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## To the Chief Executive South Australian Housing Trust

### Opinion

I have audited the financial report of the South Australian Housing Trust for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Housing Trust as at 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, the Chief Executive and the Chief Financial Officer.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Housing Trust. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

## **Responsibilities of the Chief Executive and members of the Board for the financial report**

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the Board are responsible for overseeing the entity's financial reporting process.

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 27(4) of the *South Australian Housing Trust Act 1995*, I have audited the financial report of the South Australian Housing Trust for the financial year ended 30 June 2023.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Austrian Housing Trust's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive and members of the Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson  
**Auditor-General**

18 September 2023

**SOUTH AUSTRALIAN  
HOUSING TRUST**

**FINANCIAL STATEMENTS**

FOR THE PERIOD

**1 July 2022 TO 30 June 2023**

**STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended 30 June 2023

	Note No.	2023 \$'000	2022 \$'000
<b>Income</b>			
Rental income	2.1	270 940	256 106
SA Government grants, subsidies and transfers	2.2	60 780	7 581
Recoveries	2.3	23 055	23 290
Interest revenue	2.4	9 939	526
Commonwealth-sourced grants and funding	2.5	1 251	665
Net gain from disposal of property, plant and equipment	2.6	30 324	28 299
Resources received free of charge	2.7	5 703	-
Other revenue	2.8	8 445	20 015
<b>Total income</b>		<b>410 437</b>	<b>336 482</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	79 073	77 547
Rental property expenses	4.1	336 134	332 381
Grants and subsidies	4.2	105 606	101 908
Supplies and services	4.3	41 156	40 069
Depreciation and amortisation	4.4	115 074	98 379
Impairment expenses	4.5	27 905	19 730
Business services fees	4.6	3 906	3 526
Borrowing costs	4.7	1 069	686
<b>Total Expenses</b>		<b>709 923</b>	<b>674 226</b>
<b>Net result before income tax equivalent</b>		<b>( 299 486)</b>	<b>( 337 744)</b>
<b>Net result after income tax equivalent</b>		<b>( 299 486)</b>	<b>( 337 744)</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		2 053 412	366 473
<b>Total comprehensive result</b>		<b>1 753 926</b>	<b>28 729</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note No.	2023 \$'000	2022 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	6.1	97 311	112 473
Receivables	6.2	25 966	19 413
Other financial assets	6.3	135 150	290 364
Inventories	5.6	135 050	108 710
Non-current assets classified as held for sale	5.7	2 629	2 165
<b>Total Current Assets</b>		<b>396 106</b>	<b>533 125</b>
<b>Non-Current Assets</b>			
Receivables	6.2	5 292	5 372
Inventories	5.6	22 987	27 841
Property, plant and equipment	5.1	13 162 174	11 192 182
Intangible assets	5.5	33 209	34 863
<b>Total Non-Current Assets</b>		<b>13 223 662</b>	<b>11 260 258</b>
<b>Total Assets</b>		<b>13 619 768</b>	<b>11 793 383</b>
<b>Current Liabilities</b>			
Payables	7.1	56 641	126 564
Employee benefits liability	3.4	8 727	8 771
Financial liabilities	7.2	4 888	2 899
Provisions	7.3	720	665
Other liabilities	7.4	17 428	15 801
<b>Total Current Liabilities</b>		<b>88 404</b>	<b>154 700</b>
<b>Non-Current Liabilities</b>			
Payables	7.1	1 308	1 284
Employee benefits liability	3.4	13 132	13 345
Financial liabilities	7.2	30 148	25 644
Provisions	7.3	2 522	2 228
<b>Total Non-Current Liabilities</b>		<b>47 110</b>	<b>42 501</b>
<b>Total Liabilities</b>		<b>135 514</b>	<b>197 201</b>
<b>Net Assets</b>		<b>13 484 254</b>	<b>11 596 182</b>
<b>Equity</b>			
Retained earnings		2 573 263	2 804 699
Asset revaluation surplus	8.1	10 075 115	8 089 753
Contributed capital		835 876	701 730
<b>Total Equity</b>		<b>13 484 254</b>	<b>11 596 182</b>
<b>The total equity is attributable to the SA Government as owner</b>			
Unrecognised contractual commitments	10.1		
Contingent assets and liabilities	10.2		

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

**STATEMENT OF CHANGES IN EQUITY**

For the Year Ended 30 June 2023

	Note No.	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance as at 30 June 2021</b>		595 645	7 781 388	3 084 334	11 461 367
<b>Net Result for 2021-22</b>		-	-	(337 744)	(337 744)
Revaluation of property during 2021-22					
Movement in rental houses due to revaluation:					
Transferred to Capital Works		-	(4 274)	-	(4 274)
Subject to sales contracts		-	(308)	-	(308)
Increment in freehold land and buildings due to revaluation	5.4	-	371 055	-	371 055
<b>Total comprehensive result for 2021-22</b>		-	366 473	(337 744)	28 729
Transfer to retained earnings of increment realised on sale of freehold land and buildings		-	(58 108)	-	(58 108)
Realisation of asset revaluation surplus on sale of freehold land and buildings		-	-	58 108	58 108
<b>Total transfer between equity components 2021-22</b>		-	(58 108)	58 108	-
Equity contribution received	2.2	106 085	-	-	106 085
<b>Total transfer between SA Government as owner 2021-22</b>		106 085	-	-	106 085
<b>Balance as at 30 June 2022</b>		701 730	8 089 753	2 804 699	11 596 182
<b>Net Result for 2022-23</b>		-	-	(299 486)	(299 486)
Revaluation of property during 2022-23					
Movement in rental houses due to revaluation:					
Transferred to Capital Works		-	(2 007)	-	(2 007)
Subject to sales contracts		-	(531)	-	(531)
Increment in freehold land and buildings due to revaluation	5.4	-	2 055 950	-	2 055 950
<b>Total comprehensive result for 2022-23</b>		-	2 053 412	(299 486)	1 753 926
Transfer to retained earnings of increment realised on sale of freehold land and buildings		-	(68 050)	-	(68 050)
Realisation of asset revaluation surplus on sale of freehold land and buildings		-	-	68 050	68 050
<b>Total transfer between equity components 2022-23</b>		-	(68 050)	68 050	-
Equity contribution received	2.2	134 146	-	-	134 146
<b>Total transfer between SA Government as owner 2022-23</b>		134 146	-	-	134 146
<b>Balance as at 30 June 2023</b>		835 876	10 075 115	2 573 263	13 484 254

## STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2023

	Note No.	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Receipts from SA Government grants, subsidies and transfers		60 780	7 581
Rent received		260 923	249 521
Recoveries received		22 752	26 516
Other receipts		8 747	20 613
Receipts from Commonwealth-sourced grants and funding		1 251	665
Interest received		9 285	319
Proceeds from sale of property		96 290	98 102
GST receipts from the Department of Human Services		25 521	26 931
<b>Cash generated from operations</b>		<b>485 549</b>	<b>430 248</b>
<b>Cash outflows</b>			
Staffing costs		( 78 569)	( 81 317)
Supplies and services		( 41 655)	( 43 408)
Business services fee		( 3 906)	( 3 526)
Rental property payments		( 184 879)	( 206 284)
Grants and subsidies		( 114 880)	( 111 711)
Land tax equivalents paid		( 239 571)	( 74 554)
Payments for Paid Parental Leave Scheme		( 2)	( 11)
Development costs		( 123 187)	( 123 127)
<b>Cash used in operations</b>		<b>( 786 649)</b>	<b>( 643 938)</b>
<b>Net cash provided by/(used in) operating activities</b>	8.2	<b>( 301 100)</b>	<b>( 213 690)</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Affordable assist payments		80	355
<b>Cash generated from investing activities</b>		<b>80</b>	<b>355</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment		( 524)	( 1 030)
Purchase of intangibles		( 2 356)	( 3 227)
Affordable assist payments		-	-
<b>Cash used in investing activities</b>		<b>( 2 880)</b>	<b>( 4 257)</b>
<b>Net cash used in investing activities</b>		<b>( 2 800)</b>	<b>( 3 902)</b>
<b>Cash flows from financing activities</b>			
<b>Cash inflows</b>			
Capital contributions from SA Government		134 146	106 085
<b>Cash generated from financing activities</b>		<b>134 146</b>	<b>106 085</b>
<b>Cash outflows</b>			
Repayment of principal portion of leases liabilities		( 2 683)	( 3 511)
<b>Cash used in financing activities</b>		<b>( 2 683)</b>	<b>( 3 511)</b>
<b>Net cash provided by financing activities</b>		<b>131 463</b>	<b>102 574</b>
<b>Net increase/(decrease) in cash held</b>		<b>( 172 437)</b>	<b>( 115 018)</b>
Cash at the beginning of the financial year		397 689	512 707
<b>Cash at the end of the financial year</b>	8.2	<b>225 252</b>	<b>397 689</b>

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**Note 1 About the South Australian Housing Trust**

The South Australian Housing Trust (the Trust) is the State's principal housing authority. The Trust's roles and powers are based on the *South Australian Housing Trust Act 1995* (the Act), the *South Australian Co-operative and Community Housing Act 1991* (SACCH Act), *Housing Improvement Act 2016*, and the *Community Housing Providers (National Law) (South Australia) Act 2013*.

As per Section 8 of the Act, the Trust is subject to the control and direction of the Minister for Human Services. The Board of the Trust is responsible to the Minister for overseeing the operations of the Trust with the goals of:

- ensuring the sound administration of the Act and the implementation of the Minister's housing policies and plans
- achieving continuing improvements in the provision of secure and affordable public housing (subsection 16(1)(a))
- providing transparency and value in managing the resources available to the Trust and meeting Government and community expectations as to probity and accountability (subsection 16(1)(b))
- achieving appropriate social justice objectives and the fulfilment of the Trust's community service obligations (subsection 16(1)(c))

The financial statements and accompanying notes include all the controlled activities of the Trust (refer to the disaggregated disclosures for details of the Trust's controlled activities).

*Administered Items*

The Trust administers, but does not control, certain activities in relation to the Homelessness Social Impact Bond and the HomeStart Shared Equity Funding. Transactions and balances relating to the administered activities are not recognised as the Trust's income, expenses, assets, and liabilities, but are disclosed in the accompanying schedules at Note 12.

**1.1 Basis of preparation**

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

For the purposes of preparing the financial statements, the Trust is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

In accordance with section 25 of the Act, the Trust may be required to pay the State Government tax equivalents. Tax equivalent payments are required in respect of income tax and land tax equivalents.

In determining its income tax equivalent commitments, the Trust utilises the accounting profit model. Under this model, income tax expense is calculated by applying the company income tax rate (currently 30%) to the accounting profit for the year, adjusted for any items approved by the Under Treasurer for exclusion from the profit figure. Treasury reimburses the full cost of an income tax expense resulting in a nil effect of these payments on the net result.

Land tax equivalent is partially reimbursed by the State Government as part of a budget arrangement.

The Trust is liable for the cost of Payroll Tax, Fringe Benefits Tax, Stamp Duty and Goods and Services Tax (GST).

With respect to GST, the Trust is part of a GST group of which the nominated representative of the group is the Department of Human Services (DHS), which is responsible for paying GST on behalf of the Trust and is entitled to claim input tax credits. Administrative arrangements between DHS and the Trust provide for the reimbursement of the GST consequence incurred/earned by the Trust. The reimbursement receivable from/payable to the Trust has been recognised as a payable/receivable in the statement of financial position.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

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Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Trust has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

## 1.2 Objectives and programs

The objectives of the Trust include the provision of affordable and appropriate housing to households and families on low to moderate incomes, including provision of public and Aboriginal housing, affordable home purchase opportunities, provision of homelessness services, private rental assistance and support services, and the funding and regulation of Community Housing.

The Trust's governing Board of Management (the Board) is responsible to the Minister for overseeing the operations of the Trust.

Trust operations have been organised into the following business activities:

### *Public Housing*

The Trust is responsible for the management of public housing tenancies and assets. Managing tenancies includes allocation of public houses to those meeting eligibility criteria, tenancy management and provision of rental subsidies.

Managing assets includes maintenance, area regeneration and urban renewal programs, stock replacement programs (construction, purchase and disposal), modification of houses for those with disability, security provisions for people experiencing domestic or family violence, and strategic management and planning for future public housing stock needs.

### *Community Housing*

The Trust is responsible for the development, support and promotion of programs or other initiatives within the community housing sector, including administering the *South Australian Co-operative and Community Housing Act 1991* and the *Community Housing Providers (National Law) (South Australia) Act 2013*, and assisting in the establishment, regulation and administration of Housing Co-operatives and Housing Associations in South Australia.

### *Aboriginal Housing (SOMIH)*

The Trust is responsible for managing State Owned and Managed Indigenous Housing (SOMIH) across South Australia. Activities related to managing SOMIH are similar to those undertaken to manage public housing.

### *Aboriginal Community Housing*

The Trust supports the management of tenancies and housing assets within specific Indigenous communities. Activity under this program aims to address issues of overcrowding in remote Indigenous communities by increasing the supply of new houses, improving the condition of existing houses and ensuring ongoing maintenance and management of rental houses in remote Indigenous communities.

### *Homelessness and Support Services*

The Trust is responsible for supporting the homelessness services sector to enable more integrated and responsive service provision. This includes the funding of the Emergency Accommodation Program, special program tenancy support, and the funding and governance of the homelessness sector.

### *Private Rental Assistance and Housing Advice*

The Trust is responsible for the provision of financial assistance, information, referral, advocacy and advice to assist households who are experiencing instability, poverty, or housing difficulty in the private rental market. This includes assessments and eligibility checking, options appointments, and managing the public and community housing waitlist.

### *Affordable Housing*

The Trust supports the growth of affordable housing, including facilitating outcomes through the planning system, working with the financial sector to address barriers to home ownership and administering programs encouraging affordable housing.

*Specialised Housing Programs*

The Trust partners with government, non-government organisations and community housing providers registered under the National Regulatory System for Community Housing to provide housing for target cohorts. Specialised housing programs address the needs of people who are homeless, have disability or are disadvantaged. Activities include asset management and head leasing administration.

Staff members employed by the Trust undertake work as required by the *Housing Improvement Act 2016*, including the regulation of housing to ensure it meets prescribed minimum standards for safety and suitability.

*Housing System Advisory Services*

The Trust leads the promotion and development of the social housing sector, which includes furthering the Government's strategies to address the key issues of affordable housing and homelessness as well as promoting innovation. We partner with private sector organisations and other government agencies on initiatives that contribute to strengthening South Australia's housing system, including the provision of targeted, multi-agency responses.

This activity also supports the provision of information and advice to the Minister for Human Services.

*Emergency Relief Support*

The Trust is the lead agency responsible for the Emergency Relief Functional Support Group (ERFSG), at the direction of the SA Government, under the state emergency management arrangements. The ERFSG delivers relief and recovery services for the affected community during and after an emergency/disaster (e.g. bushfire, flood or earthquake).

In 2022-23 the Emergency Relief activities included a response during the Echunga Dam breach threat, and activation for the River Murray Flood, where three Relief Centres commenced operating in November 2022 in Berri, December 2022 in Mannum, and January 2023 in Murray Bridge. The Authority provided emergency relief including personal hardship grants, private rental assistance grants, reestablishment/reconnection grants, emergency accommodation, to residents adversely impacted by the floods. The Relief Centres continued to operate until end of February 2023. In March 2023 Recovery Centres opened in Berri, Mannum and Murray Bridge and remain operational at 30 June 2023.

The tables on the following pages presents expenses, income, assets and liabilities attributable to each program.

**DISAGGREGATED DISCLOSURES - EXPENSES AND REVENUES**

For the Year Ended 30 June 2023

	Public Housing	Community Housing	Aboriginal Housing (SOMIH)	Aboriginal Community Housing	Homelessness and Support Services	Private Rental Assistance	Affordable Housing	Specialised Housing Programs	Housing System Advisory Services	Emergency Relief Support	Total
	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000
<b>Income</b>											
Rental income	234 778	13 965	12 036	3 308	-	-	-	6 853	-	-	270 940
SA Government grants, subsidies and transfers	2 540	-	-	-	54 175	-	-	-	-	4 065	60 780
Recoveries	16 760	45	543	653	113	4 142	22	446	255	76	23 055
Interest revenue	9 939	-	-	-	-	-	-	-	-	-	9 939
Commonwealth-sourced grants and funding	-	-	-	-	640	-	611	-	-	-	1 251
Net gain from disposal of property, plant and equipment	13 021	15 141	( 307)	( 1)	( 1)	( 1)	2 475	-	( 3)	-	30 324
Resources received free of charge	-	5 703	-	-	-	-	-	-	-	-	5 703
Other revenue	8 162	-	28	5	-	-	238	-	-	12	8 445
<b>Total income</b>	<b>285 200</b>	<b>34 854</b>	<b>12 300</b>	<b>3 965</b>	<b>54 927</b>	<b>4 141</b>	<b>3 346</b>	<b>7 299</b>	<b>252</b>	<b>4 153</b>	<b>410 437</b>
<b>Expenses</b>											
Employee benefits expenses	33 739	5 100	1 930	3 358	7 720	3 584	1 740	798	18 439	2 665	79 073
Rental property expenses	275 580	35 067	15 210	5 651	8	6	291	4 288	29	4	336 134
Grants and subsidies	67	9	4	526	88 497	7 895	5 967	1	33	2 607	105 606
Supplies and services	21 454	1 374	751	4 302	2 346	1 261	927	612	5 955	2 174	41 156
Depreciation and amortisation	78 721	14 376	3 621	12 405	843	482	215	1 832	2 284	295	115 074
Impairment expenses	13 164	11 390	923	2 288	( 183)	( 222)	1 118	( 69)	( 441)	( 63)	27 905
Business service fees	2 252	193	109	111	241	163	.119	51	574	93	3 906
Borrowing costs	417	41	23	31	90	57	128	6	247	29	1 069
<b>Total Expenses</b>	<b>425 394</b>	<b>67 550</b>	<b>22 571</b>	<b>28 672</b>	<b>99 562</b>	<b>13 226</b>	<b>10 505</b>	<b>7 519</b>	<b>27 120</b>	<b>7 804</b>	<b>709 923</b>
<b>Net Result</b>	<b>( 140 194)</b>	<b>( 32 696)</b>	<b>( 10 271)</b>	<b>( 24 707)</b>	<b>( 44 635)</b>	<b>( 9 085)</b>	<b>( 7 159)</b>	<b>( 220)</b>	<b>( 26 868)</b>	<b>( 3 651)</b>	<b>( 299 486)</b>

**DISAGGREGATED DISCLOSURES - EXPENSES AND REVENUES**

For the Year Ended 30 June 2022

	Public Housing	Community Housing	Aboriginal Housing (SOMIH)	Aboriginal Community Housing	Homelessness and Support Services	Private Rental Assistance	Affordable Housing	Specialised Housing Programs	Housing System Advisory Services	Emergency Relief Support	Total
	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000
<b>Income</b>											
Rental income	222 546	13 260	11 050	3 152	-	-	-	6 098	-	-	256 106
SA Government grants, subsidies and transfers	62	1	-	1 001	433	1	5 800	-	3	280	7 581
Recoveries	14 841	39	490	1 566	692	4 613	24	392	139	494	23 290
Interest revenue	526	-	-	-	-	-	-	-	-	-	526
Commonwealth-sourced grants and funding	-	-	-	-	591	-	74	-	-	-	665
Net gain from disposal of property, plant and equipment	16 224	11 241	( 782)	( 5)	( 2)	( 2)	1 631	-	( 5)	( 1)	28 299
Other revenue	19 412	127	31	7	1	1	369	64	3	-	20 015
<b>Total income</b>	<b>273 611</b>	<b>24 668</b>	<b>10 789</b>	<b>5 721</b>	<b>1 715</b>	<b>4 613</b>	<b>7 898</b>	<b>6 554</b>	<b>140</b>	<b>773</b>	<b>336 482</b>
<b>Expenses</b>											
Employee benefits expenses	30 620	5 655	1 726	3 132	8 115	4 188	1 720	1 610	18 825	1 956	77 547
Rental property expenses	271 118	25 930	17 664	5 832	207	105	817	10 157	502	49	332 381
Grants and subsidies	57	152	3	2 630	85 942	7 028	5 499	3	34	560	101 908
Supplies and services	19 215	1 543	767	3 785	2 611	1 576	1 080	1 865	6 505	1 122	40 069
Depreciation and amortisation	64 113	11 965	2 889	12 460	778	449	247	3 353	1 926	199	98 379
Impairment expenses	14 334	460	540	36	75	178	2 587	1 322	179	19	19 730
Business service fees	1 688	182	99	92	223	219	266	167	517	73	3 526
Borrowing costs	275	47	16	26	68	36	25	16	161	16	686
<b>Total Expenses</b>	<b>401 420</b>	<b>45 934</b>	<b>23 704</b>	<b>27 993</b>	<b>98 019</b>	<b>13 779</b>	<b>12 241</b>	<b>18 493</b>	<b>28 649</b>	<b>3 994</b>	<b>674 226</b>
<b>Net Result</b>	<b>( 127 809)</b>	<b>( 21 266)</b>	<b>( 12 915)</b>	<b>( 22 272)</b>	<b>( 96 304)</b>	<b>( 9 166)</b>	<b>( 4 343)</b>	<b>( 11 939)</b>	<b>( 28 509)</b>	<b>( 3 221)</b>	<b>( 337 744)</b>

**DISAGGREGATED DISCLOSURES - ASSETS AND LIABILITIES**

As At 30 June 2023

	Public Housing	Community Housing	Aboriginal Housing (SOMIH)	Aboriginal Community Housing	Homelessness and Support Services	Private Rental Assistance	Affordable Housing	Specialised Housing Programs	Housing System Advisory Services	Emergency Relief Support	Total
	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000
<b>Assets</b>											
Cash and cash equivalents *	97 311	-	-	-	-	-	-	-	-	-	97 311
Receivables	24 605	807	523	8	-	-	5 292	13	-	10	31 258
Other financial assets *	135 125	-	-	-	-	-	-	-	-	25	135 150
Inventories	132 335	25 156	546	-	-	-	-	-	-	-	158 037
Non-current assets classified as held for sale *	2 629	-	-	-	-	-	-	-	-	-	2 629
Property, Plant and Equipment	7 805 130	3 997 673	476 119	305 357	22	-	78 237	499 622	-	14	13 162 174
Intangible Assets *	33 209	-	-	-	-	-	-	-	-	-	33 209
<b>Total Assets</b>	<b>8 230 344</b>	<b>4 023 636</b>	<b>477 188</b>	<b>305 365</b>	<b>22</b>	<b>-</b>	<b>83 529</b>	<b>499 635</b>	<b>-</b>	<b>49</b>	<b>13 619 768</b>
<b>Liabilities</b>											
Payables	57 949	-	-	-	-	-	-	-	-	-	57 949
Employee benefits liability	9 326	1 410	534	928	2 134	991	481	221	5 097	737	21 859
Financial liabilities	32 116	-	4	25	35	-	2 830	12	-	14	35 036
Provisions *	3 242	-	-	-	-	-	-	-	-	-	3 242
Other Liabilities *	17 428	-	-	-	-	-	-	-	-	-	17 428
<b>Total Liabilities</b>	<b>120 061</b>	<b>1 410</b>	<b>538</b>	<b>953</b>	<b>2 169</b>	<b>991</b>	<b>3 311</b>	<b>233</b>	<b>5 097</b>	<b>751</b>	<b>135 514</b>

\* These items have been attributed wholly to Public Housing as it was not possible to reliably attribute across other programs.

**DISAGGREGATED DISCLOSURES - ASSETS AND LIABILITIES**

As At 30 June 2022

	Public Housing	Community Housing	Aboriginal Housing (SOMIH)	Aboriginal Community Housing	Homelessness and Support Services	Private Rental Assistance	Affordable Housing	Specialised Housing Programs	Housing System Advisory Services	Emergency Relief Support	Total
	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000
<b>Assets</b>											
Cash and cash equivalents *	112 473	-	-	-	-	-	-	-	-	-	112 473
Receivables	18 323	541	523	7	-	-	5 372	19	-	-	24 785
Other financial assets *	290 364	-	-	-	-	-	-	-	-	-	290 364
Inventories	99 938	36 067	546	-	-	-	-	-	-	-	136 551
Non-current assets classified as held for sale *	2 165	-	-	-	-	-	-	-	-	-	2 165
Property, plant and equipment	6 670 285	3 367 689	398 965	281 763	7	-	28 405	445 056	-	12	11 192 182
Intangible assets *	34 863	-	-	-	-	-	-	-	-	-	34 863
<b>Total Assets</b>	<b>7 228 411</b>	<b>3 404 297</b>	<b>400 034</b>	<b>281 770</b>	<b>7</b>	<b>-</b>	<b>33 777</b>	<b>445 075</b>	<b>-</b>	<b>12</b>	<b>11 793 383</b>
<b>Liabilities</b>											
Payables	127 848	-	-	-	-	-	-	-	-	-	127 848
Employee benefits liability	8 715	1 615	493	894	2 317	1 196	491	460	5 376	559	22 116
Financial liabilities	28 178	-	4	25	7	-	299	18	-	12	28 543
Provisions *	2 893	-	-	-	-	-	-	-	-	-	2 893
Other liabilities *	15 801	-	-	-	-	-	-	-	-	-	15 801
<b>Total Liabilities</b>	<b>183 435</b>	<b>1 615</b>	<b>497</b>	<b>919</b>	<b>2 324</b>	<b>1 196</b>	<b>790</b>	<b>478</b>	<b>5 376</b>	<b>571</b>	<b>197 201</b>

\* These items have been attributed wholly to Public Housing as it was not possible to reliably attribute across other programs.

### 1.3 Significant transactions with government related entities

The Trust had the following significant transactions with government:

- grant funding received of \$60.780 million and an equity contribution of \$134.146 million from the Department of Treasury and Finance (DTF). Revenue for these items are listed in note 2.2,
- water rates payments of \$27.296 million to South Australian Water Corporation (SA Water). Expenses for these items are listed in note 4.1,
- land tax equivalent payments of \$165.013 million to Revenue SA. Expenses for these items are listed in note 4.1,
- purchase of properties and vacant lands from the Department for Infrastructure and Transport (DIT) and SA Water totaling \$3.550 million. Properties have been included in Note 5.1.
- sale of properties and vacant lands to DIT and SA Ambulance Service totaling \$2.450 million. The proceeds from sale of these properties are included in Note 2.6.
- all motor vehicle lease payments relate to cars supplied by Fleet SA. Expenses for these items are listed in note 4.3, 5.1 and 5.3,
- all accommodation service payments relate to arrangements with the DIT and Department for Child Protection (DCP). Expenses for these items are listed in note 4.3,
- business services fees totaling \$3.906 million include payments made to DHS, Renewal SA (RSA) and Shared Services SA (SSSA) for these services and functions under the Service Level Administrative Arrangements (SLAA's). Expenses for these items are listed in note 4.6.

## Note 2 Income

This section presents the sources and amounts of income recognised by the Trust and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

### 2.1 Rental income

	2023	2022
	\$'000	\$'000
<b>Rent received/receivable from entities external to the SA Government</b>		
Market rent income	479 208	429 535
less rental rebates	( 225 728)	( 190 121)
Other rent	17 460	16 692
<b>Total rental income</b>	<b>270 940</b>	<b>256 106</b>

Rent receivable in respect of each property is recognised as revenue and charged to tenants weekly, in advance.

The difference between the assessed rent (\$253.480 million) for the property and the market rent (\$479.208 million) is recognised as a rental rebate subsidy provided to tenants and income forgone by the Trust (\$225.728 million).

The Trust determines a market rent for each property, structured on the basis of regional rental markets. This represents the potential rental income derivable from the rental stock. The Trust's rental policy is that no eligible tenant will be required to pay more than 25 percent of their household income in rent. For tenants with a moderate household income, as of 1 July 2021, the percentage of total assessable household income before tax used to calculate rent is 26% of the tenant's total assessable household income. Rent increases by 1% of the tenant's total assessable household income before tax twice a year in line with scheduled subsidised rent reviews in 2022 and 2023. As at 30 June 2023, the percentage of total assessable household income before tax used to calculate rent is 29% with the final incremental increase to 30% will be applied October 2023.

**South Australian Housing Trust**

**2022-23**

**2.2 SA Government grants, subsidies and transfers**

	2023	2022
	\$'000	\$'000
General purpose grant	52 582	-
Emergency management reimbursement - River Murray flood	4 065	-
Homelessness program	1 593	431
250 Apprenticeships Initiative	1 272	56
Port Pirie Lead Contamination	1 268	-
Build-to-Rent capital grant	-	5 800
Other state grants	-	1 015
Emergency management reimbursement - bushfires	-	271
Emergency management reimbursement - COVID-19	-	8
<b>Total SA Government grants, subsidies and transfers</b>	<b>60 780</b>	<b>7 581</b>

Revenues from SA Government are recognised as revenues when the Trust obtains control over the funding. Control over these revenues is normally obtained upon receipt.

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the Trust and the appropriation is recorded as contributed equity. Refer to the Statement of Changes in Equity.

**2.3 Recoveries**

	2023	2022
	\$'000	\$'000
Water charges	10 582	7 695
Maintenance	5 086	6 564
Private rental assistance	4 094	4 577
Insurance	2 234	2 653
General service recoveries	871	1 090
Other	158	79
Grant recoveries	30	632
<b>Total recoveries</b>	<b>23 055</b>	<b>23 290</b>

Recoveries include costs that are on charged to tenants by the Trust including water usage charges, non-fair wear and tear maintenance charges and Private Rental Assistance bonds that are claimed by landlords.

Recoveries for costs on-charged to tenants by the Trust are included as income. These recoveries including maintenance, water charges and private rental assistance are costs incurred by the Trust and subsequently on-charged to the customer. In accordance with AASB 15 *Revenue from Contracts with Customers*, recoveries are recognised once the Trust has satisfied its performance obligation, generally this coincides with a charge being raised to the customer. In regard to water recoveries, the transaction price allocated to the performance obligation over time is estimated based on actual previous billing periods.

**2.4 Interest revenue**

	2023	2022
	\$'000	\$'000
Interest from entities within the SA Government	9 939	526
<b>Total interest revenue</b>	<b>9 939</b>	<b>526</b>

**South Australian Housing Trust**

**2022-23**

**2.5 Commonwealth-sourced grants and funding**

	2023	2022
	\$'000	\$'000
National Housing Finance & Investment Corporation Infrastructure Grant	611	74
Keeping Women Safe in their Homes	465	466
Local Support Coordinator - Domestic & Family Violence	175	125
<b>Total Commonwealth-sourced grants and funding</b>	<b>1 251</b>	<b>665</b>

**2.6 Net gain from disposal of property, plant and equipment**

	2023	2022
	\$'000	\$'000
<b>Rental properties</b>		
Net proceeds from disposal	34 153	45 787
Less net book value of assets disposed <sup>(1)</sup>	( 14 772)	( 27 219)
<b>Net gain from disposal of rental properties</b>	<b>19 381</b>	<b>18 568</b>
<b>Administration properties</b>		
Net proceeds from disposal	-	-
Less net book value of assets disposed <sup>(1)</sup>	( 354)	-
<b>Net loss from disposal of administration properties</b>	<b>( 354)</b>	<b>-</b>
<b>Inventory - developed properties</b>		
Net proceeds from disposal	59 519	45 736
Less net book value of assets disposed <sup>(1)</sup>	( 47 323)	( 35 944)
<b>Net gain from disposal of rental properties</b>	<b>12 196</b>	<b>9 792</b>
<b>Inventory – vacant land</b>		
Net proceeds from disposal	54	1 553
Less net book value of assets disposed <sup>(1)</sup>	( 933)	( 1 591)
<b>Net loss from disposal of vacant land</b>	<b>( 879)</b>	<b>( 38)</b>
<b>Plant and equipment</b>		
Net proceeds from disposal	-	-
Less net book value of assets disposed	( 20)	( 23)
<b>Net loss from disposal of plant and equipment</b>	<b>( 20)</b>	<b>( 23)</b>
<b>Total assets</b>		
Net proceeds from disposal	93 726	93 076
Less net book value of assets disposed <sup>(1)</sup>	( 63 402)	( 64 777)
<b>Total net gain from disposal of property, plant and equipment</b>	<b>30 324</b>	<b>28 299</b>

<sup>(1)</sup> The net book value of assets disposed comprises the carrying amount of the properties, plus the costs of marketing and agent fees and the cost of separating services and titles in respect of double units sold. In establishing the property value, the valuer includes the impact of capital improvements effected by the tenants. Tenants purchasing properties are allowed discounts consistent with their personal investment in the property.

Gains/losses on disposal of assets are recognised at the date asset control is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

**2.7 Resources received free of charge**

	2023	2022
	\$'000	\$'000
Properties received free of charge	5 703	-
<b>Total other revenue</b>	<b>5 703</b>	<b>-</b>

In 2022-23 the Trust received control of 12 properties that were developed by the Community Housing Providers (CHP) under the Renewing Our Streets & Suburbs (ROSAS) acquisition program. The properties are held in the name of the CHP, but control of these properties resides with the Trust through the *Community Housing Providers (National Law) (South Australia) Act 2013* and Funding Agreements which prescribe how the properties are to be used and managed on behalf of the Government, the eligible tenants that are entitled to use them and the rent that can be charged by the CHP. There was no consideration provided for these properties.

**2.8 Other revenue**

	2023	2022
	\$'000	\$'000
Prior period GST recovered <sup>(2)</sup>	5 373	16 444
Bad debts recovered	2 519	2 462
Sundry revenue	553	879
Shared value mortgages	-	230
<b>Total other revenue</b>	<b>8 445</b>	<b>20 015</b>

<sup>(2)</sup> In 2020-21 the Trust received confirmation from the ATO that the supply of accommodation to eligible tenants with a disability is a GST free supply. As a result, the Trust is able to claim input tax credits for GST incurred on historic costs from September 2016. The Trust has been progressively reviewing these historic costs and claiming input tax credits. This review of historic costs was completed in 2022-23.

**Note 3 Board, committees and employees****3.1 Key management personnel**

Key management personnel of the Trust include the Minister for Human Services, the Board of Management, the Chief Executive, and members of the Executive Team.

The compensation detailed below excludes salaries and other benefits the Minister for Human Services received. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 the *Parliamentary Remuneration Act 1990*.

	2023	2022
	\$'000	\$'000
Salaries and other short-term employee benefits	1 952	1 843
Post-employment benefits	202	344
Other long-term employment benefits	34	153
Termination benefits	-	191
<b>Total key management personnel compensation</b>	<b>2 188</b>	<b>2 531</b>

**Transactions with Key Management Personnel and other related parties**

There were no reportable transactions between the Trust and any Key Management Personnel and their related parties.

**3.2 Board and committee members**

Members during the 2022-23 financial year were:

**SAHT Governing Board**

*(appointed by the Governor)*

M Patetsos (Chairperson) (appointed September 2022)  
 G Storkey (ceased September 2022)  
 C Bierbaum (ceased June 2023)  
 S Reid (ceased July 2022)  
 G Bonato (ceased June 2023)  
 A Beer  
 S Moore  
 L Matthews  
 G Coulthard (appointed December 2022)

**Audit, Risk & Finance Committee**

*(appointed by the Board)*

C Bierbaum (ceased June 2023)  
 M Patetsos (appointed September 2022)  
 G Storkey (ceased September 2022)  
 B Morris \*  
 S Moore

**Aboriginal Advisory Committee #**

G Coulthard (Chairperson) (appointed December 2022)  
 D White (appointed October 2022)  
 R Brock  
 R Coleman  
 D Wheare  
 A Lawrie \*  
 K Wanganeen  
 C Newchurch

# The Aboriginal Advisory Committee became a remunerated committee in the 2022-23 financial year.

\* In accordance with the *Premier and Cabinet Circular No. 016 Remuneration for Government Appointed Part-Time Boards and Committees*, government employees did not receive any remuneration for board/committee duties during the financial year.

The fees paid to Board members in their capacity as Board Members are set by Executive Council.

	2023	2022
	No.	No.
\$0 - \$19 999	10	3
\$20 000 - \$39 999	4	2
\$40 000 - \$59 999	2	3
\$60 000 - \$79 999	1	-
\$80,000 - \$99,999	-	1
<b>Total number of members</b>	<b>17</b>	<b>9</b>

The total remuneration received or receivable by members was \$0.324 million (\$0.302 million) including superannuation contributions of \$0.031 million (\$0.027 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

**3.3 Employee benefits expenses**

	2023	2022
	\$'000	\$'000
Salaries and wages	59 852	59 356
Superannuation	7 697	7 189
Annual leave	6 518	6 213
Payroll tax	3 910	3 798
Other employee expenses	3 120	2 782
Long service leave	1 665	( 473)
Workers compensation	895	2 327
Targeted voluntary separation packages (refer below)	439	220
Retention leave	407	400
Rejuvenation payments	-	1 390
Board fees	293	275
Charged to capital program	( 5 723)	( 5 930)
<b>Total employee benefits expenses</b>	<b>79 073</b>	<b>77 547</b>

In 2022, provision adjustments exceeded long service leave payments resulting in negative long service leave expense.

**Employment on-costs – superannuation**

The superannuation employment on-cost charge represents the Trust's contributions to superannuation plans in respect of current services of current employees.

The number of staff whose remuneration received or receivable falls within the following bands:

	2023	2022
	No	No
\$157 001 to \$160 000 #	NA	-
\$160 001 to \$180 000	8	9
\$180 001 to \$200 000	4	-
\$200 001 to \$220 000	3	4
\$220 001 to \$240 000	2	2
\$240 001 to \$260 000	1	1
\$260 001 to \$280 000	2	1
\$300 001 to \$320 000	-	1
\$380 001 to \$400 000	1	1
\$440 001 to \$460 000	1	-
\$460 001 to \$480 000	-	1
<b>Total number of employees</b>	<b>22</b>	<b>20</b>

# This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

The total remuneration received by these employees for the year was \$4.799 million (\$4.487 million).

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the Trust.

**Targeted Voluntary Separation Packages (TVSPs)**

The number of employees who received a TVSP during the reporting period was 4 (2).

	2023	2022
	\$'000	\$'000
Amount paid during the reporting period to separated employees:		
Targeted voluntary separation packages	439	220
Leave paid to separated employees	245	41
<b>Net cost to the Trust</b>	<b>684</b>	<b>261</b>

**3.4 Employee benefits liability**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Annual leave	6 496	6 814
Long service leave	1 771	1 705
Retention leave	460	510
Accrued salaries and wages <sup>(3)</sup>	-	( 258)
<b>Total current employee entitlements</b>	<b>8 727</b>	<b>8 771</b>
<b>Non-current</b>		
Long service leave	13 132	13 345
<b>Total non-current employee entitlements</b>	<b>13 132</b>	<b>13 345</b>
<b>Total employee entitlements</b>	<b>21 859</b>	<b>22 116</b>

<sup>(3)</sup> Accrued salaries and wages recognised one day prepayment in 2021-22 resulting in negative accrued salaries and wages.

Employee benefits accrued as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

**Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave**

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave to be taken in future years by staff is estimated to be less than the annual entitlement for sick leave.

**Long service leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 11.1.

**Note 4 Expenses**

This section presents the major components of expenditure incurred by the Trust in relation to operating activities during the reporting period. Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Trust will occur and can be reliably measured.

Employee benefits expenses are disclosed in note 3.3.

**4.1 Rental property expenses**

	2023	2022
	\$'000	\$'000
Land tax equivalent	165 013	149 113
Maintenance	97 120	107 185
Council rates	45 290	43 928
Water rates	27 296	28 918
Other property expenses	791	551
Construction variances	471	2 507
Emergency services levy	151	176
Stamp duty & search fees	2	3
<b>Total rental property expenses</b>	<b>336 134</b>	<b>332 381</b>

**4.2 Grants and subsidies**

	2023	2022
	\$'000	\$'000
Specialist homelessness services	73 622	71 210
Emergency accommodation assistance	11 467	10 918
Private rental assistance	7 888	7 020
National Rental Affordability Scheme Subsidies	5 962	5 495
River Murray flood response	2 614	-
Homelessness Prevention Fund	2 412	3 061
Holbrooks Accommodation Program	859	871
National Partnership Agreement: Remote Indigenous Housing	507	854
Other homelessness programs	258	-
Septic tanks in Aboriginal communities and homelands	13	1 771
Other recurrent grants	4	10
COVID-19 homelessness response	-	555
More Affordable Tenancies in Community Housing	-	142
Emergency management grants	-	1
<b>Total grants and subsidies</b>	<b>105 606</b>	<b>101 908</b>

**South Australian Housing Trust**

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**4.3 Supplies and services**

	2023	2022
	\$'000	\$'000
Computer expenses	9 769	10 289
Insurance	7 443	6 952
Contractors	6 089	4 887
Accommodation expenses	5 694	6 428
Administration expenses	2 660	2 343
Travel and accommodation	1 585	1 384
Staff development	1 583	1 194
Tenant relocation	1 346	773
Fleet management	1 124	773
Printing, stationery and postage	999	1 113
Communications	875	1 083
Audit fees - Auditor-General's Department <sup>(4)</sup>	572	576
Other customer related expenses	496	625
Consultants	364	631
Agent fees	334	319
Leased property expenses	287	1 018
Brokerage	124	95
Charged to capital program	( 188)	( 414)
<b>Total supplies and services</b>	<b>41 156</b>	<b>40 069</b>

<sup>(4)</sup> Audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$0.572 million (\$0.606 million). No other services were provided by the Auditor-General's Department.

**4.4 Depreciation and amortisation**

	2023	2022
	\$'000	\$'000
Rental properties	65 924	55 027
Service concession assets	14 075	11 881
Assets under arrangement	13 528	11 151
Remote Indigenous leased properties	11 535	11 525
Intangible assets	4 010	3 810
Right-of-use accommodation	3 691	2 507
Leasehold improvements	956	946
Plant and equipment	575	660
Right-of-use motor vehicles	437	511
Administrative properties	251	269
Commercial properties	92	92
<b>Total depreciation and amortisation</b>	<b>115 074</b>	<b>98 379</b>

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

**Useful Life**

Depreciation and amortisation are calculated on a straight line basis. Property, plant and equipment assets have a limited useful life and are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential ranging from 3 to 50 years. The useful lives of all major assets held by the Trust are reassessed on an annual basis.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land, vacant land and capital work in progress are not depreciated.

Depreciation/amortisation of property, plant and equipment is determined as follows:

Class of Asset	Depreciation/Amortisation Method	Useful Life (Years)
Rental Properties (Dwellings)*	Straight Line	50
Administrative Properties	Straight Line	20
Commercial Properties	Straight Line	20
Assets under Arrangement	Straight Line	50
Remote Indigenous Leased Properties	Straight Line	30
Right-of-Use Buildings	Straight Line	Lease term
Right-of-Use Motor Vehicles	Straight Line	Lease term
Leasehold Improvements	Straight Line	3 - 10
Plant and Equipment	Straight Line	3 - 10
Intangibles	Straight Line	3 - 10
Service Concession Assets	Straight Line	50

\* An estimated useful life of 50 years is assumed for rental dwellings and depreciation expense is calculated at a rate of 2 percent per annum on the opening revalued amount for each property.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Trust only has intangible assets with finite lives.

#### **Review of Accounting Estimates**

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

The Trust revalued all its land and buildings in 2023, as disclosed in note 11.2. This resulted in an increment mainly attributed to a significant increase in the value of building, particularly in metropolitan Adelaide, consistent with prevailing market conditions. Depreciation expenses increased by \$17.286 million as a result of the revaluation.

#### **4.5 Impairment expenses**

	2023	2022
	\$'000	\$'000
Asset write-offs <sup>(5)</sup>	24 054	8 539
Impairment loss on receivables	3 851	11 191
<b>Total impairment expenses</b>	<b>27 905</b>	<b>19 730</b>

<sup>(5)</sup> Demolitions and other asset impairments mainly resulting from the Trust's various capital programs.

Receivables were tested for indications of impairment by way of an actuarial review at 30 June. The impairment loss, which relates entirely to customer debtors, has been offset against receivables and has been recognised in the Statement of Comprehensive Income under Impairment Expenses.

All other non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. If the amount by which the asset's carrying amount exceeds the recoverable amount is material, it is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the asset revaluation surplus.

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**4.6 Business services fees**

	2023	2022
	\$'000	\$'000
SA Government Shared Services	1 506	1 281
Project management services	737	689
Records management and mail services	671	680
Administration premises management	524	492
Motor vehicle hire charges	296	216
Procurement services	82	80
Computing services and processing charges	50	61
Human resources services	19	43
Media & Communications Services	13	-
GST expense	8	( 16)
<b>Total business services fees</b>	<b>3 906</b>	<b>3 526</b>

DHS, RSA and SSSA provide services and functions to the Trust pursuant to Service Level Administrative Arrangements (SLAAs) as categorised above. Business Service Fees include payments made to DHS, RSA and SSSA for these services and functions.

Due to the administrative taxation arrangement between DHS and the Trust, the Trust received a reimbursement from DHS due to an overpayment of input taxed credits in 2020-21, resulting in negative GST expense in 2021-22.

**4.7 Borrowing costs**

	2023	2022
	\$'000	\$'000
Interest expense on lease liabilities	960	684
Interest expense on National Housing Finance & Investment Corporation loan	109	2
<b>Total borrowing costs</b>	<b>1 069</b>	<b>686</b>

The Trust does not capitalise borrowing costs.

**Note 5 Non-financial assets**

This section presents the assets that are utilised by the Trust to fulfil its objectives and conduct its activities and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

**5.1 Property, plant and equipment**

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

	2023	2022
	\$'000	\$'000
<b>Rental properties</b>		
<i>Land</i>		
Land at fair value	5 088 956	4 629 815
<i>Buildings</i>		
Buildings	3 591 935	2 724 601
Accumulated depreciation	( 47 729)	( 36 520)
<b>Total buildings at fair value</b>	<b>3 544 206</b>	<b>2 688 081</b>
<b>Total rental properties</b>	<b>8 633 162</b>	<b>7 317 896</b>
<b>Administrative properties</b>		
<i>Land</i>		
Land at fair value	2 294	2 212
<i>Buildings</i>		
Buildings	5 083	4 599
Accumulated depreciation	( 162)	( 181)
<b>Total buildings at fair value</b>	<b>4 921</b>	<b>4 418</b>
<i>Leasehold improvements</i>		
Leasehold improvements	16 193	16 480
Accumulated depreciation	( 7 723)	( 6 767)
<b>Total leasehold improvements at cost (deemed fair value)</b>	<b>8 470</b>	<b>9 713</b>
<b>Total administrative properties</b>	<b>15 685</b>	<b>16 343</b>
<b>Commercial properties</b>		
<i>Land</i>		
Land at fair value	2 565	2 544
<i>Buildings</i>		
Buildings	1 833	1 739
Accumulated depreciation	( 63)	( 59)
<b>Total buildings at fair value</b>	<b>1 770</b>	<b>1 680</b>
<b>Total commercial properties</b>	<b>4 335</b>	<b>4 224</b>
<b>Assets under arrangement</b>		
<i>Land</i>		
Land at fair value	985 327	883 909
<i>Buildings</i>		
Assets under arrangement	747 294	544 558
Accumulated depreciation	( 9 846)	( 7 383)
<b>Total buildings at fair value</b>	<b>737 448</b>	<b>537 175</b>
<b>Total assets under arrangement</b>	<b>1 722 775</b>	<b>1 421 084</b>

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	2023 \$'000	2022 \$'000
<b>Vacant land</b>		
<i>Land</i>		
Land at fair value	99 938	88 951
<b>Total vacant land</b>	<b>99 938</b>	<b>88 951</b>
<b>Remote Indigenous leased properties</b>		
Remote Indigenous buildings	286 366	284 899
Accumulated amortisation	( 30 466)	( 19 197)
<b>Total remote Indigenous leased properties at fair value</b>	<b>255 900</b>	<b>265 702</b>
<b>Plant and equipment</b>		
Plant and equipment	7 226	7 284
Accumulated depreciation	( 5 721)	( 5 179)
<b>Total plant and equipment at cost (deemed fair value)</b>	<b>1 505</b>	<b>2 105</b>
<b>Service concession assets</b>		
<i>Land</i>		
Land at fair value	1 428 128	1 323 975
<i>Buildings</i>		
Buildings at fair value	780 228	586 171
Accumulated depreciation	( 10 137)	( 7 646)
<b>Total buildings at fair value</b>	<b>770 091</b>	<b>578 525</b>
<b>Total service concession assets</b>	<b>2 198 219</b>	<b>1 902 500</b>
<b>Capital works in progress</b>		
Buildings & land	206 042	152 743
<b>Total capital works in progress at cost</b>	<b>206 042</b>	<b>152 743</b>
<b>Total property, plant and equipment owned by the Trust</b>	<b>13 137 561</b>	<b>11 171 548</b>
<b>Right-of-use motor vehicles</b>		
Right-of-use motor vehicles	1 445	1 054
Accumulated depreciation	( 632)	( 537)
<b>Total right-of-use motor vehicles at cost</b>	<b>813</b>	<b>517</b>
<b>Right-of-use accommodation</b>		
Right-of-use accommodation	31 250	23 876
Accumulated depreciation	( 7 450)	( 3 759)
<b>Total right-of-use accommodation at cost</b>	<b>23 800</b>	<b>20 117</b>
<b>Total property, plant and equipment leased by the Trust</b>	<b>24 613</b>	<b>20 634</b>
<b>Total property, plant and equipment</b>	<b>13 162 174</b>	<b>11 192 182</b>
Total property, plant and equipment at fair value	13 019 947	11 077 973
Total property, plant and equipment at cost	262 156	201 437
Total accumulated depreciation/amortisation	( 119 929)	( 87 228)
<b>Total property, plant and equipment</b>	<b>13 162 174</b>	<b>11 192 182</b>

## 5.2 Property, plant and equipment owned by the Trust

Property, plant and equipment with a value equal to or in excess of \$5,000 is capitalised, otherwise it is expensed.

Assets acquired at no cost, or minimal cost, are recorded at their fair value in the Statement of Financial Position unless they are acquired as part of a restructuring of administrative arrangement, in which case they are recorded at the value recorded by the transferor prior to transfer. Detail about the Trust's approach to fair value is set out in note 11.2.

All other assets are initially brought to account as follows:

### *Rental Properties, Administrative Properties, Commercial Properties, Leasehold Improvements, Vacant Land and Plant and Equipment*

These assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition and are depreciated as outlined below.

Subsequent costs are included in the asset's carrying amount, as appropriate, including capitalised maintenance costs on rental properties.

### *Assets Under Arrangement*

Assets under arrangement are tenable properties that have been transferred to a Community Housing Provider (CHP) to manage. In return for the right to manage these properties the CHP has issued a debenture at fair value, or entered into a legal arrangement, with similar provisions. Recognition is based on the Trust's control of the future service potential of the assets and that these are probable and can be reliably measured. Control of these properties resides with the Trust through the *Community Housing Providers (National Law) (South Australia) Act 2013* and Funding Agreements which prescribe how the properties are to be used and managed on behalf of the government, the eligible tenants that are entitled to use them and the rent that can be charged by the CHP.

The SACCH Act provides for members of Housing Co-operatives and tenants of Associations to acquire an interest in the properties they occupy, by the Co-operative or Association issuing a participation entitlement to members. The participation entitlement reflects a percentage, as specified in the Deed, of the market value of a specific Co-operative property.

Assets under arrangement are initially recognised at fair value.

### *Remote Indigenous Leased Properties*

The Minister for Human Services has entered into lease arrangements ranging between 40 and 50 years with numerous Indigenous communities to lease parcels of land to allow the construction of new houses and the upgrade of existing houses in remote areas utilising National Partnership Agreement funding. The Trust, as agent for the Minister, will oversee all capital works on the properties and overall management of the agreement. Under the terms of the Ground Lease, ownership of the new dwellings will pass to the governing body that manages the land at the end of the lease term.

The constructed assets are recorded as capital works in progress and once complete are recognised as Remote Indigenous Leased Properties.

### *Capital Work in Progress*

Capital work in progress reflects assets under construction that will be used in the Trust's operations.

The carrying amount for capital work in progress includes all construction-costs, charges for administrative expenses and a revaluation increment or decrement where the property has previously been revalued but excludes any borrowing costs and feasibility or pre-construction-costs.

### *Service Concession Assets*

Service concession assets are properties captured under AASB 1059 *Service Concession Assets* (AASB 1059) and relate to various arrangements that the Trust has with CHPs where the CHPs provide affordable or social housing services on behalf of the Trust. The Trust controls the services that the CHPs must provide with the properties, to whom it must provide them, and at what price.

Arrangements within the scope of the standard will typically involve the CHPs constructing, developing or upgrading existing properties of the Trust, and operating and maintaining those properties for the period of the arrangement.

AASB 1059 requires that the fair value of the service concession assets be measured at current replacement cost in accordance with the cost approach in *AASB 13 Fair Value Measurement*. To replace the service capacity of a service concession asset would be to purchase a house and land in a similar location and functionality therefore the market value would drive the current replacement cost. The Trust use Valuer-General (VG) valuations, which is consistent with the Trust valuation policy across other real property assets.

#### ***Impairment***

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. If the amount by which the asset's carrying amount exceeds the recoverable amount is material, it is recorded as an impairment loss.

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 11.2. For revalued assets, an impairment loss is offset against the asset revaluation surplus.

### **5.3 Property, plant and equipment leased by the Trust**

Right-of-use assets for property, plant and equipment leased by the Trust is recorded at cost.

The Trust does not have any short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets.

The Trust has a limited number of leases:

- 120 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 1 years up to 3 years. No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- 7 office accommodation leases with the Department for Infrastructure and Transport (DIT). The lease terms are 2 years and 10 years. No contingent rental provisions exist within the lease agreements. Some leases have the options to renew at the end of their term.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The lease liability does not reflect the extension option of the leases as the Trust does not consider it reasonably certain that it would be taken up. The assessment has been made based on a number of factors including accommodation strategy, the length of lease term, the ability to relocate into alternate accommodation if required and past history with renewing lease options. Were this option is to be taken up, the total estimated cost over the extension period is \$57.090 million.

The Trust's maturity analysis of its lease liabilities is disclosed in note 11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in notes 4.4 and 4.7. Cash outflows related to leases are disclosed in note 8.2.

#### ***Impairment***

Property, plant and equipment leased by the Trust has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

**5.4 Reconciliation of movements in carrying amount of property, plant and equipment**

The following table shows the movement of property, plant and equipment owned by the Trust during 2022-23 and 2021-22:

	Rental Properties – Land		Rental Properties - Buildings		Admin Properties – Land	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July	4 629 815	4 323 608	2 688 081	2 786 734	2 212	2 223
Additions	-	-	-	-	-	-
Transfer In from other asset category	38 411	35 932	35 674	45 988	-	-
Maintenance Upgrades	-	-	16 623	14 479	-	-
Assets Classified as Held for Sale	( 1 267)	2 259	( 1 376)	1 238	-	-
Disposals	( 3 959)	( 16 532)	( 2 157)	( 7 527)	-	-
Transfer out to other asset category	( 77 534)	( 47 316)	( 16 041)	( 11 196)	( 47)	( 101)
Revaluation Increment (Decrement)	503 490	331 864	889 154	( 86 831)	129	90
Depreciation and Amortisation expenses	-	-	( 65 924)	( 55 027)	-	-
Depreciation and Amortisation on disposals	-	-	172	223	-	-
<b>Carrying Amount as at 30 June</b>	<b>5 088 956</b>	<b>4 629 815</b>	<b>3 544 206</b>	<b>2 688 081</b>	<b>2 294</b>	<b>2 212</b>

	Admin Properties – Buildings		Admin Properties – Leasehold Improvements		Commercial Property - Land	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July	4 418	4 402	9 713	10 696	2 544	233
Additions	-	-	581	135	-	2 202
Transfer In from other asset category	865	201	-	51	-	-
Maintenance Upgrades	-	-	-	-	-	-
Assets Classified as Held for Sale	-	-	-	-	-	-
Disposals	-	-	( 3)	( 172)	-	-
Transfer out to other asset category	( 322)	( 104)	( 865)	( 51)	-	-
Revaluation Increment (Decrement)	196	186	-	-	21	109
Depreciation and Amortisation expenses	( 251)	( 269)	( 956)	( 946)	-	-
Depreciation and Amortisation on disposals	15	2	-	-	-	-
<b>Carrying Amount as at 30 June</b>	<b>4 921</b>	<b>4 418</b>	<b>8 470</b>	<b>9 713</b>	<b>2 565</b>	<b>2 544</b>

	Commercial Property - Buildings		Assets Under Arrangement - Land		Assets Under Arrangement - Buildings	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July	1 680	1 908	883 909	824 174	537 175	562 530
Additions	-	-	-	-	-	-
Transfer In from other asset category	-	-	19 763	1 846	28 712	1 565
Maintenance Upgrades	-	-	-	-	-	-
Assets Classified as Held for Sale	-	-	-	-	-	-
Disposals	-	-	( 1 215)	-	( 1 225)	-
Transfer out to other asset category	-	-	( 17 045)	( 9 945)	( 3 177)	( 1 025)
Revaluation Increment (Decrement)	182	( 136)	99 915	67 834	189 434	( 14 763)
Depreciation and Amortisation expenses	( 92)	( 92)	-	-	( 13 528)	( 11 151)
Depreciation and Amortisation on disposals	-	-	-	-	57	19
<b>Carrying Amount as at 30 June</b>	<b>1 770</b>	<b>1 680</b>	<b>985 327</b>	<b>883 909</b>	<b>737 448</b>	<b>537 175</b>

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	Vacant Land – Land		Remote Indigenous Leased Properties		Capital Work in Progress	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying Amount as at 1 July</b>	<b>88 951</b>	<b>66 372</b>	<b>265 702</b>	<b>274 919</b>	<b>152 743</b>	<b>128 875</b>
Additions	1 033	4 115	-	-	83 696	95 261
Transfer In from other asset category	35 796	27 125	4 388	3 336	139 506	67 184
Maintenance Upgrades	-	-	96	70	-	-
Assets Classified as Held for Sale	-	-	-	-	-	-
Disposals	( 857)	-	-	-	-	-
Transfer out to other asset category	( 30 970)	( 12 701)	( 3 016)	( 1 148)	( 169 903)	( 138 577)
Revaluation Increment (Decrement)	5 985	4 040	-	-	-	-
Depreciation and Amortisation expenses	-	-	( 11 535)	( 11 525)	-	-
Depreciation and Amortisation on disposals	-	-	265	50	-	-
<b>Carrying Amount as at 30 June</b>	<b>99 938</b>	<b>88 951</b>	<b>255 900</b>	<b>265 702</b>	<b>206 042</b>	<b>152 743</b>

	Service Concession Assets - Land		Service Concession Assets - Building		Plant and Equipment	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying Amount as at 1 July</b>	<b>1 323 975</b>	<b>1 210 545</b>	<b>578 525</b>	<b>626 049</b>	<b>2 105</b>	<b>1 973</b>
Additions	-	-	-	136	-	-
Transfer In from other asset category	7 890	5 478	4 885	11 336	-	816
Maintenance Upgrades	-	-	366	573	-	-
Assets Classified as Held for Sale	-	-	-	-	-	-
Disposals	( 3 125)	( 1 135)	( 965)	( 609)	( 58)	( 92)
Transfer out to other asset category	( 51 124)	( 5 537)	( 15 730)	( 1 140)	-	-
Revaluation Increment (Decrement)	150 512	114 624	216 932	( 45 962)	-	-
Depreciation and Amortisation expenses	-	-	( 14 075)	( 11 881)	( 575)	( 660)
Depreciation and Amortisation on disposals	-	-	153	23	33	68
<b>Carrying Amount as at 30 June</b>	<b>1 428 128</b>	<b>1 323 975</b>	<b>770 091</b>	<b>578 525</b>	<b>1 505</b>	<b>2 105</b>

	Right of Use Motor Vehicles		Right of Use Accommodation		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying Amount as at 1 July</b>	<b>517</b>	<b>662</b>	<b>20 117</b>	<b>22 603</b>	<b>11 192 182</b>	<b>10 848 506</b>
Additions	733	378	7 374	-	93 417	102 227
Transfer In from other asset category	-	-	-	21	315 890	200 879
Maintenance Upgrades	-	-	-	-	17 085	15 122
Assets Classified as Held for Sale	-	-	-	-	( 2 643)	3 497
Disposals	( 341)	( 895)	-	-	( 13 905)	( 26 962)
Transfer out to other asset category	-	-	-	-	( 385 774)	( 228 841)
Revaluation Increment (Decrement)	-	-	-	-	2 055 950	371 055
Depreciation and Amortisation expenses	( 437)	( 511)	( 3 691)	( 2 507)	( 111 064)	( 94 569)
Depreciation and Amortisation on disposals	341	883	-	-	1 036	1 268
<b>Carrying Amount as at 30 June</b>	<b>813</b>	<b>517</b>	<b>23 800</b>	<b>20 117</b>	<b>13 162 174</b>	<b>11 192 182</b>

**5.5 Intangible assets**

	2023	2022
	\$'000	\$'000
<b>Computer software</b>		
Internally generated computer software	45 626	43 998
Accumulated amortisation	( 21 217)	( 17 211)
<b>Total computer software</b>	<b>24 409</b>	<b>26 787</b>
Work in progress computer system development	8 800	8 076
<b>Total work in progress computer systems development</b>	<b>8 800</b>	<b>8 076</b>
<b>Total intangible assets</b>	<b>33 209</b>	<b>34 863</b>

Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Trust only has intangible assets with finite lives.

The acquisition or internal development of software is capitalised when the expenditure meets the definition and recognition criteria of an asset as outlined in AASB 138 *Intangible Assets* (AASB 138) and when the amount of expenditure is greater than or equal to \$5,000. Amortisation is calculated on a straight-line basis over 3 to 10 years from the date that the asset is ready for use.

All research and development projects that do not meet the capitalisation criteria outlined in AASB 138 are expensed. An expense of \$0.789 million (\$1.064 million) for research and development costs has been recognised in 2022-23.

**Reconciliation of intangible assets**

	Internally generated software		Work in progress computer system development		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	26 787	29 222	8 076	6 224	34 863	35 446
Additions	1 632	1 375	2 356	3 227	3 988	4 602
Transfers to internally generated software	-	-	( 1 632)	( 1 375)	( 1 632)	( 1 375)
Disposal	-	-	-	-	-	-
Amortisation	( 4 010)	( 3 810)	-	-	( 4 010)	( 3 810)
Closing balance	<b>24 409</b>	<b>26 787</b>	<b>8 800</b>	<b>8 076</b>	<b>33 209</b>	<b>34 863</b>

**5.6 Inventories**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Capital work in progress	127 319	97 042
Developed properties	6 434	9 655
Vacant land	1 297	2 013
<b>Total current inventories</b>	<b>135 050</b>	<b>108 710</b>
<b>Non-current</b>		
Capital work in progress	22 987	27 841
<b>Total non-current inventories</b>	<b>22 987</b>	<b>27 841</b>
<b>Total inventories</b>	<b>158 037</b>	<b>136 551</b>

Inventories include capital work in progress, developed properties and vacant land that are expected to be sold in the ordinary course of business. Inventories are carried at the lower of cost and net realisable value. The amount of any inventory write-down to net realisable value is recognised as an expense in the period the write-down occurred. Any write-down reversals are recognised as an expense reduction.

- Capital work in progress relates to development projects containing both land and building components that are expected to be sold on completion.
- Developed properties relates to land and building components that have been developed and may be sold in their current condition or transferred to capital work in progress as part of a development project. It is carried at cost.
- Vacant land consists of land that is expected to be sold.

#### 5.7 Non-current assets classified as held for sale

	2023	2022
	\$'000	\$'000
Land	1 253	1 488
Buildings	1 376	677
<b>Total non-current assets classified as held for sale</b>	<b>2 629</b>	<b>2 165</b>

Non-current assets classified as held for sale relate to rental properties and administrative properties that are expected to be sold, through the private property market, within the next 12 months. These assets are measured at the lower of their carrying amount and fair value less costs to sell and are no longer depreciated, pending sale. Detail about the Trust's approach to fair value is set out in note 11.2.

### Note 6 Financial assets

#### 6.1 Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Deposits with the Treasurer	95 856	111 016
Cash – Development Projects	1 444	1 444
Cash on hand	11	13
<b>Total cash and cash equivalents</b>	<b>97 311</b>	<b>112 473</b>

#### *Deposits with the Treasurer*

The deposits with the Treasurer relates to working cash held in the Commonwealth Bank Working account through DTF.

#### *Cash - Development Projects*

The Cash – Development Projects funds are for the purpose of Playford development projects.

**South Australian Housing Trust**

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**6.2 Receivables**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
<b>Contractual receivables</b>		
From government entities	1 673	119
From non-government entities	35 714	32 884
Less impairment loss on receivables	<u>( 17 500)</u>	<u>( 20 717)</u>
<b>Total contractual receivables</b>	<b>19 887</b>	<b>12 286</b>
<b>Statutory receivables</b>		
GST receivable	<u>3 384</u>	<u>4 624</u>
<b>Total statutory receivables</b>	<b>3 384</b>	<b>4 624</b>
Prepayments	2 672	2 503
Other receivables	23	-
<b>Total current receivables</b>	<b>25 966</b>	<b>19 413</b>
<b>Non-current</b>		
Affordable Assist Program	<u>5 292</u>	<u>5 372</u>
<b>Total non-current receivables</b>	<b>5 292</b>	<b>5 372</b>
<b>Total receivables</b>	<b>31 258</b>	<b>24 785</b>

Contractual receivables mainly arise from the letting of public housing to tenants. Rent is payable by tenants in advance and charged weekly. All other receivables are subject to 30 day terms.

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

Other than what is recognised in the impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being received on demand. The credit risk is concentrated in the rental area due to the nature of the business of the Trust.

Prepayments and the majority of receivables are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Affordable Assist Program is an integrated finance and property product that can assist more low/moderate income households enter affordable homeownership. The Trust invests equity into a portion of a property to reduce the amount a household needs to contribute to the overall purchase price of the home. Once the purchaser sells or refinances their property in the future, the invested amount is disbursed back to the Trust.

Risk management is disclosed in note 11.3.

***Allowance for impairment loss on receivables***

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	20 717	19 184
Increase in the provision	3 851	11 191
Amounts written off	<u>( 7 068)</u>	<u>( 9 658)</u>
<b>Carrying amount at the end of the period</b>	<b>17 500</b>	<b>20 717</b>

Impairment losses relate to contracts with customers external to SA Government. No impairment loss was recognised in relation to statutory receivables.

Credit risk and the methodology for determining impairment is disclosed in note 11.3.

**6.3 Other financial assets**

	2023	2022
	\$'000	\$'000
Cash held at SAFA cash management facility	127 941	285 216
Accrued revenues	7 184	5 148
Emergency management float	25	-
<b>Total other financial assets</b>	<b>135 150</b>	<b>290 364</b>

Accrued revenue is non-interest bearing.

There is no impairment loss on debt securities (being investment with SAFA) due to the rating of the counterparty.

Risk management is disclosed in note 11.3.

**Note 7 Liabilities**

Employee benefits liabilities are disclosed in note 3.4.

**7.1 Payables**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Contractual payables	20 318	16 170
Accrued expenses	34 993	34 532
	<b>55 311</b>	<b>50 702</b>
<b>Statutory payables</b>		
Land tax payable	-	74 558
Employment on-costs	1 330	1 304
<b>Total statutory payables</b>	<b>1 330</b>	<b>75 862</b>
<b>Total current payables</b>	<b>56 641</b>	<b>126 564</b>
<b>Non-current</b>		
<b>Statutory payables</b>		
Employment on-costs	1 308	1 284
<b>Total non-current payables</b>	<b>1 308</b>	<b>1 284</b>
<b>Total payables</b>	<b>57 949</b>	<b>127 848</b>

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 15 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts.

The net amount of GST recoverable from the ATO is included as part of payables.

**Employment on-costs**

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The Trust contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken as leave has changed from the 2022 rate (42%) to 43% and the average factor for the calculation of employer superannuation on-cost has also changed from the 2022 rate (10.6%) to 11.1%. These rates are used in the employment on-cost calculation. The net financial effect of the change in the current financial year is a decrease in the employment on-cost and employee benefits expense of \$0.042 million. The impact on future periods is impracticable to estimate.

## 7.2 Financial liabilities

	2023	2022
<b>Current</b>		
Lease liabilities	4 888	2 899
<b>Total current financial liabilities</b>	<b>4 888</b>	<b>2 899</b>
<b>Non-current</b>		
Lease liabilities	27 318	25 345
National Housing Finance & Investment Corporation Loan	2 830	299
<b>Total non-current financial liabilities</b>	<b>30 148</b>	<b>25 644</b>
<b>Total financial liabilities</b>	<b>35 036</b>	<b>28 543</b>

Financial liabilities are measured at amortised cost.

Note 5.3 describes possible cash outflows for leases the Trust is exposed to that are not included in lease liabilities.

## 7.3 Provisions

	2023	2022
<b>Current</b>	<b>\$'000</b>	<b>\$'000</b>
Public risk & professional indemnity	59	49
Workers compensation	661	616
<b>Total current provisions</b>	<b>720</b>	<b>665</b>
<b>Non-current</b>		
Public risk & professional indemnity	275	284
Workers compensation	2 247	1 944
<b>Total non-current provisions</b>	<b>2 522</b>	<b>2 228</b>
<b>Total provisions</b>	<b>3 242</b>	<b>2 893</b>

A receivable of \$0.043 million (\$0.043 million) for workers compensation recoveries has been recognised for 2022-23.

### *Movement in provisions*

	2023	2022
<b>Reconciliation of public risk &amp; professional indemnity</b>	<b>\$'000</b>	<b>\$'000</b>
The following table shows the movement of public risk & professional indemnity		
Carrying amount at beginning of financial year	333	470
Additional provisions recognised	103	101
Reduction in provisions	1	( 213)
Payments made	( 103)	( 25)
<b>Carrying amount at 30 June</b>	<b>334</b>	<b>333</b>
<b>Reconciliation of workers compensation</b>		
The following table shows the movement of Workers Compensation		
Carrying amount at beginning of financial year	2 560	1 080
Additional provisions recognised	895	2 328
Reduction in provisions	-	-
Payments made	( 547)	( 848)
<b>Carrying amount at 30 June</b>	<b>2 908</b>	<b>2 560</b>

## South Australian Housing Trust

2022-23

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Trust is responsible for the payment of workers compensation claims.

### 7.4 Other liabilities

	2023	2022
	\$'000	\$'000
Rent received in advance	14 700	13 129
Deposits held:		
Tenant deposits held	2 664	2 570
Sale deposits held	64	1
Unearned revenue	-	40
Managed houses scheme	-	61
<b>Total other liabilities</b>	<b>17 428</b>	<b>15 801</b>

## Note 8 Other disclosures

### 8.1 Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

### 8.2 Cash flow

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

Total cash outflows for leases were \$2.683 million (2022: \$3.511 million).

**South Australian Housing Trust**

**2022-23**

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

	2023	2022
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents and other financial assets at the end of the reporting period:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	97 311	112 473
Other financial assets disclosed in the Statement of Financial Position	127 941	285 216
Balance as per the Statement of Cash Flows	225 252	397 689
<b>Reconciliation of net cash inflows from operating activities to net result before income tax equivalent:</b>		
Net cash provided by/(used in) operating activities	( 301 100)	( 213 690)
<b>Add/Less non cash items</b>		
Depreciation and amortisation	( 115 074)	( 98 379)
Resources received free of charge	5 703	-
Net (loss)/gain from disposal of assets	30 324	28 299
Buildings and other assets written off	( 24 054)	( 8 539)
Construction variance, surplus on property	( 471)	( 2 507)
Impairment loss on trade receivables	3 217	( 1 533)
Provision adjustment	( 999)	( 2 216)
Loan amortisation	61	243
	( 101 293)	( 84 632)
<b>Changes in assets / liabilities</b>		
(Decrease) Increase in receivables	3 336	( 2 484)
(Decrease) Increase in other financial assets	2 061	( 4 454)
(Decrease) Increase in contract assets	5 424	( 2 778)
(Decrease) Increase in property, plant and equipment	29 461	29 703
(Increase) Decrease in payables	69 899	( 66 455)
(Increase) Decrease in employee benefits	257	4 913
Decrease (Increase) in provisions	650	873
Decrease (Increase) in financial liabilities	( 6 493)	2 439
(Increase) Decrease in other liabilities	( 1 688)	( 1 179)
	102 907	( 39 422)
<b>Net result before income tax equivalent</b>	<b>( 299 486)</b>	<b>( 337 744)</b>

**Note 9 Changes in accounting policy**

The Trust has assessed that the Australian Accounting Standards and Interpretations that first applied in 2022-23 did not have a material impact on the Trust's financial statements.

**Note 10 Outlook****10.1 Unrecognised commitments**

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value and inclusive of non-recoverable GST.

**Contractual commitments to acquire property, plant and equipment**

	2023	2022
	\$'000	\$'000
Within one year	120 193	33 020
Later than one year but not longer than five years	13 889	7 297
<b>Total capital commitments</b>	<b>134 082</b>	<b>40 317</b>

The Trust's commitments include commitments for a number of capital projects and some capital-related maintenance spend.

**Management agreement commitments**

	2023	2022
	\$'000	\$'000
Within one year	-	324
<b>Total management agreement commitments</b>	<b>-</b>	<b>324</b>

The Trust's management agreement commitments are to manage houses subject to lease arrangements with Funds SA (formerly Colonial First State and Motor Accident Commission). This arrangement finalised in October 2022.

**Accommodation commitments**

	2023	2022
	\$'000	\$'000
Within one year	1 064	2 221
Later than one year but not longer than five years	2 834	4 025
Later than five years	5	165
<b>Total accommodation commitments</b>	<b>3 903</b>	<b>6 411</b>

The Trust's expenditure commitments are for agreements for memoranda of administrative arrangements with the Department for Infrastructure and Transport (DIT) for accommodation.

The commitments include extension options where the Trust considers reasonably certain that they would be taken up. The assessment has been made based on a number of factors including accommodation strategy, the length of lease term, the ability to relocate into alternate accommodation if required and past history with renewing lease options.

**Other contractual commitments**

	2023	2022
	\$'000	\$'000
Within one year	98 195	84 838
Later than one year but not longer than five years	128 458	17 540
Later than five years	-	2 434
<b>Total expenditure commitments</b>	<b>226 653</b>	<b>104 812</b>

The Trust's other contractual commitments comprise:

- maintenance expenses; and
- grant and subsidy arrangements under Treasurer's Instructions 15 *Grant Funding*.

## 10.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

### **Contingent Assets**

#### *Shared Value Affordable Home Initiative*

The Shared Value Affordable Home Initiative, funded by the Commonwealth Government in conjunction with Local Government, allows eligible buyers the opportunity to purchase a property at a price less than market value. Each purchase is subject to a shared appreciation arrangement and a mortgage is affixed to the property. Under this arrangement when the property is sold or the mortgage discharged, the amount of the original discount, plus a share in any appreciation or depreciation in value, must be paid to the Trust for reinvestment in Affordable Housing outcomes. There are currently 3 (3) properties under this scheme with a total discount provided of \$0.165 million (\$0.165 million). The current share of depreciation of these properties is approximately \$0.036 million (\$0.015 million).

### **Contingent Liabilities**

#### *Progressive Purchase Scheme*

Under this scheme the Trust owns portions of properties as tenant in common with other persons. Where the Trust has signed agreements with lending institutions advancing persons mortgage monies, the Trust can be called upon in cases of default to purchase the defaulter's interest at current market value. The 7 (7) properties included in the scheme are subject to mortgages with a collective loan balance of \$0.059 million (\$0.072 million). The Tenant's share of the value of the properties subject to mortgage is estimated to be \$1.485 million (\$1.192 million), based on the Valuer-General's overall capital value.

#### *Rental Purchase and Sale Under Agreement House Purchase Schemes*

The rental purchase and sale under agreement portfolio was transferred to HomeStart Finance on 10 December 1993 and due to conditions in some of the agreements, the Trust remains responsible to make good for loss or damage to the subject properties for specific events. There are 5 (4) properties currently under this scheme. The Trust remains the legal owner of these properties until they are transferred to the purchasers upon completion of this agreement. The properties included in the scheme that are subject to indemnity clauses have a collective estimated replacement value of \$1.595 million (\$1.011 million). These properties together with the Trust's rental properties are subject to an agency agreement with South Australian Government Financing Authority, SAICORP Division (SAICORP) and in the event of a claim will be indemnified by the Treasurer so as to limit the exposure of the Trust to \$1.0 million.

#### *Bond Guarantee Scheme*

Under the bond guarantee scheme a guarantee for the bond is given to the landlord. In the event of a claim by a landlord, the Office of Consumer and Business Services makes a payment. The Trust then reimburses the Office of Consumer and Business Services and the private rental customer becomes liable to the Trust for the amount. The value of bond guarantees issued and outstanding at 30 June 2023 is \$49.552 million (\$52.076 million). The value of claims made this financial year is \$4.078 million (\$4.541 million).

The Trust pays interest at an agreed market determined rate to the Office of Consumer and Business Services based on the daily outstanding balance of bond guarantees issued.

#### *Equity Shares*

The *South Australian Co-operative and Community Housing Act 1991* provided for members of Housing Co-operatives and tenants of Associations to acquire equity in the properties they occupy, by the Co-operative or Association issuing equity shares to members. The equity shares reflect a proportional interest in the value of a specific Co-operative or Association property. The Trust is obliged to repurchase the equity shares from holders who leave relevant Co-operatives or Associations at a value reflecting their proportion of the current value of the property at the time the equity shares are redeemed. The value of these equity shares at 30 June 2023 is \$12.123 million (\$10.716 million).

## 10.3 Impact of standards not yet effective

There were no changes to the Australian Accounting Standards and Interpretations not yet effective that required assessment.

**Note 11 Measurement and risk****11.1 Long service leave liability - measurement**

AASB 119 *Employee Benefits* (AASB 119) contains the calculation methodology for long service liability.

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave liability and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA government entities.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service liability. The yield on long term Commonwealth Government bonds has increased from 2022 (3.5%) to 2023 (4.0%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The actuarial assessment performed by DTF increased the salary inflation rate from 2.5% to 3.5% for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$0.423 million and employee benefits expense of \$0.465 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

**11.2 Fair value**

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

***Initial recognition***

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

***Revaluation***

Property, plant and equipment, other than right-of-use assets, is subsequently measured at fair value after allowing for accumulated depreciation.

The valuation process and fair value changes are reviewed by the Chief Financial Officer and the Audit, Risk & Finance Committee at each reporting date.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

**Fair value hierarchy**

The Trust classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

The Trust's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques used to derive level 2 and 3 fair values are at Note 5.2 and 5.7.

During 2023 and 2022, the Trust had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

**Fair value classification – non-financial assets at 30 June 2023**

	\$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurement</b>			
Land (Note 5.1)	7 507 270	7 507 270	-
Buildings (Note 5.1)	5 058 436	5 058 436	-
Vacant land (Note 5.1)	99 938	99 938	-
Leasehold improvements (Note 5.1)	8 470	-	8 470
Plant and equipment (Note 5.1)	1 505	-	1 505
Remote Indigenous leased properties (Note 5.1)	255 900	-	255 900
Capital works in progress (Note 5.1)	206 042	206 042	-
<b>Total recurring fair value measurements</b>	<b>13 137 561</b>	<b>12 871 686</b>	<b>265 875</b>
<b>Non-recurring fair value measurement</b>			
Land held for sale (Note 5.7) <sup>(6)</sup>	1 253	1 253	-
Buildings held for sale (Note 5.7) <sup>(6)</sup>	1 376	1 376	-
<b>Total non-recurring fair value measurements</b>	<b>2 629</b>	<b>2 629</b>	<b>-</b>
<b>Total</b>	<b>13 140 190</b>	<b>12 874 315</b>	<b>265 875</b>

**Fair value classification – non-financial assets at 30 June 2022**

	\$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurement</b>			
Land (Note 5.1)	6 842 455	6 842 455	-
Buildings (Note 5.1)	3 809 879	3 809 879	-
Vacant land (Note 5.1)	88 951	88 951	-
Leasehold improvements (Note 5.1)	9 713	-	9 713
Plant and equipment (Note 5.1)	2 105	-	2 105
Remote Indigenous leased properties (Note 5.1)	265 702	-	265 702
Capital works in progress (Note 5.1)	152 743	152 743	-
<b>Total recurring fair value measurements</b>	<b>11 171 548</b>	<b>10 894 028</b>	<b>277 520</b>
<b>Non-recurring fair value measurement</b>			
Land held for sale (Note 5.7) <sup>(6)</sup>	1 488	1 488	-
Buildings held for sale (Note 5.7) <sup>(6)</sup>	677	677	-
<b>Total non-recurring fair value measurements</b>	<b>2 165</b>	<b>2 165</b>	<b>-</b>
<b>Total</b>	<b>11 173 713</b>	<b>10 896 193</b>	<b>277 520</b>

<sup>(6)</sup> The Trust has measured land and buildings held for sale at fair value less costs to sell in accordance with AASB 5 because the assets' fair value less costs to sell is lower than its carrying amount. Non-current assets held for sale is disclosed in Note 5.7.

***Rental Properties, Administrative Properties, Commercial Properties, Vacant Land and Assets Under Arrangement***

In compliance with AASB 116 *Property, Plant & Equipment*, all land and buildings are subsequently measured at fair value less accumulated depreciation.

The Trust revalue all land and buildings annually using the Valuer-General's values for rating purposes, issued as at 1 July 2022 reflecting "the capital amount that an unencumbered estate of fee simple in the land might reasonably be expected to realise upon sale" in accordance with the *Valuation of Land Act 1971* and is determined in line with the property market evidence at that time. This value is deemed to be fair value for financial reporting purposes.

Revaluation occurred at 31 October 2022, using the 1 July 2022 values, for all land and buildings acquired or completed before 31 October 2021.

Any revaluation increment is credited to the asset revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation surplus to the extent of the credit balance existing in revaluations reserve for that asset class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or de-recognition, any revaluation surplus relating to that asset is transferred to retained earnings.

***Remote Indigenous Leased Properties***

Remote Indigenous Leased Properties are amortised over the life of the building relevant to the ground lease (30 years). Each property is revalued every three years based on their depreciated replacement cost. The replacement cost is derived from information provided by the Trust's construction programs for similarly configured properties being constructed remotely. Due to the remoteness of many of these leased properties, there is no observable market for these properties. The properties were last revalued at 31 October 2020.

***Leasehold Improvements***

The value of leasehold improvements is recorded at cost (deemed fair value).

***Plant and Equipment***

Plant and equipment are brought to account at historical cost (deemed fair value).

**Reconciliation of level 3 recurring fair value measurements**

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

	Plant & equipment	Leasehold improvements	Remote Indigenous properties
	2023	2023	2023
	\$'000	\$'000	\$'000
<b>Opening balance at the beginning of the period</b>	2 105	9 713	265 702
Acquisitions	-	581	96
Transfer into level 3 <sup>(7)</sup>	-	-	4 388
Transfer out of level 3 <sup>(7)</sup>	-	( 865)	( 2 751)
Disposals	( 25)	( 3)	-
Total gains (losses) for the period recognised in net result:			
Depreciation and amortisation expenses	( 575)	( 956)	( 11 535)
Revaluation increments	-	-	-
<b>Carrying amount at the end of the period</b>	<b>1 505</b>	<b>8 470</b>	<b>255 900</b>

	Plant & equipment	Leasehold improvements	Remote Indigenous properties
	2022	2022	2022
	\$'000	\$'000	\$'000
<b>Opening balance at the beginning of the period</b>	1 973	10 696	274 919
Acquisitions	-	135	70
Transfer into level 3 <sup>(7)</sup>	816	51	3 336
Transfer out of level 3 <sup>(7)</sup>	-	( 51)	( 1 098)
Disposals	( 24)	( 172)	-
Total gains (losses) for the period recognised in net result:			
Depreciation and amortisation expenses	( 660)	( 946)	( 11 525)
Revaluation increments	-	-	-
<b>Carrying amount at the end of the period</b>	<b>2 105</b>	<b>9 713</b>	<b>265 702</b>

<sup>(7)</sup> Transfers into and out of level 3 relate to transfers from and to other asset classes disclosed in different fair value hierarchy levels.

**11.3 Financial instruments****Financial risk management**

Risk management is managed by the Trust's Finance Division. The Trust's risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The Trust's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

**Liquidity risk**

In relation to liquidity/funding risk, the continued existence of the Trust in its present form, and with its present programs, is dependent on Government policy and associated funding programs for the Trust's administration and outputs.

The Trust works with DTF to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through the SA Government budgetary processed to meet the expected cash flows.

In 2018-19 the Trust received a one-off grant payment of \$602 million, being an up-front payment of grants previously budgeted to be received over the four-year period 2019-20 to 2022-23. This grant is sufficient to fund the net cost of the Trust's approved operations for this period, significantly reducing liquidity risk. The Trust also received equity contributions of \$134.146 million in 2022-23 (\$106.085 million).

Refer to notes 7.1 and 7.2 for further information.

**Credit risk**

Credit risk arises when there is the possibility of the Trust's debtors defaulting on their contractual obligations resulting in financial loss to the Trust. The Trust measures credit risk on a fair value basis and monitors risk on a regular basis.

The Trust is exposed to credit risk associated with the amounts due to it from tenants for rent and other charges. Credit risk is ameliorated by the fact that amounts due from individual tenants are relatively small. The Trust manages credit risk associated with its tenants by establishment of a Credit Policy which is communicated to Trust staff and tenants. The performance of individual tenants and of components of the total population of tenants are monitored and reported upon to Trust management and the Board.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Currently the Trust does not hold any collateral as security to any of its financial assets.

**Impairment of financial assets**

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss (ECL) using the simplified approach in AASB 9 *Financial Instruments* (AASB 9). An impairment loss is recognised when there is objective evidence that a receivable is impaired. The Trust assesses its debtors for evidence of impairment on a collective basis according to common risk characteristics of the transactions and the debtors to determine where such evidence exists.

The impairment loss on trade receivables is based on an actuarial assessment conducted by the Trust's consulting actuaries Brett & Watson Pty Ltd. They concluded that, in accordance with AASB 9, an appropriate allowance for impairment loss is 49% (63%) of debtors at 30 June 2023.

Brett & Watson Pty Ltd determined the percentage by analysing customer debtors at 30 April 2023 to estimate the impairment loss due to:

- discounting the cash flow until the date that payment is expected to be received from the debtor. The discount rate applied was 0.49 per cent per annum based on the risk free rate as at 30 April 2023.
- amounts estimated that will not be received based on common risk characteristics of the transaction and the debtor.

The Trust considers that the assumptions used by the Trust's consulting actuaries are still appropriate for determining the expected credit loss at 30 June 2023.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

The following table provides information about the exposure to credit risk and ECL for non-government debtors.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Customer debtors	35,002	49	17,151
Other debtors	712	49	349
<b>Loss allowance</b>	<b>35,714</b>		<b>17,500</b>

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Trust and a failure to make contractual payments for a period of greater than 18 months past due. Debts that are outsourced are written off and subsequently any monies recovered are recorded as an income.

Receivables with a contractual amount of \$6.238 million written off during the year are still subject to enforcement activity.

**Cash and debt investments**

The Trust considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

**Market risk**

The Trust is also exposed to risk arising from property values in the real estate market, due to its reliance on asset sales to fund capital works. The Trust manages any risk of not meeting its sales revenue requirements by regular monitoring and reporting of sales performance.

**Categorisation of financial instruments**

Details of the material accounting policy information and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

**Classification of financial instruments**

Category of financial assets and financial liability	Note	2023 Carrying amount / fair value \$'000	2023 Contractual maturities *		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					
Cash and cash equivalents	6.1	97 311	97 311	-	-
<b>Financial assets at amortised cost</b>					
Receivables **	6.2	25 202	19 910	-	5 292
Other financial assets	6.3	135 150	135 150	-	-
<b>Total financial assets</b>		<b>257 663</b>	<b>252 371</b>	<b>-</b>	<b>5 292</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables **	7.1	53 776	53 776	-	-
Lease liabilities	7.2	35 036	4 888	19 389	10 759
Other liabilities	7.4	2 728	2 728	-	-
<b>Total financial liabilities</b>		<b>91 540</b>	<b>61 392</b>	<b>19 389</b>	<b>10 759</b>

Category of financial assets and financial liability	Note	2022 Carrying amount / fair value \$'000	2022 Contractual maturities *		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					
Cash and cash equivalents	6.1	112 473	112 473	-	-
<b>Financial assets at amortised cost</b>					
Receivables **	6.2	17 658	12 286	-	5 372
Other financial assets	6.3	290 364	290 364	-	-
<b>Total financial assets</b>		<b>420 495</b>	<b>415 123</b>	<b>-</b>	<b>5 372</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables **	7.1	49 622	49 622	-	-
Lease liabilities	7.2	28 543	2 899	12 900	12 744
Other liabilities	7.4	2 632	2 632	-	-
<b>Total financial liabilities</b>		<b>80 797</b>	<b>55 153</b>	<b>12 900</b>	<b>12 744</b>

\*Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

\*\* Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.2.

**Statutory receivables and payables**

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges and Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 *Financial Instruments: Disclosures* will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

**Note 12 Disclosure of Administered Items**

The following summarises income and expenditure attributable to Homelessness Social Impact Bond and HomeStart Shared Equity Fund protection functions within the administrative unit excluding the allocation of overheads.

**Homelessness Social Impact Bond**

The South Australian Government has undertaken a Social Impact Bond project in the area of Homelessness in South Australia. A Social Impact Bond is a financial arrangement that pays a return to private investors based on achievement of agreed social outcomes. Under a Social Impact Bond, an investor provides upfront funds to a partner (non-government organisation or intermediary) to provide services to government that will, if successful, reduce future costs to government through improved social outcomes in the relevant area. The control of these funds and administration is specified in the *Social Impact Bond Program Deed 2017 between the Minister for Social Housing and SVA Nominees Pty Ltd as trustee of the Aspire Social Impact Bond Trust and the Deed of Direct Agreement between the Minister for Social Housing and Hutt Street Centre*. State funds are grant funded to the Service Provider to manage the project and deliver outcomes.

**HomeStart Shared Equity Fund**

The Expansion of the HomeStart Shared Equity Fund was established as part of the Housing Construction Stimulus Package approved by Cabinet in June 2020. The package included expanding HomeStart's existing Shared Equity Option loan to be available for construction of new homes. This measure will allow more households to build a new home and provide a targeted and timely stimulus for the construction industry.

The Trust administers the payment that the Government provides to HomeStart for loans settled or discharged on behalf of the Fund.

**Statement of Comprehensive Income  
for the year ended 30 June 2023**

	Homelessness Social Impact Bond		HomeStart Shared Equity Fund		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Administered income</b>						
Revenues from SA Government	6 245	6 655	-	21 000	6 245	27 655
<b>Total administered income</b>	<b>6 245</b>	<b>6 655</b>	<b>-</b>	<b>21 000</b>	<b>6 245</b>	<b>27 655</b>
<b>Administered expenses</b>						
Grants, subsidies and client payments	6 245	6 655	-	-	6 245	6 655
<b>Total administered expenses</b>	<b>6 245</b>	<b>6 655</b>	<b>-</b>	<b>-</b>	<b>6 245</b>	<b>6 655</b>
<b>Net result</b>						
			-	21 000		21 000

South Australian Housing Trust

2022-23

Statement of Financial Position  
for the year ended 30 June 2023

	Homelessness Social Impact Bond		HomeStart Shared Equity Fund		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Administered current assets</b>						
Cash		-	12 984	21 000	12 984	21 000
<b>Total administered current assets</b>		-	12 984	21 000	12 984	21 000
<b>Administered non-current assets</b>						
Receivables	-	-	14 807	561	14 807	561
<b>Total administered non-current assets</b>	-	-	14 807	561	14 807	561
<b>Total administered assets</b>		-	27 791	21 561	27 791	21 561
<b>Administered current liabilities</b>						
Payables	-	-	6 749	561	6 749	561
<b>Total administered current liabilities</b>	-	-	6 749	561	6 749	561
<b>Total administered liabilities</b>	-	-	6 749	561	6 749	561
<b>Net administered assets</b>		-	21 042	21 000	21 042	21 000
<b>Administered equity</b>						
Retained earnings	-	-	21 000	-	21 000	-
Revaluation of property during 2022-23	-	-	42	-	42	-
Net comprehensive results for the year			-	21 000		21 000
<b>Total administered equity</b>	-	-	21 042	21 000	21 042	21 000

Statement of Cash Flows  
for the year ended 30 June 2023

	Homelessness Social Impact Bond		HomeStart Shared Equity Fund		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>						
<i>Cash inflows</i>						
Revenues from SA Government	6 245	6 655	-	21 000	6 245	27 655
<b>Cash generated from operations</b>	6 245	6 655	-	21 000	6 245	27 655
<i>Cash outflows</i>						
Grants, subsidies and client payments	6 245	6 655	8 016	-	14 261	6 655
<b>Cash used in operations</b>	6 245	6 655	8 016	-	14 261	6 655
<b>Net cash provided by/(used in) operating activities</b>		-	(8 016)	21 000	(8 016)	21 000
<b>Net increase/(decrease) in cash and cash equivalents</b>		-	(8 016)	21 000	(8 016)	21 000
Cash and cash equivalents at beginning of the period	-	-	21 000	-	21 000	-
<b>Cash and cash equivalents at the end of the period</b>		-	12 984	21 000	12 984	21 000

## INTERNAL REPRESENTATION LETTER

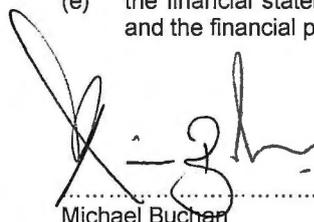
## TO THE MEMBERS OF THE SOUTH AUSTRALIAN HOUSING TRUST

We, the undersigned, hereby certify that:

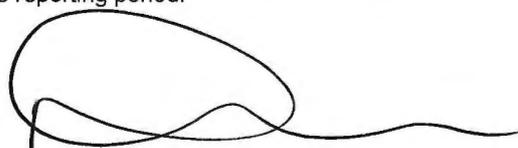
- (a) the attached General Purpose Financial Statement has been prepared pursuant to the *South Australian Housing Trust Act 1995*, the *South Australian Co-operative and Community Housing Act 1991 (SACCH Act)*, and the *Community Housing Providers (National Law) (South Australia) Act 2013* and presents fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Australian Accounting Standards and other mandatory professional reporting requirements in South Australia, the financial position of the South Australian Housing Trust as at 30 June 2023, its financial performance and its cash flows for the reporting period;
- (b) the attached financial statements are in accordance with the accounts and records of the Trust and give an accurate indication of the financial transactions of the Authority for the reporting period; and
- (c) the internal controls over financial reporting have been effective for the reporting period.

We have taken the necessary action to ensure that:

- (a) all known debts have been written-off and an adequate impairment loss was made;
- (b) all current assets have been recorded at amounts not exceeding the values which, in the ordinary course of business, they may be expected to realise;
- (c) all non-current assets are shown at amounts not exceeding their replacement costs as at 30 June 2023, having regard to their value to the Trust as a going concern;
- (d) the financial statements and accompanying notes contain sufficient detailed information and explanations to prevent them from being misleading by reason of the over-statement of the values of assets or the understatement of liabilities; and
- (e) the financial statements give an accurate indication of the financial position as at the reporting date and the financial performance and cash flows for the reporting period.



.....  
Michael Buchan  
Chief Executive  
South Australian Housing Trust



.....  
Nicholas Symons  
Chief Financial Officer  
South Australian Housing Trust

Dated: 15/9/23

Dated: 15/9/23

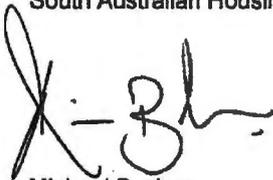
**CERTIFICATION OF THE FINANCIAL STATEMENTS**

We certify that the:

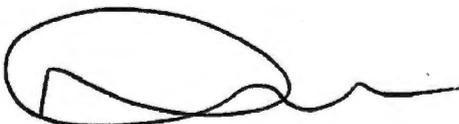
- financial statements of the South Australian Housing Trust (the Trust):
  - are in accordance with the accounts and records of the Trust;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the Trust at 30 June 2023 and the result of its operation and cash flows for the financial year.
- internal controls employed by the Trust for the financial year over its financial reporting and its preparation of financial statements have been effective.



**Mary Patetsos**  
Chair  
South Australian Housing Trust Board



**Michael Buchan**  
Chief Executive  
South Australian Housing Trust



**Nicholas Symons**  
Chief Financial Officer  
South Australian Housing Trust

Date...15/9/23...