b>Housing Authority 2023 \$'000</b>
Mental Health Commission	–	5,200	–	5,200
Development WA	354	–	354	–
<b>Total contributions by owners</b>	<b>560,334</b>	<b>513,120</b>	<b>560,334</b>	<b>513,120</b>
<b>Transfer of net assets to other agencies</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	–	(1,008)	–	(1,008)
Mental Health Commission	(3,159)	–	(3,159)	–
Western Australian Police Force (WAPOL)	–	(28,960)	–	(28,960)
Department of Communities	(705)	(1,232)	(705)	(1,232)
Development WA	(2,650)	(28)	(2,650)	(28)
<i>Net assets transferred to Government</i>	–	–	–	–
Other transfers to the Consolidated Account	–	(33,822)	–	(33,822)
<b>Total distributions to owners</b>	<b>(6,514)</b>	<b>(65,050)</b>	<b>(6,514)</b>	<b>(65,050)</b>
<b>Balance at end of period</b>	<b>3,361,645</b>	<b>2,807,825</b>	<b>3,281,375</b>	<b>2,727,555</b>

**Table 92: Reserves**

Reserves	Notes	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
<b>(i) Asset revaluation reserve</b>	–	–	–	–	–
Balance brought forward from prior period	–	8,523,111	7,242,835	8,523,111	7,242,835
Transferred to retained earnings	–	(28,924)	(39,950)	(28,924)	(39,950)
Land inventory prior year eliminations	–	–	–	–	–
Revaluations during the period	–	1,173,405	1,320,226	1,173,405	1,320,226
<b>Closing balance</b>	–	<b>9,667,592</b>	<b>8,523,111</b>	<b>9,667,592</b>	<b>8,523,111</b>
<b>(ii) Interest Assistance Lowstart reserve</b>	–	–	–	–	–
Balance brought forward from prior year	–	–	–	–	–
Transfer to retained profits	–	–	–	–	–
<b>Closing balance</b>	–	–	–	–	–
<b>Total reserves</b>	–	<b>9,667,592</b>	<b>8,523,111</b>	<b>9,667,592</b>	<b>8,523,111</b>

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



## Retained earnings

**Table 93: Retained earnings**

Retained earnings	Notes	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2024 \$'000
Balance brought forward from prior period	–	3,698,809	3,835,195	3,498,540	3,635,664
Transfer from asset revaluation reserve upon disposal	–	28,923	39,950	28,923	39,950
Transfer from asset revaluation reserve during the year	–	–	–	–	–
Transfer from Interest Assistance Lowstart reserve	–	–	–	–	–
Net profit/(loss) for the year	–	(141,448)	(176,336)	(140,424)	(177,074)
<b>Total retained earnings</b>	<b>–</b>	<b>3,586,284</b>	<b>3,698,809</b>	<b>3,387,039</b>	<b>3,498,540</b>

As part of Machinery of Government changes, Development WA (DevWA) has become the primary agency through which the Western Australian government conducts its commercial land and buildings developments. Over the last couple of years, the Housing Authority has been transferring its ownership interests in its commercial developments to DevWA. In 2023-24 the Housing Authority continued with the Machinery of Government changes by transferring its ownership interests in various Bentley Land Assets (Bentley Redevelopment Project).

The land assets which had a carrying amount of \$53.9 million were transferred to Development WA at an agreed transfer value of \$2.65 million in accordance with the agreement between both parties. This crystallised a loss on transfer of \$51.3 million, refer to note 4.3. The asset movement was effected through a non-reciprocal transfer of equity between the Housing Authority and Development WA for which the Housing Authority secured an exemption to the Treasurer's Instruction 955 Contributions by owners made to wholly-owned public sector entities enabling the assets to not be transferred at fair value.

## 9.10. Equity attributable to non-controlling interest

**Table 94: Equity attributable to non-controlling interest**

Equity attributable to non-controlling interest – Goldmaster	Consolidated 2024 \$'000	Consolidated Restated 2023 \$'000	Housing Authority 2024 \$'000	Housing Authority Restated 2023 \$'000
Opening equity for non-controlling interest	–	532	–	–
Non-controlling loss ending 30 June	–	(251)	–	–
Movement in equity attributable to contributed equity	–	–	–	–
Other changes to non-controlling interest	–	(281)	–	–
<b>Total non-controlling interest</b>	–	–	–	–

In June 2023, the Housing Authority acquired an additional 12.82% interest in Goldmaster, increasing its ownership from 87.18% to 100%. The carrying amount of Goldmaster's net assets in the Housing Authority's consolidated financial statements on the date of acquisition of this additional interest was \$2.196 million. Following completion of this transaction, the Housing Authority intends to commence voluntary liquidation of Goldmaster within the next financial year.

**Table 95: Equity attributable to non-controlling interest**

Equity attributable to non-controlling interest	Consolidated 2024 \$'000	Consolidated 2023 \$'000
Carrying amount of NCI acquired (\$2,196 x 12.82%)	–	281
Consideration paid to NCI	–	601
Decrease in Equity attributable to owners	–	(320)

The increase in equity attributable to owners of the Authority is an increase in retained earnings.

### 9.11. Supplementary financial information

#### (a) Write offs

Bad Debts written off by the Accountable Authority in the year ended 30 June 2024 totalled \$5.856 million (2023: \$7.388 million)

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

Cashier shortages incurred for the year ended 30 June 2024 was \$nil. (2023: \$nil).

Reportable thefts in the year ended 30 June 2024 was \$nil (there was no reportable thefts in the year ended June 2023).

Amounts recovered during the year ended 30 June 2024 was \$nil (2023: \$nil).

#### (c) Gifts of public property

In the year ended 30 June 2024 the Housing Authority made no gifts of public property (2023: \$nil).

## **9.12. Transfer of Power and Water Responsibilities to Horizon Power and Water Corporation**

- Up to 31 March 2023 the Housing Authority was the primary delivery agency for essential services (power, water and wastewater) to 141 remote and town based aboriginal communities. The services, provided under the Remote Essential and Municipal Services (REMS) program, were neither licensed nor regulated.
- The REMS objective for essential services is to provide and maintain assets and infrastructure needed to supply reliable power, safe drinking water and effective wastewater services.
- In April 2023 the State Government announced the transfer of remote power, water and wastewater services from the Housing Authority to Horizon Power and Water Corporation (utilities) commencing from 1 April 2023.
- The transfer was to ensure that, over time, Aboriginal communities will receive the same standard of power and water services as similar sized communities in their region.
- From 1 July 2023, the utilities have full responsibility for power, water and wastewater services in 141 remote aboriginal communities.
- With the transfer, the utilities are responsible for policies and decisions about power and water services to those outstations and settlements.

## 10. Explanatory statements

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

### Notes

Explanatory statements for controlled operations

10.1

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

All variances between annual estimates (original budget) and actual results for 2024, and between the actual results for 2024 and 2023 are shown below. Narratives are provided for key major variances, which vary more than 10% of the comparative and which are also more than 1% of the following (as appropriate):

1) Estimate and actual results for the current year:

- Total Cost of Services of the annual estimates for the Statement of comprehensive income and Statement of cash flows (i.e., 1% of \$1,368,650,000), and
- Total Assets of the annual estimates for the Statement of financial position (i.e., 1% of \$17,499,408,000).

2) Actual results between the current year and the previous year:

- Total Cost of Services of the previous year for the Statements of comprehensive income and Statement of cash flows (i.e., 1% of \$1,218,937,000)
- Total Assets of the previous year for the Statement of financial position (i.e., 1% of \$18,735,120,000).

## 10.1. Explanatory statement for controlled operations

### 10.1.1. Statement of comprehensive income variances

**Table 96: Statement of comprehensive income variances – Housing Authority**

Statement of comprehensive income	Variance Notes	Estimate 2024 \$'000	Actual 2024 \$'000	Actual 2023 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2024 and 2023 \$'000
<b>Revenue and Income</b>	–	–	–	–	–	–
Sales	1	112,228	28,534	37,293	(83,694)	(8,759)
Rental revenue	a	299,775	321,120	286,532	21,345	34,588
Grants, contributions and subsidies	–	135,140	142,668	135,834	7,528	6,834
Interest revenue	–	8,381	11,508	7,531	3,127	3,977
Other revenue	–	9,194	18,379	19,195	9,185	(816)
<b>Total income</b>	–	<b>564,718</b>	<b>522,209</b>	<b>486,385</b>	<b>(42,509)</b>	<b>35,824</b>
<b>Expenses</b>	–	–	–	–	–	–
Cost of sales	2	121,382	18,263	21,237	(103,119)	(2,974)
Rental expenses	3	236,135	417,896	397,712	181,761	20,184
Community support expense	4, b	146,716	128,675	153,403	(18,041)	(24,728)
Supplies and services	5,c	383,271	307,426	277,354	(75,845)	30,072
Depreciation and amortisation expense	d	132,444	144,951	129,145	12,507	15,806
Finance costs	e	152,400	156,684	141,927	4,284	14,757

Statement of comprehensive income	Variance Notes	Estimate 2024 \$'000	Actual 2024 \$'000	Actual 2023 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2024 and 2023 \$'000
Grants and subsidies	6	86,128	54,621	49,766	(31,507)	4,855
Accommodation expenses	–	8,254	10,828	8,741	2,574	2,087
Other expenses	7	4,605	46,095	36,020	41,490	10,075
Loss on disposal of non-current assets	8, f	97,315	44,992	3,632	(52,323)	41,360
<b>Total expenses</b>	–	<b>1,368,650</b>	<b>1,330,431</b>	<b>1,218,937</b>	<b>(38,219)</b>	<b>111,494</b>
Loss before income from State Government	–	<b>(803,932)</b>	<b>(808,222)</b>	<b>(732,552)</b>	<b>(4,290)</b>	<b>(75,670)</b>
<b>Income from State Government</b>	–	–	–	–	–	–
Service appropriation	9, g	141,778	262,743	110,200	120,965	152,543
Income from other public sector entities	–	295,571	315,865	329,628	20,294	(13,763)
Royalties for Regions Fund	h	76,784	88,924	115,389	12,140	(26,465)
Services received	–	–	266	261	266	5
<b>Total income from State Government</b>	–	<b>514,133</b>	<b>667,798</b>	<b>555,478</b>	<b>153,665</b>	<b>112,320</b>
<b>Surplus/(deficit) for the period</b>	–	<b>(289,799)</b>	<b>(140,424)</b>	<b>(177,074)</b>	<b>149,375</b>	<b>36,650</b>
<b>Other comprehensive income</b>	–	–	–	–	–	–
Changes in asset revaluation surplus	–	–	1,173,405	1,320,226	1,173,405	(146,821)

Statement of comprehensive income	Variance Notes	Estimate 2024 \$'000	Actual 2024 \$'000	Actual 2023 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2024 and 2023 \$'000
<b>Total other comprehensive income</b>	–	–	1,173,405	1,320,226	1,173,405	(146,821)
<b>(Loss)/profit attributable to</b>	–	–	–	–	–	–
Consolidated equity	–	–	–	–	–	–
Non-controlling interest	–	–	–	–	–	–
<b>Total</b>	–	–	–	–	–	–
<b>Total comprehensive income attributable to</b>	–	–	–	–	–	–
Consolidated equity	–	–	–	–	–	–
Non-controlling interest	–	–	–	–	–	–
<b>Total</b>	–	–	–	–	–	–
<b>Total comprehensive income for the period</b>	–	(289,799)	1,032,981	1,143,152	1,322,780	(110,171)



## Major Estimate and Actual (2024) variance narratives

### Housing Authority

1. Sales are \$83.7 million (74.6%) lower than the Published Budget mainly due to the Government's policy response to the housing crisis, the Housing Authority repurposed its affordable housing stock towards social housing, thereby limiting sales. This strategic shift has resulted in nearly all the Housing Authority's residential construction capacity being dedicated to the delivery of approximately 5,000 social housing units by the 2027-28 financial year.
2. Cost of sales are \$103.1 million (85.0%) lower than the Published Budget due to a decrease in sales resulting from Affordable Housing stock being repurposed to social housing in line with the Government's focus on social housing delivery and in recognition of pressures in the WA housing market.
3. Rental expenses are \$181.8 million (77.0%) higher than the Published Budget mainly driven by:
  - additional maintenance activity for over 700 newly added properties in the social housing portfolio, and
  - increased expenditure due to escalating labour and material costs.
4. Community support expense is \$18.0 million (12.3%) lower than the Published Budget mainly due to:
  - an underspend in Remote Communities projects totalling \$29.0 million resulting from a delay in contracts being formed and expenditure commencing in 2023-24 in both the municipal and housing streams,
  - partially offset by an overspend in the Housing Authority's subsidy to Remote Indigenous Housing for additional maintenance totalling \$11.9 million.
5. Supplies and services are \$75.8 million (19.8%) lower than the Published Budget mainly due to expenditure associated with the Service Delivery Agreement (SDA) between the Department of Communities, who provides human resources and business and operational support services to the Housing Authority and Disability Services Commission, being lower than budgeted. Cross entity supplies and services type expenditure that in prior years would have been paid by the Housing Authority entity is now increasingly being paid from the Department of Communities entity thereby resulting in reduced supplies and services in 2023-24 compared to the original budget.

6. Grants and subsidies are \$31.5 million (36.6%) lower than the Published Budget mainly due to Social Housing Economic Recovery Package underspend because of difficulties in sourcing labour and trades.
7. Other expenses are \$41.5 million (901.0%) higher than the Published Budget mainly due to:
  - additional expenditure relating to land and properties planning and management costs totalling \$19.5 million, and
  - accounts receivable write-offs totalling \$12.7 million for expected credit loss expenses.
8. Loss on disposal of non-current assets is \$52.3 million (53.8%) lower than the Published Budget mainly due to delays in construction project completions reducing the availability of stock for sale, and repurposing of Affordable Housing stock to social housing totalling \$43.2 million.
9. Service appropriation is \$121.0 million (85.3%) higher than the Published Budget mainly due to additional appropriations received relating to:
  - maintenance funding for social housing \$87.6 million,
  - a write-down for the Affordable Housing program \$28.1 million for revenue and associated expenses given that the Housing Authority has focused on repurposing current housing stock to social housing, and
  - funding to cover the shortfall in Keystart's dividend and loan guarantee fee \$10.7 million.

## Major Actual (2024) and Comparative (2023) Variance narratives

### Housing Authority

- a) Rental revenue is \$34.6 million (12.1%) higher than 2022-23 mainly due to the social housing portfolio increasing by an additional 697 tenanted properties during the 2023-24 financial year compared to the previous year. This growth was achieved through new construction completions and capital advances for additional spot purchases. Additionally, the rent increase was realigned to increases in the Centrelink benefits and tenants' income growth.
- b) Community support expense is \$24.7 million (16.1%) lower than 2022-23 mainly due an underspend in Remote Communities projects totalling \$29.0 million resulting from a delay in contracts being formed and expenditure commencing in 2023-24 in both the municipal and housing streams.
- c) Supplies and services is \$30.1 million (10.8%) higher than 2022-23 mainly due to an increase in departmental overheads, which is allocated across the Department of Communities, the Disability Services Commission, and the Housing Authority according to the shared service delivery and cost allocation model.
- d) Depreciation and amortisation expense is \$15.8 million (12.2%) higher than 2022-23 mainly due to an increase in revaluation adjustments, and the addition of new properties in the current financial year.
- e) Finance costs are \$14.8 million (10.4%) higher than 2022-23 mainly due to a \$12 million increase in interest paid to the WA Treasury Corporation because of elevated interest rates caused by continuing inflationary pressures and ongoing geopolitical tensions.
- f) Loss on disposal of non-current assets is \$41.4 million (1138.8%) higher than 2022-23 mainly due to:
  - the loss incurred at transferring the Bentley360 Redevelopment Project to Development WA \$51.3 million,
  - partially offset by a reduced loss on disposal of rental properties totalling \$11.7 million.
- g) Service appropriation is \$152.5 million (138.4%) higher than 2022-23 mainly due to additional appropriations received related to:

- maintenance funding for social housing \$87.6 million, to cover a revenue deficit of \$39.1 million in rental sales due to Pause on Sales program, and
- a write-down for Affordable Housing program \$28.1 million for revenue and associated expenses as the department has focused on repurposing current housing stock to social housing.

h) Royalties for Regions Fund is \$26.5 million (22.9%) lower than 2022-23 mainly due to:

- the transfer of responsibility for the delivery of essential services in remote Aboriginal communities to licensed specialists Horizon Power, and the Water Corporation, resulting in a reduction in Royalties for Regions funding of \$40.4 million compared to 2022-23, and
- a reduction in the Yindjibarndi Ganalili Accommodation and Transitional Housing Program \$4.2 million,
- partially offset by an increase in funding associated with Remote Aboriginal Communities \$20.4 million.

## 10.1.2. Statement of financial position variances

**Table 97: Statement of financial position variances – Housing Authority**

Statement of financial position – Housing Authority Assets	Variance Notes	Estimate 2024 \$'000	Actual 2024 \$'000	Actual Restated 2023 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2024 and 2023 \$'000
<b>Asset – Current assets</b>	–	–	–	–	–	–
Cash and cash equivalents	–	11,363	270,602	151,173	259,239	119,429
Restricted cash and cash equivalents	–	16,870	18,981	19,945	2,111	(964)
Inventories	–	127,245	68,532	120,879	(58,713)	(52,347)
Loans and receivables	1	703,892	209,828	260,217	(494,064)	(50,389)
Other current assets	–	17,292	30,325	30,596	13,033	(271)
Non-current assets classified as held for sale	–	7,233	6,242	6,272	(991)	(30)
<b>Total current assets</b>	–	<b>883,895</b>	<b>604,510</b>	<b>589,082</b>	<b>(279,385)</b>	<b>15,428</b>
<b>Non-current assets</b>	–	–	–	–	–	–
Restricted cash and cash equivalents	–	–	–	13,000	–	(13,000)
Inventories	2	405,181	92,579	51,995	(312,602)	40,584
Loans and receivables	a	2,683,085	2,572,693	3,052,412	(110,392)	(479,719)
Other financial assets	–	5,149	2,011	2,262	(3,138)	(251)
Property, plant and equipment	3	11,522,634	14,098,270	12,822,114	2,575,636	1,276,156
Right-of-use assets	–	3,347	5,098	2,742	1,751	2,356

Statement of financial position – Housing Authority Assets	Variance Notes	Estimate 2024 \$'000	Actual 2024 \$'000	Actual Restated 2023 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2024 and 2023 \$'000
Service concession assets	4	1,996,117	2,364,430	2,201,513	368,313	162,917
<b>Total non-current assets</b>	–	<b>16,615,513</b>	<b>19,135,081</b>	<b>18,146,038</b>	<b>2,519,568</b>	<b>989,043</b>
<b>Total assets</b>	–	<b>17,499,408</b>	<b>19,739,591</b>	<b>18,735,120</b>	<b>2,240,183</b>	<b>1,004,471</b>
<b>Liabilities –Current liabilities</b>	–	–	–	–	–	–
Payables	–	45,387	109,675	72,205	64,288	37,470
Borrowings	–	70,187	48,898	134,850	(21,289)	(85,952)
Lease liabilities	–	62,672	88,016	69,761	25,344	18,255
Provisions	–	14,753	–	492	(14,753)	(492)
Other current liabilities	–	13,971	23,136	23,399	9,165	(263)
<b>Total current liabilities</b>	–	<b>206,970</b>	<b>269,725</b>	<b>300,707</b>	<b>62,755</b>	<b>(30,982)</b>
<b>Non-current liabilities</b>	–	–	–	–	–	–
Payables	–	251	237	244	(14)	(7)
Borrowings	5,b	3,491,584	2,875,277	3,432,101	(616,307)	(556,824)
Provisions	–	32,876	58,213	59,990	25,337	(1,777)
Lease liabilities	–	30,035	67,439	43,883	37,404	23,556
Other non-current liabilities	–	148,068	132,694	148,989	(15,374)	(16,295)
<b>Total non-current liabilities</b>	–	<b>3,702,814</b>	<b>3,133,860</b>	<b>3,685,207</b>	<b>(568,954)</b>	<b>(551,347)</b>
<b>Total liabilities</b>	–	<b>3,909,784</b>	<b>3,403,585</b>	<b>3,985,914</b>	<b>(506,199)</b>	<b>(582,329)</b>
<b>Net assets</b>	–	<b>13,589,624</b>	<b>16,336,006</b>	<b>14,749,206</b>	<b>2,746,382</b>	<b>1,586,800</b>

Statement of financial position – Housing Authority Assets	Variance Notes	Estimate 2024 \$'000	Actual 2024 \$'000	Actual Restated 2023 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2024 and 2023 \$'000
<b>Equity</b>	–	–	–	–	–	–
Contributed equity	–	3,267,599	3,281,375	2,727,555	13,776	553,820
Reserves	–	7,168,168	9,667,592	8,523,111	2,499,424	1,144,481
Retained earnings	–	3,153,857	3,387,039	3,498,540	233,182	(111,501)
<b>Total equity attributable to the consolidated entity</b>	–	<b>13,589,624</b>	<b>16,336,006</b>	<b>14,749,206</b>	<b>2,746,382</b>	<b>1,586,800</b>
Non-controlling interest	–	–	–	–	–	–
<b>Total equity</b>	–	<b>13,589,624</b>	<b>16,336,006</b>	<b>14,749,206</b>	<b>2,746,382</b>	<b>1,586,800</b>

## Major Estimate and Actual (2024) variance narratives

### Housing Authority

1. Loans and receivables are \$494.1 million (70.2%) lower than the Published Budget mainly due to a redemption of preference shares issued to Keystart of \$520 million during the year. This was driven by loans advanced by Keystart decreasing by \$673.0 million during the year.
2. Inventories are \$312.6 million (77.2%) lower than the Published Budget mainly due to:
  - changes in the classification of land from Inventory to Property, Plant, and Equipment valued at approximately \$190 million due to the land being earmarked for future development to provide public and social housing rather than sale, and
  - land that had been valued at approximately \$55 million was transferred to Development WA.
3. Property, plant and equipment are \$2,575.6 million (22.4%) higher than the Published Budget mainly due to the Housing Authority increasing its stock of dwellings available for public and social housing through new purchases along with increased market valuation of existing stock. Market values have also increased during the financial year by an average of 7.3% compared to prior year.
4. Service concession assets are \$368.3 million (18.5%) higher than the Published Budget mainly due to an increase in value for these social housing properties. Market values were increased during the financial year by an average of 7.3% compared to the prior financial year.
5. Borrowings are \$616.3 million (17.6%) lower than the Published Budget mainly due to:
  - the repayment of borrowings during the year for WA Treasury Corporation Keystart loans (\$520 million) and WA Treasury Corporation Housing Authority loans (\$133 million),
  - partially offset by a \$116 million reclassification of the accrued guarantee fee from non-current to current assets in 2022-23.



**Major Actual (2024) and Comparative (2023) variance narratives  
Housing Authority**

- a) Loans and receivables are \$479.7 million (15.7%) lower than 2022-23 mainly due to:
- a redemption of preference shares issued to Keystart during the year totalling \$520 million,
  - partially offset by a decrease of mortgage loans advanced by Keystart during the year totalling \$46 million.
- b) Borrowings are \$556.8 million (16.2%) lower than 2022-23 mainly due to:
- the repayment of borrowings during the year for WA Treasury Corporation Keystart loans (\$520 million) and WA Treasury Corporation Housing Authority loans (\$133 million),
  - partially offset by a \$116 million reclassification of the Accrued guarantee fee from non-current to current assets in 2022-23.

### 10.1.3. Statement of cash flows variances

**Table 98: Statement of cash flows variances – Housing Authority**

Statement of cash flows variances – Housing Authority	Variance Notes	Estimate 2024 \$'000	Actual 2024 \$'000	Actual 2023 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2024 and 2023 \$'000
<b>Cash flows from operating activities – Receipts</b>	–	–	–	–	–	–
Rental receipts	–	300,655	281,219	275,029	(19,436)	6,190
Grants, contributions and subsidies	–	135,140	142,668	135,834	7,528	6,834
Interest received	–	8,381	10,543	6,984	2,162	3,559
Inventory receipts on sales	1	112,229	28,534	39,268	(83,695)	(10,734)
Other receipts	2	6,512	25,181	24,746	18,669	435
GST receipts on sales	3	6,201	20,103	10,185	13,902	9,918
GST receipts from taxation authority	–	8,484	21,936	13,615	13,452	8,321
<b>Cash flows from operating activities – Payments</b>	–	–	–	–	–	–
Rental property payments	4	(345,397)	(417,896)	(398,798)	(72,499)	(19,098)
Community support payments	–	(130,859)	(128,675)	(136,111)	2,184	7,436
Supplies and services	–	(274,937)	(291,136)	(278,496)	(16,199)	(12,640)
Finance costs	a	(143,544)	(156,684)	(131,716)	(13,140)	(24,968)
Accommodation	–	(11,140)	(10,562)	(8,707)	578	(1,855)

Statement of cash flows variances – Housing Authority	Variance Notes	Estimate 2024 \$'000	Actual 2024 \$'000	Actual 2023 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2024 and 2023 \$'000
Grants and subsidies	5	(80,300)	(54,621)	(49,766)	25,679	(4,855)
Purchase and development of inventory	6, b	(146,072)	(12,495)	(79,234)	133,577	66,739
GST payments on purchases	7, c	(8,484)	(38,472)	(25,283)	(29,988)	(13,189)
GST payments to taxation authority	–	(6,201)	–	–	6,201	–
Other payments	8	(34,219)	(2,269)	(665)	31,950	(1,604)
<b>Net cash provided by / (used in) operating activities</b>	–	<b>(603,551)</b>	<b>(582,626)</b>	<b>(603,115)</b>	<b>20,925</b>	<b>20,489</b>
<b>Cash flows from investing activities – Receipts</b>	–	–	–	–	–	–
Proceeds from the sale of non-current physical assets	9,d	31,014	7,533	47,984	(23,481)	(40,451)
Other investing receipts	10, e	–	880,000	1,164,500	880,000	(284,500)
Dividends received	11, f	56,276	81,403	141,898	25,127	(60,495)
<b>Cash flows from investing activities – Payments</b>	–	–	–	–	–	–
Purchase of non-current physical assets	–	(477,442)	(464,028)	(429,822)	13,414	(34,206)
Other investing payments	12, g	(20,059)	(360,000)	(200,601)	(339,941)	(159,399)
<b>Net cash used in investing activities</b>	–	<b>(410,211)</b>	<b>144,908</b>	<b>723,959</b>	<b>555,119</b>	<b>(579,051)</b>

Statement of cash flows variances – Housing Authority	Variance Notes	Estimate 2024 \$'000	Actual 2024 \$'000	Actual 2023 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2024 and 2023 \$'000
<b>Cash flows from financing activities – Receipts</b>	–	–	–	–	–	–
Proceeds from borrowings WA Treasury Corporation	13, h	1,290,059	360,057	200,004	(930,002)	160,053
Finance lease receipts	14, i	88,338	103,836	87,805	15,498	16,031
<b>Cash flows from financing activities – Payments</b>	–	–	–	–	–	–
<b>Repayment of borrowings from</b>	–	–	–	–	–	–
WA Treasury Corporation	15, j	(1,369,237)	(984,892)	(1,212,166)	384,345	227,274
Commonwealth Government	–	(17,942)	(17,941)	(17,797)	1	(144)
Principal elements of lease payments	16, k	(90,228)	(106,727)	(90,436)	(16,499)	(16,291)
<b>Net cash provided by financing activities</b>	–	<b>(99,010)</b>	<b>(645,667)</b>	<b>(1,032,590)</b>	<b>(546,657)</b>	<b>386,923</b>
<b>Cash flows from State Government</b>	–	–	–	–	–	–
Service appropriation	17, l	141,778	262,743	110,200	120,965	152,543
Capital Appropriation	18, m	212,153	307,845	251,649	95,692	56,196
Royalties for Regions recurrent fund	n	76,784	88,924	115,389	12,140	(26,465)
Royalties for Regions capital fund	–	4,479	–	3,498	(4,479)	(3,498)

Statement of cash flows variances – Housing Authority	Variance Notes	Estimate 2024 \$'000	Actual 2024 \$'000	Actual 2023 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2024 and 2023 \$'000
Other contributions/distributions of equity	o	250,152	245,975	221,883	(4,177)	24,092
Funds from other public sector entities	19, p	256,058	283,363	235,907	27,305	47,456
<b>Net cash provided by State Government</b>	–	<b>941,404</b>	<b>1,188,850</b>	<b>938,526</b>	<b>247,446</b>	<b>250,324</b>
Net increase/(decrease) in cash and cash equivalents	–	(171,368)	105,465	26,780	276,833	78,685
Cash and cash equivalents at the beginning of the period	–	199,601	184,118	157,338	(15,483)	26,780
<b>Cash and cash equivalents at end of the period</b>	–	<b>28,233</b>	<b>289,583</b>	<b>184,118</b>	<b>261,350</b>	<b>105,465</b>

## Major Estimate and Actual (2024) variance narratives

### Housing Authority

1. Inventory receipts on sales are \$83.7 million (74.6%) lower than the Published Budget mainly as a result of the Government's policy response to the housing crisis whereby the Housing Authority repurposed its affordable housing stock towards social housing thereby reducing sales compared to the estimate.
2. Other receipts are \$18.7 million (290.3%) higher than the Published Budget mainly due to:
  - a \$7 million increase in revenue received from outstanding debtors, thereby reducing debtor balances,
  - recoups for Remote Communities housing maintenance was \$4 million higher than the estimate, and
  - the remainder was miscellaneous revenue not included in the estimate.
3. GST receipts on sales are \$13.9 million (224.2%) higher than the Published Budget mainly due to: the GST receipts on sales budget not being aligned to forecast receipts. The Housing Authority will conduct a comprehensive budget baseline review of the Housing Authority's GST receipts on sales as part of the 2025-26 budget process to align with forecast receipts.
4. Rental property payments are \$72.5 million (21.0%) higher than the Published Budget mainly due to
  - additional spending on maintenance activity for over 700 newly added properties to the social housing portfolio, and
  - escalated labour and material costs.
5. Grants and subsidies are \$25.7 million (32.0%) lower than the Published Budget mainly due to an underspend in the Social Housing Economic Recovery Package project due to difficulty in sourcing labour and trades.
6. Purchase and development of inventory are \$133.6 million (91.4%) lower than the Published Budget mainly due to the Government's policy response to the housing crisis whereby the Housing Authority repurposed its affordable housing stock towards social housing, thereby reducing the purchase and development of inventory.

7. GST payments on purchases are \$30.0 million (353.5%) higher than the Published Budget with \$22 million reflecting GST payment on increased rental property expenses and an additional \$11 million resulting from a claim for prior year recoverable amount related to input tax credit that was not included in the estimate.
8. Other payments are \$32 million (93.4%) lower than the Published Budget mainly due to the need for this portion of the estimate needing to be redistributed to other cashflow categories in future reporting periods, as the Housing Authority's process has been updated so that the relevant actual expenditure is now being recorded against other cashflow categories.
9. Proceeds from the sale of non-current physical assets are \$23.5 million (75.7%) lower than the Published Budget mainly because of the transfer of commercial land development functions from the Housing Authority to Development WA. In addition, and in line with the Government's policy response to the housing crisis, the Housing Authority repurposed its affordable housing stock towards social housing thereby reducing the sale of physical asset inventory in 2023-24.
10. Other investing receipts are \$880 million (100%) higher than the Published Budget due to there being no estimate set for other investing receipts.
11. Dividends received are \$25.1 million (44.6%) higher than the Published Budget mainly due to better market conditions than estimated resulting in a greater dividend being received.
12. Other investing payments are \$339.9 million (1694.7%) higher than the Published Budget mainly due to the higher borrowing requirement for Keystart compared to the estimate.
13. Proceeds from borrowings WA Treasury Corporation are \$930 million (72.1%) lower than the Published Budget mainly due to customer discharge amounts exceeding loan funding requirements. The reduction in Keystart's mortgage book resulted in lower borrowing requirement from the WA Treasury Corporation than originally budgeted.
14. Finance lease receipts are \$15.5 million (17.5%) higher than the Published Budget mainly due to an increase in lease revenue for Government Regional Officer Housing properties, driven by a higher volume of leases in 2023-24 compared to 2022-23.

15. Repayment of borrowings from WA Treasury Corporation are \$384.3 million (28.1%) lower than the Published Budget mainly due to lower than anticipated redemptions received from Keystart, resulting in lower WA Treasury Corporation loans being repaid throughout the year compared to the estimate.

16. Principal elements of lease payments are \$16.5 million (18.3%) higher than the Published Budget mainly due to an increase in lease costs for Government Regional Officer Housing properties.

17. Service appropriation is \$121.0 million (85.3%) higher than the Published Budget mainly due to additional appropriations received relating to:

- maintenance funding for social housing \$87.6 million,
- write-down for Affordable Housing program \$23.1 million for revenue and associated expenses given that the Housing Authority has focused on repurposing current housing stock to social housing, and
- a shortfall in Keystart's dividend and loan guarantee fee \$10.7 million.

18. Capital Appropriation is \$95.7 million (45.1%) higher than the Published Budget mainly due to:

- a government decision to reinstate \$76.2 million in capital funding to cover a funding shortfall in Keystart's dividend and loan guarantee fee in 2023-24,
- \$10.9 million received under the Social Housing Accelerator Fund, and
- \$7.5 million additional capital funding for the Government Regional Officer Housing Program, the refurbishment of existing properties, and additional properties added to the portfolio.

19. Funds from other public sector entities are \$27.3 million (10.7%) higher than the Published Budget mainly due to:

- Government Regional Officer Housing rental revenue being \$19.4 million higher than the estimate, and
- Keystart interest of \$7.2 million higher than the estimate.



## Major Actual (2024) and Comparative (2023) Variance narratives

### Housing Authority

- a) Finance costs are \$25.0 million (19.0%) higher than 2022-23 primarily due to the rise in the Reserve Bank of Australia cash rate having exerted upward pressure on Keystart's finance costs resulting in increased interest payments.
- b) Purchase and development of inventory are \$66.7 million (84.2%) lower than 2022-23 primarily due to the transfer of commercial land development functions valued approximately \$55 million from the Housing Authority to Development WA and the repurposing of Affordable Housing stock to social housing in line with the Government's focus on social housing.
- c) GST payments on purchases are \$13.2 million (52.2%) higher than 2022-23 primarily due to increased expenses related to the rental property portfolio. This includes additional maintenance activity for over 700 newly added properties in the Social Housing portfolio as well as rising labour and material costs.
- d) Proceeds from the sale of non-current physical assets are \$40.5 million (84.3%) lower than 2022-23 primarily due to the transfer of commercial land development functions from the Housing Authority to Development WA.
- e) Other investing receipts are \$284.5 million (24.4%) lower than 2022-23 primarily due to redemption of Keystart Preference shares. In the prior year Keystart redeemed \$pp1,164 million of preference shares but only \$880 million in the current year. This difference was driven by the higher rate of mortgage redemptions at Keystart in the prior year.
- f) The dividends received are \$60.5 million (42.6%) lower than 2022-23, mainly due to a decrease in the number of loans at Keystart compared to the previous year, leading to fewer dividends.
- g) Other investing payments are \$159.4 million (79.5%) higher than 2022-23 primarily due to \$360 million in funding for Keystart being carried forward. In comparison, only \$200 million was carried forward in the previous year.

- h) Proceeds from borrowings from WA Treasury Corporation are \$160.1 million (80.0%) higher than in 2022-23, primarily due to \$360 million in funding for Keystart being carried forward. In comparison, only \$200 million was carried forward in the previous year.
- i) Finance lease receipts are \$16.0 million (18.3%) higher than 2022-23 primarily due to an increase in lease revenue for Government Regional Officer Housing properties driven by higher volumes. The number of properties increased to 3,217 as of 30 June 2024, compared to 2,897 properties as of 30 June 2023.
- j) Repayment of borrowings from WA Treasury Corporation are \$227.3 million (18.8%) lower than 2022-23 primarily due to redemption of Keystart Preference shares. In the prior year Keystart redeemed \$1,164 million of preference shares but only \$880 million in the current year. This difference was driven by the higher rate of Keystart mortgage redemptions in the prior year.
- k) Principal elements of lease payments are \$16.3 million (18.0%) higher than 2022-23 primarily due to an increase in lease costs for Government Regional Officer Housing properties with the addition of 320 new properties in the current year as compared to the previous year.
- l) Service appropriation is \$152.5 million (138.4%) higher than 2022-23 mainly due to additional appropriations received related to:
- maintenance funding for social housing \$87.6 million, and
  - a write-down for the Affordable Housing program \$28.1 million, for revenue and associated expenses as the Housing Authority has focused on repurposing current housing stock to social housing.
- m) Capital Appropriation are \$56.2 million (22.3%) higher than the 2022-23 primarily due to the following increases in funding for:
- Equity to cover the funding shortfall in Keystart Dividend and Loan Guarantee Fee (\$74.5 million),
  - Government Regional Officer Housing program (\$36.0 million),
  - Investment into New Social Housing (\$11.7 million),
  - Housing and Homelessness Investment Package - Common Ground (\$9.1 million), and
  - Land Acquisition from Development WA (\$5.5 million).

These increases in funding were partially offset by the following decreases:

- Metronet - Social and Affordable Housing and Jobs Package (\$49.9 million)
- Social Housing Economic Recovery Package (\$23.0 million), and
- Crisis Accommodation Fund (\$7.8 million).

n) Royalty for Regions recurrent fund is \$26.5 million (22.9%) lower than 2022-23 primarily due to:

- a reduction in funding for the Remote Essential and Municipal Services program \$40.4 million,
- partially offset by additional funding for the Remote Aboriginal Communities program \$20.4 million.

o) Other contributions/distributions of equity are \$24.1 million (10.9%) higher than 2022-23 as the prior year contribution was lower due to a \$29 million capital distribution to WA Police for the transfer of an office building.

p) Funds from other public sector entities are \$47.5 million (20.1%) higher than 2022-23 primarily due to the following increases in funding:

- Keystart interest revenue \$18.7 million,
- Government Regional Officer Housing rental receipts \$12.7 million,
- miscellaneous recurrent grants \$10.8 million,
- reimbursement of expenditure by the Department of Communities and Disability Services Commission in line with the service delivery and cost allocation model \$2.7 million, and
- capital grants \$2.4 million.

# Key performance indicators



The Step-Up/Step-Down residential facility in Kalgoorlie was delivered by the Department of Communities for the Mental Health Commission and was a finalist in the 2023 Master Builders Awards.

# Key performance indicators

## Certification of key performance indicators

For the reporting period ended 30 June 2024

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Housing Authority's performance, and fairly represent the performance of the Housing Authority and its subsidiary for the financial year ended 30 June 2024.



**Mike Rowe**  
**Chief Executive Officer**  
**Accountable Authority**  
17 October 2024

## Reporting exemption

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

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

Consequently, since the completion of these transfers, the Housing Authority sought and received a reporting exemption from the Under Treasurer in relation to the following key performance indicator :

- Average operating cost per lot developed

The exemption recognised that the data for reporting on the key performance indicator would not be available from the 2022-23 reporting period onwards.

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

- Total housing assistances provided relative to public rental waiting list

The activity data for land sales is used in the calculation of this key performance indicator for the 2023–24 reporting period and, although expected to decline to nil in the near future, will be used in the calculation for subsequent reporting periods so long as it has a material impact on the key performance indicator result.

# Outcome based management reporting framework

## State Government Goal

The Housing Authority, as part of the Department of Communities, contributes to the State Government Goal of “Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive”.

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

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

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

Eligibility for public rental housing and for home loans is determined by assessable income limits and other eligibility criteria. In addition, the Housing Authority makes available loans to cover the cost of security bonds so that income-eligible applicants can access housing in the private rental market.

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

## Key effectiveness indicators

### Total housing assistances provided relative to public rental waiting list

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

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

**Table 99: Total housing assistances provided relative to public rental waiting list**

Reporting year	Target total housing assistances	Actual total housing assistances	Target total rental waiting list as at 30 June (prior financial year)	Actual total rental waiting list as at 30 June (prior financial year)	Target ratio	Actual ratio
2023–24	7,128	5,724	19,114	19,062	0.37	0.30
2022–23	8,820	6,384	19,500	19,070	0.45	0.33
2021–22	9,901	8,518	17,880	17,194	0.55	0.50
2020–21	14,799	11,039	14,409	14,409	1.03	0.77
2019–20	17,184	15,813	14,000	13,795	1.23	1.15



Notes:

1. For 2023-24 the total units of housing assistance comprises (2022-23 result indicated within brackets): number of people (applications) allocated from the waiting list into community housing options: 292 (213); number of new home loans approved: 421 (948); number of Housing Authority (including Joint Venture partner) land sales below \$197,000(a): 18 (26); number of public rental occupations: 2,475 (2,643); number of bond assistance loans approved: 2,518 (3,781).
  - (a) The benchmark cut-off for the lower end of the market (2023-24: \$197,000; 2022-23: \$175,000) is the final December quarter lower quartile for Western Australia (State) residential land sales.
  - (b) Excluded from the lower quartile lot sales are multiple sales to the same person; lots over 1,000 square metres; sales to companies or other government departments; and internal transfers.
2. The total number of applications recorded on the public rental waiting list varies over time as applicants' eligibility changes. Applications may be withdrawn from the waiting list if applicants fail to meet ongoing eligibility requirements or re-instated if they are later considered eligible. The number of applications to calculate this indicator is based on the waiting list as at 30 June 2023 i.e. at the end of the previous financial year.

### Comment on performance

The variance between the 2023-24 Actual and both the 2023-24 Target and the 2022-23 Actual is primarily due to a higher than forecast decline in the number of new home loans and bond assistance loans, as a result of private market and environmental factors.

### Waiting times for accommodation – applicants housed

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

**Table 100: Waiting times for accommodation in weeks – applicants housed**

Reporting year	Target average	Target median	Actual average	Actual median
<b>2023–24</b>	<b>130</b>	<b>103</b>	<b>149</b>	<b>122</b>
2022–23	115	75	133	105
2021–22	103	62	116	81
2020–21	95	49	102	58
2019–20	120	60	94	48

**Table 101: Waiting times for accommodation – proportion of applicants by waiting period**

Reporting year	< 1 month (%)	1–12 months (%)	1–3 years (%)	3–5 years (%)	5+ years (%)
<b>2023–24</b>	<b>2.67</b>	<b>19.72</b>	<b>40.32</b>	<b>22.51</b>	<b>14.79</b>
2022–23	3.86	19.83	47.11	18.16	11.05
2021–22	4.48	27.71	44.63	13.55	9.63
2020–21	7.28	40.22	31.57	10.13	10.81
2019–20	7.06	45.24	28.67	9.89	9.15

### Comment on performance

For both the average and the median results, the variances between the 2023-24 Actual and both the 2023-24 Target and the 2022-23 Actual are due to continued impacts on the waiting times from external market factors. These conditions have created limited choices for potential applicants who may have taken up private market options in other years. While stock availability has continued to increase, significant demand for public housing properties remains.

## Key efficiency indicators

### Service 7: Rental housing

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

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

### Average operating cost per public rental property

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

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

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

**Table 102: Average operating cost per public rental property**

<b>Reporting year</b>	<b>Target cost</b>	<b>Actual cost</b>
<b>2023–24</b>	<b>\$18,789</b>	<b>\$20,593</b>
2022–23	\$19,015	\$19,088
2021–22	\$18,109	\$15,947
2020–21	\$17,070	\$17,207
2019–20	\$14,550	\$17,175

**Comment on performance**

The variance between the 2023-24 Actual and the 2023-24 Target is primarily due to higher than forecast increases in rental expenses, maintenance requirements for ageing properties, and escalated labour and material costs.

### Average operating cost per Government Regional Officers' Housing (GROH) rental property

This indicator measures the cost efficiency of providing Government Regional Officers' Housing. It is calculated by dividing the total cost of the service (total expenses) by the total number of properties at the end of the year.

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

- administration costs (employee benefits, supplies and services, and accommodation)
- depreciation and amortisation
- finance costs
- rental expenses (maintenance, improvements, rates, strata fees)
- other expenses.

**Table 103: Average operating cost per Government Regional Officers' Housing (GROH) rental property**

Reporting year	Target cost	Actual cost
<b>2023–24</b>	<b>\$14,555</b>	<b>\$20,917</b>
2022–23	\$13,621	\$16,455
2021–22	\$12,844	\$13,583
2020–21	\$15,227	\$12,167
2019–20	\$14,929	\$14,784

## Comment on performance

The variance between the 2023-24 Actual and both the 2023-24 Target and 2022-23 Actual is mainly due to an increase in rental expenses, driven by increased maintenance activity and increased labour and material costs to deliver maintenance.

## Service 8: Home loans

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

## Average operating cost per current loan account

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

The total operating cost of the Home Loans service comprises:

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

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

**Table 104: Average operating cost per current loan account**

<b>Reporting year</b>	<b>Target cost</b>	<b>Actual cost</b>
<b>2023–24</b>	<b>\$4,679</b>	<b>\$3,727</b>
2022–23	\$3,390	\$2,740
2021–22	\$2,986	\$802
2020–21	\$2,888	\$1,145
2019–20	\$2,501	\$4,214

**Comment on performance**

The movement between the 2023-24 Target and the 2023-24 Actual is mainly due to a reduction in current loans compared to the budget target which has resulted in a commensurate decrease in operational expenditure. The movement between the 2023-24 Actual and the 2022-23 Actual is mainly due to increased operational expenditure, including rising finance costs as a result of interest rate increases, and other administrative expenditure during 2023-24. There was also a reduction in current loans, with the level of discharges exceeding formal approvals as Keystart customers continue to refinance with other lenders, supported by an increase in property prices.



## Service 9: Land and housing supply

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

### Average operating cost per property sold

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

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

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

**Table 105: Average operating cost per property sold**

Reporting year	Target cost	Actual cost
<b>2023–24</b>	<b>\$204,010</b>	<b>\$663,434</b>
2022–23	\$73,960	\$518,517
2021–22	\$16,354	\$125,502
2020–21	\$25,929	\$24,826
2019–20	\$26,647	\$44,380

### Comment on performance

The variance between the 2023-24 Actual and both the 2023-24 Target and 2022-23 Actual is mostly due to repurposing of Affordable Housing stock to social housing as part of the Government's focus on social housing delivery. This has seen the Department's residential construction capacity being nearly exclusively deployed to deliver almost 5,000 social housing homes by 2027-28.

# Other requirements



Thirteen new modular homes for social housing have been delivered in Katanning in 2024.

# Other Requirements

## Subsidiaries

The Authority is the instigator of the Keystart Housing Scheme.

- The Board of Directors of the Keystart group of companies comprises six Directors. The Authority holds 100 per cent of the total shareholding in:
  - Keystart Loans Ltd
  - Keystart Loans Ltd owns 100 per cent of Keystart Scheme Management Pty Ltd

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

- Keystart Housing Scheme Trust

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

- Goldmaster Enterprises Pty Ltd: 100 per cent
- Dalyellup Beach Pty Ltd: 50 per cent
- Ocean Springs Pty Ltd: 46.78 per cent

## Compliance with public sector standards and ethical codes

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

This is in accordance with the PSC's 'Annual report guidelines for 2023-24' published 14 May 2024.

## Ministerial directions

No ministerial directions were received during 2023–24.

## Act of Grace payments

As at 30 June 2024, there were no Act of Grace payments recorded.

## Unauthorised use of credit cards

In accordance with Treasurer’s Instruction 321, officers are prohibited from using government-issued credit cards for personal purposes. Treasurer’s Instructions 903(13) (iv) requires the Authority to disclose information relating to personal use. The table below details the personal expenditure using government-issued credit cards in 2023–24.

**Table 106: Personal expenditure using government-issued credit cards in 2023–24**

<b>Personal expenditure</b>	<b>2023–24</b>
Number of instances the Western Australian Government purchasing card has been used for a personal purpose	21
Aggregate amount of personal use expenditure for the reporting period	\$949.94
Aggregate amount of personal use expenditure settled by the due date	\$328.97
Aggregate amount of personal use expenditure settled after the period required by the due date	\$0.00
Aggregate amount of personal use expenditure outstanding at the end of the reporting period	\$620.97
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	0

Other requirements

## Disability Access and Inclusion Plan

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

This commitment is demonstrated in its disability access and inclusion plan, which is reported in the Department of Communities' Annual Report for 2023–24.

## Recordkeeping plan

The Authority's recordkeeping plan is reported in the Department of Communities' Annual Report for 2023–24.

## Advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the Authority incurred expenditure in advertising and media advertising. Total expenditure for 2023–24 was \$190,856.

**Table 107: Advertising expenditure for 2023–24**

<b>Expenditure</b>	<b>Organisation</b>	<b>Amount</b>	<b>Total</b>
<b>Advertising - Promotions</b>	Initiative Media Australia Pty Ltd	\$68,892	\$68,892
	Meta Inc	\$18,638	\$18,638
	Gan Eden Media	\$400	\$400
	Taryn Yeates Photography	\$480	\$480
<b>Land – Advertising &amp; Promotions</b>	Arena Real Estate	\$34,623	\$34,623
	Box + Dice Operation Pty Ltd	\$33,642	\$33,642
	Interior Design Elements Pty Ltd	\$660	\$660
	Mouve Pty Ltd	\$24,036	\$24,036
	Perth Style Company	\$8,100	\$8,100
<b>Properties – Advertising Costs</b>	Elders Real Estate (WA)	\$740	\$740
<b>Market research</b>	–	–	–
<b>Polling</b>	–	–	–
<b>Direct mail</b>	–	–	–
<b>Total</b>	–	–	<b>\$190,856</b>

## Board and committee remuneration

Nil.



## Occupational safety, health and injury management

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

The Department of Communities' Annual Report for 2023–24 provides information on the workers' compensation and injury management performance.

## Agency capability review

Progress against commitments and actions in the Department of Communities' Agency Capability Review are reported in the Department of Communities' annual report for 2023-24.

## Workforce inclusiveness

A workforce inclusiveness statement on activities undertaken to improve diversity and inclusion in the workplace is included in the Department of Communities' annual report for 2023-24.

## WA Multicultural Policy Framework

Details of the submission and actions of the Authority's Multicultural Policy Framework are reported in the Department of Communities' annual report for 2023–24.

# Appendix



This modular home in Roebourne is one of more than 111 new social housing dwellings delivered in the Pilbara region since July 2021.

# Appendix

## Housing head maintenance contracts

In accordance with the recommendations of the Public Accounts Committee (report numbers 8 and 13), each year the Authority publishes information in relation to the head maintenance contract model, providing an overview of the head contractors' performance to demonstrate how the Authority is realising better maintenance outcomes in the areas of timeliness, reduced costs, and quality of workmanship. Relevant information for 2023–24 can be found below.

### Maintaining properties

Maintenance services are performed on over 53,000 (1) residential properties across the State, including GROH dwellings and 112 remote and town-based Aboriginal communities.

In 2023–24, Communities issued an average of approximately 21,000 job orders per month and spent \$307.4 million (2) on day-to-day maintenance, vacated maintenance, refurbishments and improvements, planned and cyclical maintenance, estate maintenance and insurance work.

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

(2) This figure includes Public Housing, GROH, and Aboriginal Housing only, and does not include any expenditure related to the Social Housing Economic Recovery Package, Social Housing Investment Fund, or Social Housing Accelerator Fund.

## Asbestos management

The Authority is committed to protecting the health and safety of tenants, staff, maintenance contractors and visitors from the risks associated with asbestos-containing materials within its assets. All known asbestos in public housing and in properties owned and controlled by the Authority are documented in asbestos registers, which are updated annually and when the condition of the asbestos changes. In 2022–23, a new Asbestos Management Policy and universal Asbestos Management Plan were drafted using the services of external legal experts. These documents are fully compliant with the most recent legislation and improve clarity around responsibilities and actions required to be undertaken by all stakeholders. This received approval from the Communities Leadership Team in 2023–24 and is being rolled out across the organisation.

## Head maintenance contracts

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

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

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

## Maintenance audit methodology and statistics

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

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

## Head maintenance contract audit methodology

The head maintenance contract audit methodology consists of:

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

The methodology is outlined below:

### Preventative controls

#### **Works orders completed:**

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

#### **Head Maintenance Contractors (HMC) quality system:**

Compliance and assurance activities 1809001:2008 standards:

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

**Invoice verification:**

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

**Housing Authority (Client Services):**

Payment authorisation checks of invoices for consistency against:

- schedule of rates
- budget codes
- documentation.

**Physical inspections for following works orders:**

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

Detective controls

**Post-payment quality assurance:**

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

### **Housing Authority, Head Maintenance Contractor Performance (HMCP):**

#### **Five per cent of paid works orders**

#### **Sample selection criteria**

#### **Testing regime including:**

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

#### **Testing checklist, results and actions from sample selection criteria:**

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

## Audited works orders statistics 2023–24

**Table 108: Paid works orders audited 1 July 2023 – 30 June 2024**

<b>Measure</b>	<b>Works orders</b>	<b>Percentage</b>
Number of paid works orders	255,088	–
Number of audited works orders over \$500	11,212	4%
Number of audited works orders under \$500	4,812	2%
Number of non-compliant audited works orders over \$500	1,973	18% (1)
Number of non-compliant audited works orders under \$500	2,520	52% (2)

**Note:**

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

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

## Head maintenance contract key performance indicators

### Key performance indicator definitions

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



**Table 109: Explanation of the head maintenance contract key performance indicators assessed throughout 2023–24 including overarching performance categories and target**

Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 1	Safety	Health, Safety and Environmental Management Plan	<p>Plan complied with including:</p> <ul style="list-style-type: none"> <li>• safety inspections carried out for each Category of Work accord with safety inspections</li> <li>• contractor has an internal corporate occupational safety and health representative with relevant training and qualifications</li> <li>• Safety Work Method Statement completed for all high-risk construction work</li> <li>• Take five safety check (or equivalent) completed for all schedule of rates work.</li> </ul>	100% of Health, Safety and Environmental Management Plan provided.
KPI 2	Safety	Statutory Notices	Provision of statutory notices to the Principal.	100% of statutory notices provided to the Principal immediately (and no later than five hours from receipt of the notice from a regulator).

<b>Key Performance Indicators (KPI)</b>	<b>Category</b>	<b>Name</b>	<b>Explanation</b>	<b>Performance benchmark score</b>
KPI 3	Timeliness	Emergency	Attend and restore or repair life threatening safety issue within 8 hours of issue of the works order to the contractor.	100% of paid emergency works orders completed within eight hours of issue of the works orders to the contractor.
KPI 4	Timeliness	Urgent	Attend and restore or repair essential service(s) within 24 hours of issue of the works order to the contractor.	95% of paid urgent works orders completed within 24 hours of issue of the works orders to the contractor.
KPI 5	Timeliness	Priority	Attend and repair within 48 hours of issue of the works order to the contractor.	95% of paid priority works orders completed within 48 hours of issue of the works orders to the contractor.
KPI 6	Timeliness	Void	Attend and complete void maintenance activity within 14 days of issue of the works order to the contractor.	Average of 14 days for the completion of paid void maintenance works orders for the relevant performance review quarter.
KPI 7	Timeliness	Routine	Attend and repair within 28 days of issue of the works order to the contractor.	95% of paid routine works orders completed within 28 days of issue of the works orders to the contractor.

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

<b>Key Performance Indicators (KPI)</b>	<b>Category</b>	<b>Name</b>	<b>Explanation</b>	<b>Performance benchmark score</b>
KPI 12	Quality	Compliance Notices	Number of Compliance Notices achieving the outcome sought to the satisfaction of the Principal in the agreed time for completion against the number issued for the relevant performance review quarter.	100%
KPI 12a	Quality	Maintenance Works and Services Target Inspections	Number of inspections completed as a percentage of the number of inspections undertaken to be completed in the contractor's Operational Plan.	100%
KPI 13	Participation	Industry Participation Plan	Plan complied with.	100% compliance.
KPI 14	Participation	Indigenous Employment and Enterprise Plan	Plan complied with.	100% compliance.

<b>Key Performance Indicators (KPI)</b>	<b>Category</b>	<b>Name</b>	<b>Explanation</b>	<b>Performance benchmark score</b>
KPI 14a	Participation	Indigenous Employment	Number of indigenous personnel engaged in performing work in connection with the contract during the relevant performance review quarter as a percentage of all personnel engaged in performing work in connection with the contract during the relevant performance review quarter.	The benchmark is dependent on the region, ranging from 5% to 20%.
KPI 14b	Participation	Indigenous Enterprise	Number of indigenous businesses engaged as subcontractors in performing work in connection with the contract during the relevant performance review quarter as a percentage of all businesses engaged in performing work in connection with the contract during the relevant performance review quarter.	The benchmark is dependent on the region, ranging from 5% to 20%.
KPI 15	Participation	Apprenticeship Plan	Plan complied with.	100% compliance.

Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 15a	Participation	Apprenticeships	Number of apprentices engaged by the contractor or its subcontractors who are performing work in connection with the contract during the relevant performance review quarter achieves the ratio of at least 1 apprentice for each \$1m in payments made by the Principal to the contractor under the contract in the relevant performance review quarter (rounded up to nearest \$1 million).	100% Compliance.

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

### Head contractor performance 2023–24

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

**Table 110: Head maintenance contract key performance indicator performance: Part 1, year 10 quarter 1  
(1 July 2023–30 September 2023)**

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	88.1%	91.2%	93.0%	77.8%	98.1%	99.1%
KPI 4 Urgent (24 hours)	95%	49.0%	86.5%	49.7%	70.1%	82.1%	88.4%
KPI 5 Priority (48 hours)	95%	53.0%	75.2%	57.0%	69.0%	85.9%	84.7%
KPI 6 Void (average days)	14	38.9	12.7	13.4	8.9	9.1	47.1
KPI 7 Routine (28 days)	95%	59.5%	74.1%	68.5%	83.5%	77.5%	54.8%
KPI 8 Timeliness of invoices	90%	89.7%	94.5%	97.2%	91.5%	90.7%	93.9%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	100.0%	90.8%
KPI 8b Quoted (works)	95%	93.8%	97.1%	100.0%	100.0%	93.8%	72.7%
KPI 10 Non-defective works	90%	97.2%	98.6%	97.8%	98.6%	99.7%	98.3%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	13.0%	11.4%	17.0%	6.9%	7.4%	9.5%
KPI 14b† Indigenous enterprise	5-20%	16.7%	10.5%	17.6%	10.6%	12.1%	30.6%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Note:

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



**Table 111: Head maintenance contract key performance indicator performance: Part 2, year 10 quarter 1  
(1 July 2023–30 September 2023)**

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	100.0%	0.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	98.9%	96.5%	96.1%	94.5%	94.0%
KPI 4 Urgent (24 hours)	95%	69.5%	65.9%	66.3%	87.7%	87.4%
KPI 5 Priority (48 hours)	95%	67.2%	69.9%	65.8%	81.4%	81.7%
KPI 6 Void (average days)	14	12.1	65.6	40.6	17	12.4
KPI 7 Routine (28 days)	95%	64.1%	46.6%	49.7%	61.4%	62.9%
KPI 8 Timeliness of invoices	90%	91.7%	88.1%	89.8%	90.8%	86.9%
KPI 8a Quoted (instruction)	95%	95.0%	100.0%	57.7%	100.0%	100.0%
KPI 8b Quoted (works)	95%	69.6%	77.3%	43.5%	100.0%	93.1%
KPI 10 Non-defective works	90%	97.9%	98.1%	99.1%	99.0%	98.0%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%

<b>Head maintenance contract KPI results</b>	<b>Benchmark</b>	<b>South West contract area</b>	<b>Midwest Gascoyne contract area</b>	<b>Pilbara contract area</b>	<b>North Metro contract area</b>	<b>South East Metro contract area</b>
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	7.3%	10.3%	13.8%	4.7%	4.6%
KPI 14b† Indigenous enterprise	5-20%	12.5%	22.9%	32.5%	17.8%	20.9%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

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

**Table 112: Head maintenance contract key performance indicator performance: Part 1, year 10 quarter 2  
(1 October 2023–31 December 2023)**

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	81.7%	95.9%	92.5%	82.0%	96.0%	98.0%
KPI 4 Urgent (24 hours)	95%	61.4%	84.2%	50.4%	65.4%	87.8%	85.2%
KPI 5 Priority (48 hours)	95%	57.4%	73.6%	60.2%	70.9%	86.9%	85.3%
KPI 6 Void (average days)	14	27.7	9.6	13.4	8.1	10.6	38.1
KPI 7 Routine (28 days)	95%	77.0%	69.3%	77.5%	84.9%	77.6%	59.2%
KPI 8 Timeliness of invoices	90%	91.3%	93.8%	97.5%	92.8%	78.2%	87.3%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 8b Quoted (works)	95%	100.0%	98.1%	100.0%	100.0%	84.6%	48.3%
KPI 10 Non-defective works	90%	97.5%	99.1%	98.2%	98.4%	99.6%	98.8%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	12.9%	11.0%	17.4%	6.6%	5.5%	5.3%
KPI 14b† Indigenous enterprise	5-20%	15.4%	9.5%	17.1%	9.9%	9.7%	16.2%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Note:

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

**Table 113: Head maintenance contract key performance indicator performance: Part 2, year 10 quarter 2  
(1 October 2023–31 December 2023)**

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	96.4%	97.7%	93.0%	96.7%	94.9%
KPI 4 Urgent (24 hours)	95%	74.0%	68.6%	60.4%	90.3%	88.7%
KPI 5 Priority (48 hours)	95%	75.7%	73.2%	64.7%	86.3%	83.4%
KPI 6 Void (average days)	14	11.1	44.4	34.3	16.6	14.2
KPI 7 Routine (28 days)	95%	68.9%	51.4%	55.7%	62.2%	68.7%
KPI 8 Timeliness of invoices	90%	86.4%	82.1%	83.3%	89.6%	86.9%
KPI 8a Quoted (instruction)	95%	94.4%	96.4%	64.7%	100.0%	100.0%
KPI 8b Quoted (works)	95%	78.6%	75.0%	46.2%	100.0%	96.2%
KPI 10 Non-defective works	90%	97.8%	97.6%	98.1%	98.1%	96.4%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	6.6%	10.9%	17.5%	5.3%	5.0%
KPI 14b† Indigenous enterprise	5-20%	10.5%	22.9%	30.2%	16.7%	16.7%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%

## Note:

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

**Table 114: Head maintenance contract key performance indicator performance: Part 1, year 10 quarter 3  
(1 January 2024–31 March 2024)**

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	84.9%	91.1%	89.9%	82.8%	93.2%	98.6%
KPI 4 Urgent (24 hours)	95%	56.4%	87.4%	45.3%	73.6%	77.2%	83.6%
KPI 5 Priority (48 hours)	95%	53.2%	75.7%	49.3%	72.8%	82.2%	86.3%
KPI 6 Void (average days)	14	31.4	8.1	13.2	12.3	10.4	33.8
KPI 7 Routine (28 days)	95%	75.3%	80.2%	74.7%	76.9%	72.1%	57.3%
KPI 8 Timeliness of invoices	90%	89.1%	94.0%	97.5%	92.2%	82.8%	82.4%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	100.0%	82.8%
KPI 8b Quoted (works)	95%	100.0%	100.0%	95.2%	100.0%	77.8%	56.0%
KPI 10 Non-defective works	90%	97.7%	99.1%	97.7%	99.3%	99.3%	98.1%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	13.7%	11.3%	17.7%	7.0%	5.7%	5.5%
KPI 14b† Indigenous enterprise	5-20%	15.4%	9.2%	17.9%	9.6%	13.0%	22.9%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Note:

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



**Table 115: Head maintenance contract key performance indicator performance: Part 2, year 10 quarter 3  
(1 January 2024–31 March 2024)**

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 1 Health, safety and environmental management plan	100%	0.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	91.7%	93.8%	91.5%	97.0%	91.6%
KPI 4 Urgent (24 hours)	95%	75.3%	63.5%	69.5%	89.5%	86.9%
KPI 5 Priority (48 hours)	95%	75.3%	72.4%	74.4%	86.5%	86.4%
KPI 6 Void (average days)	14	14.1	37.3	23.9	16.7	12
KPI 7 Routine (28 days)	95%	66.9%	52.5%	53.5%	66.5%	70.1%
KPI 8 Timeliness of invoices	90%	85.6%	71.7%	81.9%	93.6%	91.7%
KPI 8a Quoted (instruction)	95%	100.0%	93.3%	88.0%	100.0%	100.0%
KPI 8b Quoted (works)	95%	100.0%	62.1%	34.3%	100.0%	100.0%
KPI 10 Non-defective works	90%	97.2%	98.1%	99.0%	98.7%	98.4%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	99.8%	95.7%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	4.6%	7.6%	14.9%	5.3%	5.3%
KPI 14b† Indigenous enterprise	5-20%	10.5%	9.1%	13.3%	16.4%	16.4%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%

## Note:

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

**Table 116: Head maintenance contract key performance indicator performance: Part 1, year 10 quarter 4  
(1 April 2024–30 June 2024)**

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 1 Health, safety and environmental management plan (a)	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	85.5%	90.8%	87.3%	89.8%	94.9%	98.0%
KPI 4 Urgent (24 hours)	95%	56.0%	88.2%	60.3%	68.8%	83.3%	80.3%
KPI 5 Priority (48 hours)	95%	44.7%	77.5%	62.1%	69.9%	82.9%	83.1%
KPI 6 Void (average days)	14	26.2	8.8	15.9	11.4	11.6	44.6
KPI 7 Routine (28 days)	95%	69.4%	75.2%	76.2%	80.0%	74.9%	59.3%
KPI 8 Timeliness of invoices	90%	90.1%	98.1%	98.3%	91.1%	82.8%	86.0%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	100.0%	92.1%
KPI 8b Quoted (works)	95%	100.0%	100.0%	92.3%	100.0%	80.0%	51.2%
KPI 10 Non-defective works	90%	97.8%	98.7%	98.0%	98.5%	99.0%	97.9%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	12.1%	10.2%	16.6%	7.0%	2.3%	4.2%
KPI 14b† Indigenous enterprise	5-20%	15.7%	8.7%	16.7%	9.5%	4.3%	5.4%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Note:

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

**Table 117: Head maintenance contract key performance indicator performance: Part 2, Year 10 quarter 4  
(1 April 2024–30 June 2024)**

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	0.0%	0.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	97.3%	94.8%	93.4%	98.5%	96.9%
KPI 4 Urgent (24 hours)	95%	64.2%	72.8%	58.6%	89.1%	87.6%
KPI 5 Priority (48 hours)	95%	63.6%	76.2%	63.5%	83.5%	82.9%
KPI 6 Void (average days)	14	11.6	32.8	25.5	16.3	13.2
KPI 7 Routine (28 days)	95%	67.0%	49.5%	61.3%	66.5%	68.1%
KPI 8 Timeliness of invoices	90%	86.0%	66.7%	78.0%	94.0%	92.4%
KPI 8a Quoted (instruction)	95%	96.6%	94.4%	77.3%	98.3%	100.0%
KPI 8b Quoted (works)	95%	80.0%	66.7%	38.2%	93.5%	95.3%
KPI 10 Non-defective works	90%	98.4%	98.9%	98.8%	98.2%	97.1%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5-20%	4.1%	7.7%	17.5%	5.6%	5.6%
KPI 14b† Indigenous enterprise	5-20%	5.0%	9.1%	17.6%	14.7%	14.7%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

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

### Head contractor quality assurance system

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

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

### **Quality assurance audits**

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

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

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

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

### **Payment authorisations**

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

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

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

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

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

### **Addressing head contractor non-compliance**

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

- pursued recoups and refunds in relation to incorrect measurements claimed
- directed head contractors to supply missing items when details were not provided as required
- where work was not to technical specifications, directions were given to re-perform or correct non-compliant works
- the Authority identified recoups to the value of \$1,134,771.26 during 2023-24.

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

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



**Table 118: Non-compliant audited works orders by issue 1 July 2023–30 June 2024 number (and percentage) for each area of non-compliance (1)**

<b>Non-compliance reason</b>	<b>Works order issues</b>	<b>Percentage</b>	<b>Category</b>
Head contractor claimed schedule of rates above self-variation threshold – correctly claimed	4	0.06%	1
Head contractor claimed schedule of rates above self-variation threshold – incorrectly claimed	28	0.41%	1
Schedule of rates added by the head contractor is not task related	89	1.30%	1
Schedule of rates added by the head contractor without details provided	131	1.92%	2
Documentation not provided or incorrectly completed as required by schedule of rates	732	10.71%	2
Schedule of rates incorrectly claimed	4,457	65.19%	3
Warranty Issue	21	0.31%	3
Incorrect measurement or quantity claimed	1,045	15.28%	3
Task on work order not done and not required	28	0.41%	3
Work non-compliant	279	4.08%	4
Task on works order not done or incomplete	23	0.34%	4

(1) Appendix: Head maintenance contract – the table below provides descriptions of non-compliance items as listed in this table.

**Table 119: Non-compliant items definitions and category**

Issue Type	Category	Definition
<b>Head contractor claimed schedule of rates above self-variation threshold – correctly claimed</b>	1	Head contractor has added a schedule of rates to a works order without authorisation from the Authority. However, the schedule of rates was <u>correctly</u> claimed.
<b>Head contractor claimed schedule of rate above self-variation threshold – incorrectly claimed</b>	1	Head contractor has added a schedule of rates to a works order without authorisation from the Authority and the schedule of rates was <u>incorrectly</u> claimed.
<b>Schedule of rates added by the head contractor is not task related</b>	1	Head contractor has added an additional schedule of rates task to the works order, which does not relate to the original task requested by the Authority.
<b>Schedule of rates added by the head contractor without details provided</b>	2	The head contractor has added an additional schedule of rates to the works order without sufficient detail for justification.
<b>Documentation not provided or incorrectly completed as required by schedule of rates</b>	2	The Authority's specifications require certain documents to be returned by the head contractor upon completion of works. Documents may include receipts, inspection reports and compliance certificates.
<b>Schedule of rates incorrectly claimed</b>	3	Schedule of rates item has been incorrectly claimed by the head contractor or is a duplication of another schedule of rates already claimed on the works order.
<b>Warranty Issue</b>	3	Head contractor has incorrectly claimed a schedule of rates which is still under warranty.
<b>Incorrect measurement or quantity claimed</b>	3	Head contractor has claimed measurements or quantities which are incorrect, within the self-variation threshold.
<b>Task on works order not done and not required</b>	3	The head contractor has not completed the task on the works order however, the task was not required. The schedule of rates was claimed in error and requires recoup.
<b>Work non-compliant</b>	4	Works are non-compliant with requirements of the technical specifications, are of poor quality and/or not in line with Australian standards and regulatory/safety requirements.
<b>Task on works order not done or incomplete</b>	4	The head contractor has omitted to do the task on the works order or has partially completed task requirements.

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# Department of Communities

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