



**Government
of South Australia**

SOUTH AUSTRALIAN HOUSING TRUST

2019-20 Annual Report

SOUTH AUSTRALIAN HOUSING TRUST

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To:

Hon Michelle Lensink MLC

Minister for Human Services

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Section 42A of the South Australian Housing Trust Act 1995* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the South Australian Housing Trust by:

Gary Storkey

Presiding Member, South Australian Housing Trust Board

Date: 30 September 2020

Signature:

A handwritten signature in black ink, appearing to be 'G. Storkey', with a stylized flourish at the end.

From the Presiding Member and Chief Executive



Gary Storkey
Presiding Member



Michael Buchan
Chief Executive

SA Housing Authority has achieved much during 2019-20, as we have continued to work in close collaboration with our customers and communities – as well as our government and sector partners - to achieve better housing outcomes for South Australians.

It has been a challenging but rewarding year. Despite the challenges posed by the devastating Christmas bushfires and COVID-19, we have been able to continue building our new organisation while progressing our ambitious reform agenda to build a better and more sustainable housing system.

We finalised and launched the state's new 10-year housing, homelessness, and support strategy – *Our Housing Future 2020-2030*. The Strategy was developed hand in hand with the housing sector and the community and presents a once in a generation opportunity to reform housing in South Australia, including affordable housing, social housing, and homelessness services. These reforms have now begun and will continue throughout 2021 and beyond.

We also began development of the Aboriginal Housing Strategy, which will be tailored to the housing opportunities and challenges of Aboriginal South Australians. This strategy will be launched in early 2021.

We played a vital role in providing emergency relief and recovery services to people affected by bushfires on Kangaroo Island and in the Adelaide Hills. We operated relief and recovery centres, provided emergency accommodation, coordinated grant applications, and linked people to a variety of other supports. Many of our staff gave up their own Christmas or holiday plans to assist in this effort.

Our response to the COVID-19 pandemic was swift, agile, and professional. From the earliest days of the pandemic in South Australia, we remained committed to the health and safety of our staff and our customers, while continuing to provide our important housing services. Our response included changes to how we delivered some services, and new staffing and working arrangements. We have continued to monitor the latest official sources of information and respond as required.

During the year we launched our new Connect computer system to replace our outdated mainframe system. This new system will continue to be rolled out over the coming year, and brings clear benefits for our staff, customers, and sector partners.

We continued to review our operations to strengthen our communities including implementing new our antisocial behaviour reforms. We aim to respond quickly and effectively to the small number of social housing tenants who engage in anti-social behaviour that disrupts their neighbours. Throughout the year we were successful in getting tenants to improve their behaviour, or face eviction.

There have been many other highlights during the year, and these are outlined in this annual report.

Thank you to our dedicated and professional staff - and to our partner organisations in the housing sector – for all your hard work during the year to deliver better housing outcomes. You continue to make a very real and positive difference in the lives of thousands of South Australians.



Gary Storkey

Presiding Member

South Australian Housing Trust Board



Michael Buchan

Chief Executive

SA Housing Authority

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Overview: about the agency

Our strategic focus

Our Purpose	<p>Helping people and families to achieve and sustain secure housing is an essential role of the government. In South Australia, this role is led by the South Australian Housing Trust (SAHT), trading as SA Housing Authority (the Authority).</p> <p>We work with our customers, State and Commonwealth Governments, housing and homelessness sectors and the broader public community to provide better housing opportunities for all South Australians.</p> <p>As reflected in the SA Housing Authority Strategic Plan 2020-2025, the Authority is dedicated to enabling better housing choices for South Australians. Better housing outcomes allows citizens to participate more fully in their community. This improves the state economy, liveability, and competitive advantage.</p>								
Our Vision	<p>Housing is a fundamental pillar of our society, and of our individual wellbeing. The Authority has a clear aim to deliver better housing opportunities for all South Australians.</p> <p>Our Vision is that South Australia has a world leading affordable housing system that removes the barriers to people finding a home; and that by doing this, South Australians have access to appropriate and affordable housing, being part of an inclusive and economically connected community.</p> <p>As the custodian of, and provider within, the affordable housing system, our organisation is a leader in customer service, innovation and partnerships with the housing finance and services sector.</p>								
Our Values	<p>The Authority builds on the rich and proud history of the SAHT by providing access to affordable and secure housing.</p> <p>The behaviours and practices of our staff are guided by the public sector's values:</p> <table data-bbox="472 1549 1336 1894"> <tr> <td data-bbox="472 1549 803 1623">Service</td><td data-bbox="803 1549 1336 1623">We proudly serve the community and Government of South Australia</td></tr> <tr> <td data-bbox="472 1665 803 1707">Professionalism</td><td data-bbox="803 1665 1336 1707">We strive for excellence</td></tr> <tr> <td data-bbox="472 1749 803 1822">Trust</td><td data-bbox="803 1749 1336 1822">We have confidence in the ability of others</td></tr> <tr> <td data-bbox="472 1854 803 1894">Respect</td><td data-bbox="803 1854 1336 1894">We value every individual</td></tr> </table>	Service	We proudly serve the community and Government of South Australia	Professionalism	We strive for excellence	Trust	We have confidence in the ability of others	Respect	We value every individual
Service	We proudly serve the community and Government of South Australia								
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Trust	We have confidence in the ability of others								
Respect	We value every individual								

	<p>Collaboration and Engagement We create solutions together</p> <p>Honest and Integrity We act truthfully, consistently, and fairly</p> <p>Courage and Tenacity We never give up</p>
<p>Our functions, objectives, and deliverables</p>	<p>Our Objectives are to:</p> <p>Lead: Model a strong, fair, and inclusive system that delivers on community expectations</p> <p>Excel: Equip our people to provide efficient and effective services for our customers</p> <p>Renew: Invest in sustainable housing to provide greater choice and better customer outcomes that support state growth</p> <p>Modernise: Make it easier for South Australians to get the housing assistance they need, when they need it, for the time they need it</p> <p>Transform: Design and deliver new homelessness service models with our partners to assist people to remain in or achieve sustained housing.</p> <p>We will strive towards this by:</p> <ul style="list-style-type: none"> ▪ Leading and supporting a number of initiatives outlined in the state's housing, homelessness, and support strategy: <i>Our Housing Future 2020-2030</i> (the Strategy) though: <ul style="list-style-type: none"> – delivering new affordable houses for low and moderate-income households. – delivering new social, affordable, and open market homes through a neighbourhood renewal program. – investing in public housing capital maintenance. – improving the sustainability and energy efficiency of public housing. – driving a reform of the state's homelessness sector. – addressing the disadvantages faced by Aboriginal South Australians through the delivery of an Aboriginal Housing Strategy. ▪ Supporting the Commonwealth in the delivery of various National Agreements/Arrangements by: <ul style="list-style-type: none"> – contributing to improving access to affordable, safe, and sustainable housing, including homelessness prevention and intervention, and to support social and economic participation. – investing in capital programs for Aboriginal South Australians and providing local employment opportunities.

Our organisational structure

The organisational chart reflects the Authority's structure as at 30 June 2020.



Changes to the agency

During 2019-20, the following changes were made to the agency's structure and objectives as a result of internal reviews.

The Office for Homelessness Sector Integration was established to progress collaborative work with the state's Specialist Homelessness Service providers to design a system that better meets the needs of South Australians experiencing homelessness, and to reduce homelessness.

The directorate of Finance and Investment reporting to the Chief Executive was reviewed and a decision was made to realign the directorate to focus on the fiscal aspects of the Authority.

Our Minister



Hon Michelle Lensink MLC

Minister for Human Services

The Minister oversees the responsibilities for Social Housing, Disabilities, Communities and Social Inclusion, the Status of Women, Youth and Volunteers.

Our Executive team

The Authority's Executive Leadership Team as at 30 June 2020.

Michael Buchan, Chief Executive

Michael is responsible for the Authority playing a key role in enabling and supporting a modern, multi-provider housing system and in establishing an environment that promotes shared responsibility and ownership. The Executive Leadership team report directly to the Chief Executive.

Belinda Hallsworth, Executive Director, Strategy and Governance

The division supports the success of the multi-provider service and housing system. It supports the development of strategy, business and asset plans, program reforms, corresponding policy and procedural changes, and the Office of the Chief Executive. Belinda's division led the development of the Strategy.

Deborah Dickson, Executive Director, People and Safety

The division supports the development of our people through the facilitation of cultural, human resources and occupational health, safety, and welfare programs. Deborah's division led the implementation of Connect, our new housing customer and property system.

Andrew Atkinson, Executive Director, Portfolio Planning and Asset Management

The division is focused on the supply of affordable housing, the redevelopment of existing stock and the ongoing maintenance of housing assets for both government and non-government programs and projects. Andrew's division is leading the roll out of the Affordable Housing Initiative and the neighbourhood renewal program outlined in the Strategy.

Paul Reardon, Executive Director, Customers and Services

The division is responsible for the efficiency and effectiveness of our operations (programs and functions) in meeting the needs of our customers. Paul's division is leading the development of the Aboriginal Housing Strategy.

Ian Cox, Head of the Office for Homelessness Sector Integration

The Office of Homelessness Sector Integration will be delivering on the state's homelessness sector reforms and developing targeted responses and strategies to deliver partnerships across government.

Nicholas Symons, Director, Finance

The division is responsible for the delivery of the Authority's corporate finance and accounting activities, risk management, internal audit, legal services, procurement and regulation and for maximising the use of financial and physical resources to facilitate the achievement of the Authority's strategic objectives.

SAHT Board of Management

The SAHT Board of Management oversees the operations of the Authority, as per the *South Australian Housing Trust Act 1995*.

Members of the SAHT Board as at 30 June were:

- Gary Storkey (Presiding Member)
- Shona Reid
- Gary Bonato
- Christine Bierbaum
- Costa (Con) Tragakis
- Meredith Perry
- Andrew Beer

Legislation administered by the agency

South Australian Housing Trust Act 1995

South Australian Housing Trust Regulations 2010

Housing Improvement Act 2016

Housing Improvement (Fees) Regulations 2020

Housing Improvement Regulations 2017

Community Housing Providers (National Law) (South Australia) Regulations 2014

Other related agencies (within the Minister's area/s of responsibility)

The Department of Human Services delivers strategies, programs and services that improve the wellbeing and safety of South Australians.

The agency's performance

Performance at a glance

During 2019-20, the Authority accomplished a number of achievements / highlights.

Released the state's housing and homelessness support strategy: <i>Our Housing Future 2020-2030</i>	Established the Office for Homelessness Sector Integration to lead reform of the state's homelessness sector	Began the reform of the state's homelessness services system
Published SA Housing Authority's <i>Strategic Plan 2020-2025</i>	Engaged an Aboriginal Business Enterprise to undertake a state-wide engagement for the Aboriginal Housing Strategy	Housing recognised as essential to the social, economic, and environmental infrastructure in the <i>20-year State Infrastructure Strategy</i>
The Preventative Maintenance and Upgrade Programs commenced with the upgrading of walk up flat sites	The construction of affordable homes under the 2018-19 State Budgets Housing Sector Package began	\$10 million stimulus Coronavirus (COVID-19) stimulus maintenance upgrade program
Completed construction of 20 apartments for older people at Prospect	Launched the Affordable Homes Assist initiative	Activated Code Red / Code Blue during periods of extreme weather
Established a relief centre to support the community in providing emergency relief to those affected by the COVID-19 pandemic	Assisted rough sleepers during the COVID-19 pandemic through an expanded emergency accommodation response	Provided emergency accommodation options for Aboriginal people from remote areas affected by the COVID-19 pandemic
Launched Tika Tirka, an accommodation service for Aboriginal and Torres Strait Islander students from remote and outer regional communities studying in Adelaide.	Implemented Connect, a new housing customer and property system	Opened 31 domestic violence (DV) crisis accommodation beds across the metropolitan and regional areas
Upgraded property in Waymouth Street to be used as a transitional boarding house for people sleeping rough	Re-contracted 35 Specialist Homelessness Service providers who provided 78 programs across the sector ¹	Continued to collaborate with the Adelaide Zero Project to achieve 'Functional Zero' rough sleeping
Opened relief and recovery centres to provide support to people affected by the bushfires	Provided re-establishment grants to people affected by bushfires	Collaborated with Minderoo Pty Ltd to provide temporary housing pods to families affected by the bushfires

¹Includes Peak Bodies.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<p>The Authority has several programs that are designed to support investment in the South Australian economy and create jobs in the housing and construction industries.</p> <p>The \$42 million Housing Stimulus – Housing Sector Package announced in the 2018-19 State Budget, has seen contracts awarded to eight builders who are employing people to construct 100 new affordable homes. Multi-Trade Contractors are delivering the preventative maintenance and upgrade program, through the upgrading of three walk up flats sites.</p> <p>The Build Your Career initiative provides social housing customers with an opportunity to complete a building and construction course that aims to provides skills and training to prepare participants for job opportunities with builders and contractors used by the Authority.</p> <p>The Employment Pathways Program aims to create employment, traineeship, and apprenticeship opportunities across various sectors for Authority and community housing customers.</p> <p>Tika Tirka provides an accommodation service for Aboriginal and Torres Strait Islander students from remote and outer regional communities studying in Adelaide. The facility in the Adelaide CBD accommodates post-secondary students engaged in further education and training.</p> <p>New capital investment (demolition and replacement of properties) in remote areas is supporting local Indigenous employment with a minimum of 35% of the workforce employed from community. This is further supported in the delivery of maintenance services in which people from local communities are employed.</p>
Lower costs	<p>The Authority continues to support the Department for Energy and Mining with the installation of solar and battery systems through the Virtual Power Plant program. The program aims to deliver energy bill savings to households living in these properties. Stage 2 saw the installation of a further 1,000 systems.</p> <p>To further support energy savings, the State Government has committed to installing solar panels on 75% of suitable Authority properties.</p>

Key objective	Agency's contribution
Better Services	<p><i>Our Housing Future 2020-2030</i> outlines a long-term vision and plan to reform the state's housing system to better respond to current and future housing needs. It includes actions and objectives under a range of key themes, including affordable and market housing, social housing, homelessness reform, and supports and services.</p> <p>An Aboriginal Housing Strategy is also being developed in consultation with Aboriginal people, which is examining home ownership, affordable housing, and social housing. The Authority is committed to its delivery in partnership with service providers, communities and leaders, service reform, along with commitments to Reconciliation and enhancing our workforce capacity.</p> <p>Thirty-one DV crisis accommodation beds across the metropolitan and regional areas are operational. The beds provide safe and secure accommodation to women and children affected by DV. Clients receive support services, including intensive outreach support, help to manage safety issues and assistance into safe and sustainable accommodation.</p> <p>With the implementation of Connect (replacement of the core legacy ICT system for customer and property management), the Authority has reformed many of its business processes, digitised its business-to-business activities and provided a new channel for customers to receive communication from Housing SA electronically.</p> <p>Through social media channels, the Authority is now able to provide greater information in quicker time to its customers and the public on available services and opportunities for customer/industry/sector involvement.</p>

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Reforming the housing system	Modernisation and improvement in the effectiveness of the state's social housing system.	<i>Our Housing Future 2020-2030</i> was released in December 2019. It contains five keys strategies to redefine and reform housing in South Australia under a common vision, ultimately resulting in better housing opportunities for everyone.
Provide better housing choices for South Australians	Reposition ourselves as a modern, professional, and high-performing organisation with a business mindset and a customer-centred approach.	Published SA Housing Authority's <i>Strategic Plan 2020-2025</i> outlining our priorities to 2025.
Expand housing options for Aboriginal people	Partner with appropriate services and Aboriginal people to develop an Aboriginal Housing Strategy.	The Authority finalised the procurement of an Aboriginal Business Enterprise to undertake a state-wide engagement.
Putting customers at the centre of everything we do	Help South Australians reach or maintain safe and affordable housing. For some, this will be moving out of crisis situations. For others, it might be maintaining stable social housing or moving into affordable private rental or home ownership.	Enabled more than 53,600 South Australians and their families to live in safe, secure, and affordable housing. Supported 56,040 households to reside in safe and secure private rental accommodation.
Responsibility for the property and tenancy management of public and Aboriginal housing	Maintain tenanted properties through: <ul style="list-style-type: none"> tenancy occupation rates allocating people in the most need ensuring that tenants respect the peace and quiet of their neighbours and community accommodation standards 	Maintained a 95% occupied tenancy rate of public and Aboriginal housing. Supported families by allocating 79% of properties to households in greatest need. 87% of anti-social behaviour complaints were investigated within agreed timeframes. 92% of customers indicated they were satisfied or very

Agency objectives	Indicators	Performance
	<ul style="list-style-type: none"> households not experiencing overcrowding. 	<p>satisfied with maintenance services provided.</p> <p>2% of public and Aboriginal tenancies were deemed as overcrowded.</p>
Support families to access a variety of private rental accommodation	<p>Provide people and families with financial assistance to secure private rental accommodation.</p> <p>Upon exiting private rental, tenants understand their responsibilities regarding end of lease agreements.</p>	<p>22,075 applicants were assisted to secure a range of private accommodation options.</p> <p>50% of bonds guaranteed were fully returned by a landlord or agent at the end of a tenancy or lease agreement.</p>
Expand options for people experiencing domestic violence	<p>Implementing a number of key State Government initiatives to support women and children at risk of domestic and family violence (DFV) though:</p> <ul style="list-style-type: none"> providing an additional 40 DFV crisis beds interest-free loans to non-government organisations to fund DFV capital projects, including expansions, renovations and upgrades. 	<p>Thirty-one beds became operational, providing safe and secure accommodation that supports women to live independently and safely.</p> <p>Nine beds will be used to trial perpetrator interventions which will see perpetrators removed from the family home and provided with alternative accommodation and access to targeted support services.</p> <p>Work is continuing with HomeStart Finance on the assessment of these interest free loans.</p>
Working with development partners to build more suitable affordable housing	<p>Build 100 new homes, of which the majority are to be sold as affordable housing as part of the 2019-20 State Budget's Housing Construction Program.</p>	<p>Eight builders were awarded contracts for the 100 new homes, with works commenced on 93 sites.</p>

Agency objectives	Indicators	Performance
Working with development partners to build more suitable social housing	<p>The delivery of additional social housing to replace and refurbish ageing public housing properties.</p> <ul style="list-style-type: none"> ▪ Deliver 1,000 new public housing outcomes, including 100 disability housing outcomes, for vulnerable South Australians through the 1,000 Homes in 1,000 Days program. ▪ Provide support to older people through housing options. 	<p>988 properties have been constructed including 100 disability homes, with the final 12 properties at various stages of construction.</p> <p>Completed construction of 20 apartments at Prospect, with construction commencing on a further 29 apartments at South Plympton.</p>
Refurbish ageing public housing properties through capital programs	Improve approximately 450 ageing properties through the 2019-20 State Budget's preventative maintenance and upgrade program.	<p>Upgrade works have commenced at three walk-up flat groups in the metropolitan area.</p> <p>Property inspections for individual homes began in June 2020.</p>
Administer standards of residential property	Ensure residential properties meet minimum standards.	<p>536 property inspections were undertaken to assess whether properties met the minimum housing standards under the Housing Improvement Regulations 2018.</p> <p>173 substandard properties were added to the substandard property register, and 248 compliant properties were removed.</p>
Support the State Government key objective of lower costs	Complete the installation of home energy systems on public housing properties.	Phase 2 included the installation of 1,000 home energy systems with 376 installed during 2019-20.

Agency objectives	Indicators	Performance
Reform of the state's homelessness system	Progress collaborative work with the state's Specialist Homelessness Service providers to design a system that better meets the needs of South Australians experiencing homelessness, and to reduce homelessness.	<p>Established the Office for Homelessness Sector Integration to lead the reform of the homelessness sector.</p> <p>Conducted an Expression of Interest for a sector reference group to advise the State Government on reform principles, priorities and broader engagement activity.</p> <p>Released a tender to the sector for a new housing advice, advocacy and engagement service.</p> <p>Reviewed the homelessness gateways to simplify and improve access for customers as a critical first touch point for people who are homeless or at risk of homelessness.</p>
Support the homelessness sector	Provide services to people who are experiencing homelessness or are at risk of homelessness.	Established new 12-month reform contracts for Specialist Homelessness Service providers to enable sector reforms whilst maintaining services.
Extend homelessness services during extreme weather	Activate a Code Blue or Code Red to address the needs of those sleeping rough during extreme weather.	In consultation with the Homelessness Gateway and key homelessness agencies, five Code Reds and five Code Blues were activated.
Lead the Emergency Relief Functional Support Group	Establish and manage relief and recovery centres following an emergency event.	Five relief centres and three recovery centres were established in response to the multiple bushfires across the state with 3,003 emergency payments provided.

Agency objectives	Indicators	Performance
Respond to the COVID-19 pandemic	Develop and implement procedures and programs to support the State Government's response to COVID-19.	<p>Opened a relief centre to support the community in providing emergency relief to those affected by the pandemic.</p> <p>Established an Incident Management Team to enact business continuity activities and to coordinate appropriate responses and communication to customers, staff and stakeholders.</p> <p>Supported rough sleepers affected by COVID-19 with emergency hotel/motel accommodation across the state.</p> <p>Implemented a response to ensure rough sleepers would be offered longer term accommodation through the COVID-19 Emergency Accommodation Rough Sleeper Response.</p> <p>Secured accommodation facilities at Mylor for women and children from remote communities.</p>
Increasing employment opportunities for social housing customers	Customers are actively participating in their respective training/study course with an aim to secure job opportunities with builders and contractors.	<p>During 2019-20, 183 training outcomes were created across the Doorways2Construction & Building Links (148), and the Build Your Career (35) programs.</p> <p>The Authority's Economic Participation Clause saw 34 participants attend work trials.</p> <p>This has seen the creation of 119 employment positions, which will commence in 2020-21.</p>

Corporate performance summary

The Authority continued to provide housing and homelessness services to the people of South Australia through:

33,535 public and Aboriginal housing properties	95% of properties tenanted	689 houses maintained in remote and non-remote Aboriginal communities
52,753 South Australians residing in public housing ¹	7,252 people residing in public housing identified as Aboriginal and Torres Strait Islander ¹	2,036 new households allocated to people and families from the housing register ²
79% of allocations were to people and households with high needs ³	28,280 tenancy visits completed (home, new lease, lease review visits)	73% of tenants and customers with an outstanding debt on a repayment arrangement
56,040 households supported to reside in safe and secure private rental accommodation including short term shelter / boarding house accommodation	22,075 applicants were assisted to secure a range of private accommodation	50% bonds guaranteed were fully returned by a landlord or agent at the end of a tenancy or lease agreement
6,252 people and families experiencing housing crisis and risk people supported into emergency accommodation	20,720 people received a support service to alleviate homelessness from a Specialist Homelessness Service	11,041 properties inspected through the Asset Condition Inspection Program
536 property inspections undertaken to assess whether properties met minimum housing standards	4,148 Families assisted by a bushfire relief / recovery centre	

¹ Occupants residing in more than one tenancy (eg children from a split family) have been counted once only.

² Total may not match end of 2019-20 figures previously reported due to different reporting methodology.

³ High needs aligns with the national definition of greatest need and includes customers who at time of allocation were Category 1.

Employment opportunity programs¹

Program name	Performance
Nil	nil

¹ Authority Internal employment programs reported only.

Agency performance management and development systems

Performance management and development system	Performance
Performance Development Performance management and development conversations occur throughout the year, laying groundwork for good practice. Reviews are conducted between managers and staff members twice every year and are recorded in the Human Resources Management System.	During 2019-20, 409 active employees had a formal performance management and development review, giving the Authority a 48% compliance rate against its FTEs. A new performance development system was developed during 2019-20.
Learning and Development Learning and development provides face to face learning programs, and several mandatory and developmental online learning programs. Staff were provided the opportunity to attend or complete online these courses.	During the last 12 months, the Authority delivered a condensed learning and development calendar due to BST Connect go-live and the intense training program aligned to this project, as well as the COVID-19 interruption. 1,001 staff undertook one or more training courses during this period (this includes staff who may have left the Authority during the year and new staff). This resulted in a total of 4,004 training days delivered within the organisation.

Performance management and development system	Performance
<p>Developing Leadership Capability</p> <p>Provide the Authority with opportunities to increase its leadership capabilities.</p>	<p>During 2019- 20, the Authority introduced several leadership initiatives to strengthen and develop leadership capability to achieve our strategic plan.</p> <p>These initiatives include:</p> <ul style="list-style-type: none"> ▪ Three leadership summits per annum for all 180 leaders in the Authority ▪ Leadership forums once a month for all 50 senior leaders ▪ Mindnavigator, a developmental program for 15 leaders ▪ The Leadership Circle, a 360-degree developmental tool for 15 leaders ▪ Women’s Leadership Network, a networking and mentoring initiative for 14 female current and senior leaders ▪ Participation in Office of the Commissioner for Public Sector Employment (OCPSE) Executive Induction (two executives), middle managers program (seven participants) and Aboriginal Frontline Management (two participants).
<p>Workplace Equity and Respect Project</p> <p>Ensure Authority staff understand policy and procedures in relation to the workplace environment.</p>	<p>The Authority engaged with staff to implement the National Our Watch Standards and continue its preparation for White Ribbon Workplace Accreditation. This included laying a strong policy and procedure foundation for the Authority’s approach to workplace gender respect and its connection to gendered violence.</p> <p>The Authority also developed a personal workplace safety planning template, online workplace respect resources, and a suite of on-line and face-to-face training options.</p> <p>As part of an ongoing gender respect communications and engagement strategy, members of the SAHT Board, the executive team, leaders and staff came together to produce a video for staff called Why is Domestic and Family Violence a Workplace Issue?</p>

Work health, safety and return to work programs

Program name	Performance
Health, Safety and Wellbeing Governance	<p>The Authority's Health Safety and Wellbeing (HSW) roles responsibilities and governance was approved by the executive team in December 2019.</p> <p>The governance structure aligns to the Authority's corporate governance structure and Risk Management Framework, and to the Office of the Commissioner for Public Sector Employment's Building Safety Excellence framework. It is designed to support compliance of the Authority with the <i>Work Health and Safety Act 2012</i>.</p> <p>The objectives of the HSW governance structure are to:</p> <ul style="list-style-type: none"> ▪ ensure that safety is given the highest priority ▪ identify challenges to health and safety and address them before they adversely impact on the workers ▪ build work environments that promote wellbeing ▪ provide leadership and drive safety performance to support high performing teams ▪ enable the safe return to work of injured workers.
Risk Management	<p>A HSW Risk Management Framework has been implemented in consultation within the HSW Committee, Regional Managers and HSRs.</p> <p>The framework supports the monitoring of the HSW Risk Management System, providing a systematic process for managing risks arising from workplace hazards. The framework aligns to the Authority's HSW Policy; Risk Management Framework; to the OCPSE Building Safety Excellence framework; and ISO 45001/2018 Standard. It is designed to support compliance of the Authority with the <i>Work Health and Safety Act 2012</i>.</p> <p>A HSW Risk Register has been developed, including categories of risks, risk owner, risk assessment, controls and effectiveness of controls and is available to all workers on the Authority's intranet portal.</p>
Systems and Incidents Report	<p>The Authority has been using the hazard and incident reporting system known as Hazard and Incident Reporting Module (HIRM) since 1 September 2019. Since then hazard and incident reporting by workers has increased significantly.</p> <p>As a result of a whole of State Government approach to Workforce Health, and Safety Incident Reporting the Authority will commence using MySAFETY from 31 August 2020.</p>

Program name	Performance
Your Wellbeing / Employee Assistance Program	<p>The Authority employed a Health and Wellbeing Consultant in January 2020 to identify mechanisms to improve workers wellbeing in the workplace and provide specialist health and wellbeing consultancy to managers, teams and individual staff to minimise psychological impacts and promote wellbeing.</p> <p>Following the introduction of the HIRM system and the Authority issuing a Workplace Bullying Policy, there has been an increase in reporting of these incidents. This is seen as positive in terms of increased trust in the overall system.</p> <p>In late 2019, the Authority established a wellbeing champions program across the organisation. The purpose of this program is to help promote and enhance the health and wellbeing of staff of the Authority by raising awareness through local site activities and initiatives, and promoting positive mental health and wellbeing information.</p> <p>A review of the Employee Assistance Provider (EAP) data over the last 12 months highlighted key trends:</p> <ul style="list-style-type: none"> ▪ increasing EAP utilisation, over Quarter 4 of 2019 and Quarter 1 of 2020 ▪ access to EAP for personal reasons related to relationship issues and family issues ▪ relatively consistent anxiety / depression reports for personal reasons ▪ access to EAP for work-related reasons, for reported changes in the workplace and interpersonal conflict ▪ increased usage by males ▪ absenteeism increasingly reported as the 'impact on work'.
HSW & Incident Management Performance Reporting	<p>The HSW&IM Performance Reporting assists the Authority in monitoring and identifying hazards and assess risks in the workplace; any changes that may affect the health, safety and wellbeing of workers; ways to eliminate or minimise risks.</p>

Workplace injury claims	2019-20	2018-19	% Change (+ / -)
Total new workplace injury claims	20	20	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	4.26	8.5	-50.1%

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

Work health and safety regulations	2019-20	2018-19	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	1	-100%
Number of provisional improvement, improvement, and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	2019-20	2018-19	% Change (+ / -)
Total gross workers compensation expenditure (\$)	687,991	718,918	-4.3%
Income support payments – gross (\$)	165,324	426,271	-61.2%

**before third-party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/organization/sa-housing-authority>

Executive employment in the agency

Executive classification	Number of executives ¹
EXEC0E	1
SAES1	8
SAES2	2

¹ Number of employed executives as at 30 June 2020.

Data for previous years is available at: <https://data.sa.gov.au/data/organization/sa-housing-authority>

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2019-20 are attached to this report.

Statement of Comprehensive Income	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	2018-19 Actual \$000s
Expenses	318,518	313,243	(5,275)	1,175,265
Revenues	755,152	741,709	(13,443)	735,404
Net result	(436,634)	(428,466)	8,168	442,861
Total Comprehensive Result	(436,634)	(428,466)	8,168	442,861

Statement of Financial Position	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	2018-19 Actual \$000s
Current assets	908,017	1,070,812	162,795	1,049,144
Non-current assets	10,643,090	10,719,195	76,105	10,473,367
Total assets	11,551,107	11,790,007	238,900	11,522,511
Current liabilities	78,800	300,372	221,572	125,041
Non-current liabilities	22,209	21,100	(1,109)	21,187
Total liabilities	101,009	321,472	220,463	146,228
Net assets	11,450,098	11,468,535	18,437	11,376,283
Equity	11,450,098	11,468,535	18,437	11,376,283

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$13,694

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
THE AUSTRALIAN CENTRE FOR SOCIAL INCLUSION	Lived Experience Workshops for Housing Strategy	\$108,537
MINTER ELLISON	GST recovery project on specialist disability housing	\$379,791
PRICEWATERHOUSECOOPERS	Housing Strategy	\$149,699
PRICEWATERHOUSECOOPERS	Audit of Business Continuity and Disaster Recovery Processes	\$54,447
DEMOCRACYCO UNIT TRUST PTY LTD	Lived Experience Workshops for Housing Strategy	\$14,161
DELOITTE TAX SERVICES PTY LTD	GST private ruling application	\$36,742
DELOITTE RISK ADVISORY PTY LTD	Strategic business continuity review	\$40,482
KPMG CHARTERED ACCOUNTANTS	Risk Management Workshop	\$16,835
DELOITTE FINANCIAL	Assessment of financial viability of Contact 121 Pty Ltd	\$52,444
RAMAFIN PTY LTD	Risk and Performance Reporting Consultancy	\$12,415
BRETT & WATSON PTY LTD	Provision for Doubtful Debts Report	\$12,205
	Total	\$877,758

Data for previous years is available at: <https://data.sa.gov.au/data/organization/sa-housing-authority>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000¹

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$240,377

¹ only relates to contractors under the supplies and services note in the included financial statements.

Contractors with a contract value above \$10,000 each¹

Contractors	Purpose	\$ Actual payment
ATTORNEY-GENERAL'S DEPARTMENT	Various legal advice	\$140,082
AUSTRALIAN RED CROSS	Reimbursement of expenses incurred in relation to 2019-20 Bushfire season	\$175,841
BAPTIST CARE (SA) INC	Mylor Adventure Camp Anangu Accommodation & Support Program	\$1,014,444
BAPTIST CARE (SA) INC	Wirraway Homestead Goods and Services for SA residents from the APY Lands	\$96,902
URBAN PROJECTS AUSTRALIA P/L	Review of Urban Renewal Program and Housing Affordability Program assumptions	\$11,416
CAREERLINK PEOPLE SOLUTIONS	Temporary labour hire	\$419,591
CENTRAL AUSTRALIAN AFFORDABLE	Managing the refurbishment and redevelopment of the properties in ACHO program	\$49,500
CQR CONSULTING AUST	Onsite security services	\$89,068
DATA 3	System Centre Configuration Manager configuration support	\$10,959

Contractors	Purpose	\$ Actual payment
DELOITTE FINANCIAL	MTC Financial Viability Review	\$52,444
DIVERSE INFORMATION SOLUTIONS	Record Disposal Schedule Development Project	\$17,071
FAMILY & COMMUNITY SVCS NSW	Funding contributions to National Regulatory System for Community Housing Providers 2018-2019	\$47,740
FIELDS GROUP PTY LTD	Wangka Wilurrara Transitional accommodation Centre labour hire and security services	\$283,633
FUJITSU AUSTRALIA LTD	DBA support services and various call out fees	\$299,812
GRAY ANDREOTTI ADVISORY PTY	Legal services on UNO	\$39,984
HAYS PERSONNEL SERVICES	Temporary labour hire	\$390,566
DEPT HEALTH & HUMAN SERVICES	Oncosts and operational expenditure for National Consultant Disaster Recovery	\$10,623
HERRIOT CONSULTING	Professional valuation services	\$10,244
MODIS	Temporary labour hire	\$67,438
INDEPENDENT HERITAGE	Sheffield Cres Blair Athol archaeological report	\$77,345
KNIGHT FRANK VALUATIONS	Professional valuation services	\$13,051
MANPOWER SERVICES AUST PTY LTD	Temporary labour hire	\$264,135
MCARDLE APPLICATION SOFTWARE	IT systems development services	\$12,477
NEC AUSTRALIA PTY LTD	IT program management support services	\$13,196
MARK NEILL	Review of NATSPEC Maintenance Reference	\$39,847

Contractors	Purpose	\$ Actual payment
NGAMURU ADVISORY	Review Multi-Trade Contract maintenance service delivery model	\$64,085
OPTEON PROPERTY GROUP	Professional valuation services	\$12,498
PAXUS PEOPLE	Temporary labour hire	\$135,458
DEPT OF THE PREMIER & CABINET	Contribution to Better Services Senior Management Council Initiative	\$10,970
QUIGLEY & WATTS LTD	Evaluation of pilot program to address 3 walk up flats	\$19,000
RANDSTAD PTY LTD	Temporary labour hire	\$464,863
RAW RECRUITMENT AND SERVICES	Repatriation Services - Rosedale Ave Blair Athol	\$83,802
STAFF EASY PTY LTD	Temporary labour hire	\$964,127
THIRD SECTOR MANAGEMENT	Statutory Manager Services - Developing Alternative Solutions for Housing Incorporated	\$66,045
DEPT OF TRANSPORT	Kaurna burial costs	\$35,320
DEPT FOR TRANS ENERGY & INFRAS	Property maintenance and cleaning	\$110,339
DEPT FOR TRANSPORT ENERGY &	Property maintenance and cleaning	\$18,679
UNIVERSITY OF SA: REVENUE OFF	Mapping of Homelessness Services in South Australia project	\$56,903
UNIVERSAL AUDIT S	ACI inspections	\$11,263
VALCORP AUSTRALIA P/L	Professional valuation services	\$18,428
YOU LEGAL PTY LTD	Legal secondment	\$24,830
	Total	\$5,744,020

¹ only relates to contractors under the supplies and services note in the included financial statements.

Data for previous years is available at: <https://data.sa.gov.au/data/organization/sa-housing-authority>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts](#).

The website also provides details of [across government contracts](#).

Other financial information

As required by the *Public Sector Act 2009* and Public Sector Regulations 2010, the audited financial statements of the department for the financial year ended 30 June 2020 are included in the Appendix to this report.

Other information

Nil to report.

Risk management

Risk and audit at a glance

An Internal Audit and Risk function delivers Internal Audit reports on the Authority's operations, and risk status reports to an independent Audit Risk and Finance Committee who oversee the function's operations.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Allegations of inappropriate employee misconduct	1

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

The Authority has operational risk registers that include references to fraud related risks, especially with regard to contract management and handling of invoices.

The internal control processes to mitigate the risk of fraud include:

- a monthly SAHT Board review of corporate performance reports which incorporate both financial and non-financial data and investigation of major variations to budgets
- risk assessment analysis of processes
- Financial Management Compliance Program Assessment process
- Fraud Awareness training program for all staff to undertake annually
- a risk based internal audit program; and
- annual fraud and corruption awareness campaign via Chief Executive communications.

Data for previous years is available at: <https://data.sa.gov.au/data/organization/sa-housing-authority>

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

1

Data for previous years is available at: <https://data.sa.gov.au/data/organization/sa-housing-authority>

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Act or Regulation	Requirement
Nil	

Public complaints

Number of public complaints reported¹

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	16
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	97
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	-
Communication	Communication quality	Inadequate, delayed, or absent communication with customer	-
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	-
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	-
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	-

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Service delivery	Process	Processing error: incorrect process used; delay in processing application; process not customer responsive	29
Policy	Policy application	Incorrect policy interpretation: incorrect policy applied; conflicting policy advice given	-
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	-
Service quality	Information	Incorrect, incomplete, outdated or inadequate information; not fit for purpose	-
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	-
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	146
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	436
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	-
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	55

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Other	Other	Debt Issues, Legal & Insurance, Rent Issues, Water, Assessment, Eviction, Purchase of property, car parking, solar panels	118
		Total	897

¹ Excludes feedback and complaints received from appeals, ministerial correspondence, maintenance customer call backs and anti-social behaviour as the Authority actions these via relevant policies or procedures.

Additional Metrics	Total
Number of positive feedback comments	69 ¹
Number of negative feedback comments	897 ²
Total number of feedback comments	1,025 ³
% complaints resolved within policy timeframes	73.5% ⁴

¹ the Authority considers these comments to be a compliment.

² the Authority considers these comments to be a complaint

³ a further 59 comments were received and classified as suggestions

⁴ the figure is the % of negative feedback comments resolved within policy timeframes

Data for previous years is available at: <https://data.sa.gov.au/data/organization/sa-housing-authority>

Service Improvements resulting from complaints or consumer suggestions over 2019-20

The majority of feedback received by the Authority relates to individual circumstances. The Authority views each incidence of complaints or consumer suggestions on a case by case basis and makes decisions accordingly.

To assist with resident safety, and deter anti-social behaviour and criminal activity, in June 2020 the Authority implemented nightly mobile security patrols at 17 walk up flat sites across metropolitan Adelaide. This strategy has received a high degree of approval from residents and neighbours.

Appendix: Audited financial statements 2019-20



Our ref: A20/208

22 September 2020

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Mr M Buchan
Chief Executive
South Australian Housing Trust
GPO Box 1669
ADELAIDE SA 5000

Dear Mr Buchan

Audit of South Australian Housing Trust for the year to 30 June 2020

We have completed the audit of your accounts for the year ended 30 June 2020. Two key outcomes from the audit are the:

- 1** Independent Auditor's Report on your agency's financial report
- 2** audit management letters recommending you address identified weaknesses.

1 Independent Auditor's Report

We are returning the financial statements for South Australian Housing Trust (SAHT), with the Independent Auditor's Report. This report is unmodified.

My annual report to Parliament indicates that we have issued an unmodified Independent Auditor's Report on your financial statements.

2 Audit management letters

During the year, we sent you audit management letters detailing the weaknesses we noted and improvements we considered you need to make including matters we considered in forming our collective opinion on financial controls required by the *Public Finance and Audit Act 1987*.

Significant matters related to:

- strategic asset management planning
- managing maintenance contractors
- managing community housing providers.

We have received responses to our letters and will follow these up in the 2020-21 audit.

I have also included summary comments about these matters in my annual report. These identify areas we assessed as not meeting a sufficient standard of financial management, accounting and control.

What the audit covered

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

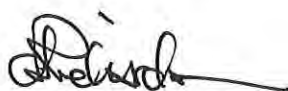
- revenue including rent, recoveries and debt write-offs
- accounts payable
- payroll
- maintenance expense
- council and water rates
- fixed assets including rental properties and capital works
- private rental assistance
- grants to specialist homelessness service providers
- house sales
- general ledger.

Opportunities for improvement

SAHT's procedures require improvement to ensure key management personnel (KMP) provide their related party declarations in line with Treasurer's Instructions (Accounting Policy Statements) 124.A *Key Management Personal – Declaration*. KMP must provide a declaration on becoming a KMP, on ceasing to be a KMP and within six weeks of the end of the financial year. Some KMP did not provide their related party declarations at the required times.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



Andrew Richardson

Auditor-General

enc

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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To the Chief Executive South Australian Housing Trust

Opinion

I have audited the financial report of South Australian Housing Trust for the financial year ended 30 June 2020.

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 2020, 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 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, the Chief Executive and the Director, Finance.

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 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 the 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 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 that is free from material misstatement, whether due to fraud or error.

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 1995*, I have audited the financial report of South Australian Housing Trust for the financial year ended 30 June 2020.

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 Australian 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
- 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.

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

22 September 2020

**SOUTH AUSTRALIAN
HOUSING TRUST**

FINANCIAL STATEMENTS

FOR THE PERIOD

1 July 2019 TO 30 June 2020

CERTIFICATION OF THE FINANCIAL STATEMENTS

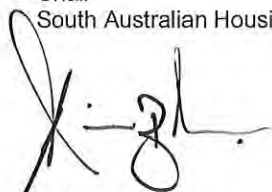
We certify that the attached general purpose financial statements for the South Australian Housing Trust:

- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Trust; and
- present a true and fair view of the financial position of the Trust as at 30 June 2020 and the results of its operation and cash flows for the financial year.


We certify that the internal controls employed by the Trust for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Gary Storkey
Chair
South Australian Housing Trust Board



Michael Buchan
Chief Executive
South Australian Housing Trust



Nicholas Symons
Director, Finance
South Australian Housing Trust

Date... 17/9/2020

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2020

	Note No.	2020 \$'000	2019 \$'000
Income			
Recurrent revenues from SA Government	4.1	15 569	825 232
Rental income	4.2	249 408	247 361
Recoveries	4.3	27 181	34 790
Interest revenue	4.4	7 645	4 303
Recurrent Commonwealth Government revenues	4.5	628	10 083
Capital Commonwealth Government revenues	4.6	-	1 000
Other revenue	4.7	5 177	7 031
Net gain from disposal of assets	4.9	6 910	48 465
Resources received free of charge	4.8	725	-
Total income		313 243	1 178 265
Expenses			
Employee benefits expenses	2.3	77 364	85 081
Supplies and services	3.1	47 394	35 609
Business service fees	3.4	4 443	11 904
Rental property expenses	3.5	399 103	382 831
Depreciation and amortisation	3.2	93 309	91 256
Grants and subsidies	3.3	99 034	103 443
Impairment expenses	3.6	21 062	25 280
Total Expenses		741 709	735 404
Net Result Before Income Tax Equivalent		(428 466)	442 861
Income tax equivalent		-	-
Net Result After Income Tax Equivalent		(428 466)	442 861
Other Comprehensive Income			
<i>Items that will not be reclassified to net result</i>			
Changes in asset revaluation surplus		280 119	302 488
Total Comprehensive Result		(148 347)	745 349

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 2020

	Note No.	2020 \$'000	2019 \$'000
Current Assets			
Cash and cash equivalents	6.1	108 075	743 852
Receivables	6.2	23 786	15 772
Other financial assets	6.3	803 614	122 371
Inventories	5.5	132 717	151 575
Non-current assets classified as held for sale	5.6	2 620	15 574
Total Current Assets		1 070 812	1 049 144
Non-Current Assets			
Receivables	6.2	438	-
Inventories	5.5	8 991	4 393
Property, plant and equipment	5.1	10 676 510	10 448 491
Intangible Assets	5.4	33 256	20 483
Total Non-Current Assets		10 719 195	10 473 367
Total Assets		11 790 007	11 522 511
Current Liabilities			
Payables	7.1	272 758	102 448
Employee benefits liability	2.4	12 248	10 592
Provisions	7.2	318	328
Financial liabilities	7.3	512	-
Other liabilities	7.4	14 536	11 673
Total Current Liabilities		300 372	125 041
Non-Current Liabilities			
Payables	7.1	1 637	1 630
Employee benefits liability	2.4	17 658	17 780
Provisions	7.2	963	873
Financial liabilities	7.3	339	-
Other liabilities	7.4	503	904
Total Non-Current Liabilities		21 100	21 187
Total Liabilities		321 472	146 228
Net Assets		11 468 535	11 376 283
Equity			
Retained earnings		3 353 608	3 707 561
Asset revaluation surplus		7 648 623	7 443 017
Contributed capital		466 304	225 705
Total Equity		11 468 535	11 376 283
The total equity is attributable to the SA Government as owner			
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 2020

	Note No.	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 30 June 2018		101 545	7 244 444	3 164 246	10 510 235
Net Result for 2018-19		-	-	442 861	442 861
Revaluation of property during 2018-19					
Movement in rental houses due to revaluation:					
- Transferred to Capital Works		-	(10 987)	-	(10 987)
- Subject to sales contracts		-	(2 390)	-	(2 390)
Increment in freehold land and buildings due to revaluation	5.2	-	315 865	-	315 865
Total Comprehensive Result for 2018-19		-	302 488	442 861	745 349
Transfer to retained earnings of increment realised on sale of freehold land and buildings		-	(103 915)	-	(103 915)
Realisation of asset revaluation surplus on sale of freehold land and buildings		-	-	103 915	103 915
Total transfer between equity components 2018-19		-	(103 915)	103 915	-
Equity contribution received	4.1	124 160	-	-	124 160
Liabilities transferred as part of administrative restructure	1.4	-	-	(3 461)	(3 461)
Total transfer between SA Government as owner 2018-19		124 160	-	(3 461)	120 699
Balance as at 30 June 2019		225 705	7 443 017	3 707 561	11 376 283
Net Result for 2019-20		-	-	(428 466)	(428 466)
Revaluation of property during 2019-20					
Movement in rental houses due to revaluation:					
- Transferred to Capital Works		-	(2 914)	-	(2 914)
- Subject to sales contracts		-	(2 571)	-	(2 571)
Increment in freehold land and buildings due to revaluation	5.2	-	285 604	-	285 604
Total Comprehensive Result for 2019-20		-	280 119	(428 466)	(148 347)
Transfer to retained earnings of increment realised on sale of freehold land and buildings		-	(74 513)	-	(74 513)
Realisation of asset revaluation surplus on sale of freehold land and buildings		-	-	74 513	74 513
Total transfer between equity components 2019-20		-	(74 513)	74 513	-
Equity contribution received	4.1	240 599	-	-	240 599
Total transfer between SA Government as owner 2019-20		240 599	-	-	240 599
Balance as at 30 June 2020		466 304	7 648 623	3 353 608	11 468 535

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2020

	Note No.	2020 \$'000	2019 \$'000
Cash flows from Operating Activities			
Cash Inflows			
Receipts from SA Government		15 569	825 232
Rent Received		243 114	236 692
Recoveries Received		24 713	36 527
Other Receipts		5 232	7 403
Receipts from Commonwealth Government		628	11 083
Interest Received		7 902	4 015
Proceeds from Sale of Property		97 399	186 425
Receipts for Paid Parental Leave Scheme		47	-
GST receipts from the DHS		7 269	748
Cash generated from operations		401 873	1 308 125
Cash Outflows			
Staffing Costs		(75 798)	(85 550)
Supplies and Services		(41 588)	(37 410)
Business Service Fee		(4 443)	(11 904)
Rental Property Payments		(186 174)	(188 652)
Grants and Subsidies		(110 959)	(104 705)
Land Tax Equivalents Paid		(49 084)	(147 223)
Payments for Paid Parental Leave Scheme		-	(176)
Development Costs		(109 120)	(155 676)
Cash used in operations		(577 166)	(731 296)
Net Cash provided by/(used in) Operating Activities	8.2	(175 293)	576 829
Cash flows from Investing Activities			
Cash Outflows			
Purchase of Property, plant and equipment		(4 878)	(201)
Purchase of Intangibles		(14 622)	(11 581)
Affordable Assist Payments		(340)	-
Cash used in investing activities		(19 840)	(11 782)
Net Cash used in Investing Activities		(19 840)	(11 782)
Cash flows from Financing Activities			
Cash Inflows			
Capital contributions from SA Government	4.1	240 599	124 160
Cash generated from financing activities		240 599	124 160
Net Cash provided by Financing Activities		240 599	124 160
Net Increase/(Decrease) in Cash Held		45 466	689 207
Cash at the Beginning of the Financial Year		866 223	177 016
Cash at the End of the Financial Year	8.2	911 689	866 223

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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).

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 2019-20 financial statements the Trust adopted *AASB 15 – Revenue from Contracts with Customers*, *AASB 16 – Leases* and *AASB 1058 – Income of Not-for-Profit Entities*. Further information is provided in note 9.

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 to 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. In 2019 the Under Treasurer approved the exclusion of \$602 million of revenue associated with the once-off grant revenue for the determination of the Trust's accounting profit.

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 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, 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.

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.

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 housing to households and families on low to moderate incomes, including 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 (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 – management of public housing tenancies and assets, and promotion of the development of the social housing sector. Managing tenancies includes assessment of customers for eligibility, allocation of public houses to those in need, provision of rental subsidies, linking customers with appropriate support services, provision of transitional housing and management of supported tenancies by providing properties to support non-government organisations. Managing assets includes maintenance, area regeneration and urban renewal programs, stock replacement programs (construction, purchase and disposal), modification of houses for those with a disability and strategic management and planning for future public housing stock needs. Promoting development of the social housing sector includes furthering the Government's strategies to address the key issues of affordable housing and homelessness, as well as promoting innovation and partnering with private sector organisations.

Indigenous Housing – management of tenancies and housing assets specifically for indigenous customers (who may also choose to access assistance via general Public Housing), and management of the Commonwealth Government's National Partnership Agreement for Remote Indigenous Housing. This Agreement provides funding for the purpose of addressing 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.

Community Housing – development, support and promotion of 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.

Private Rental Assistance – provision of financial assistance, information, referral, advocacy and counselling to assist households who are experiencing instability, poverty or housing difficulty in the private rental market.

Homelessness Services and Support – supporting the homelessness services sector to enable more integrated and responsive service provision.

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 2019-20 this activity included providing emergency relief support to the affected community as a result of the bushfires at Kangaroo Island, Cuddle Creek and Yorketown. The Trust has worked with a range of non-government partners to establish and operate relief centers to provide vital support and services to people affected by these bushfires. Support included payment of emergency management grants totaling \$2.075 million and a reimbursement of these costs from the Department of Treasury and Finance. The Trust also transitioned the Kangaroo Island and Lobethal relief centers into longer term recovery centers to assist the community in the recovery from the fires. These centers are likely to remain open for 12 to 18 months. The Trust also entered a partnership with the Minderoo Foundation to provide 48 temporary housing pods for accommodation for those affected by the bushfires.

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

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DISAGGREGATED DISCLOSURES - EXPENSES AND REVENUES
For the Year Ended 30 June 2020

	Public Housing		Indigenous Housing		Community Housing		Private Rental Assistance		Homelessness Services & Support		Emergency Relief Function		Program Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income														
Recurrent revenues from SA Government	4 679	604 698	-	30	-	648	-	-	1 466	219 856	9 424	-	15 569	825 232
Rental income	223 877	220 745	12 652	13 602	12 879	13 014	-	-	-	-	-	-	249 408	247 361
Recoveries	18 539	22 174	1 489	2 949	313	337	6 701	8 194	89	926	50	210	27 181	34 790
Interest revenue	7 645	4 303	-	-	-	-	-	-	-	-	-	-	7 645	4 303
Recurrent Commonwealth Government revenues	176	683	-	-	-	-	-	-	452	9 400	-	-	628	10 083
Capital Commonwealth Government revenues	(15)	1 000	1	-	2	-	3	-	4	-	5	-	-	1 000
Other revenue	3 786	4 764	320	341	7	373	1 051	1 553	7	-	6	-	5 177	7 031
Net gain from disposal of assets	7 190	46 284	(341)	(1 690)	61	3 871	-	-	-	-	-	-	6 910	48 465
Resources received free of charge	725	-	-	-	-	-	-	-	-	-	-	-	725	-
Total income	266 602	904 651	14 121	15 232	13 262	16 243	7 755	9 747	2 018	230 182	9 485	210	313 243	1 178 265
Expenses														
Employee benefits expenses	53 857	60 348	8 507	9 282	2 689	3 300	5 738	6 484	4 322	5 286	2 251	381	77 364	85 081
Supplies and services	30 416	24 847	7 479	6 594	1 010	699	2 289	1 945	1 915	1 346	4 285	178	47 394	35 609
Business service fees	2 900	8 336	586	1 442	292	588	269	821	237	672	159	45	4 443	11 904
Rental property expenses	385 220	366 909	13 819	15 777	49	139	10	4	3	2	2	-	399 103	382 831
Depreciation and amortisation	68 612	67 133	13 248	12 658	11 449	11 465	-	-	-	-	-	-	93 309	91 256
Grants and subsidies	11 139	16 983	228	2 205	-	-	18 701	19 936	66 030	64 283	2 936	36	99 034	103 443
Impairment expenses	16 592	18 386	519	746	37	381	3 914	5 767	-	-	-	-	21 062	25 280
Total Expenses	568 736	562 942	44 386	48 704	15 526	16 572	30 921	34 957	72 507	71 589	9 633	640	741 709	735 404
Net Result Before Income Tax Equivalent	(302 134)	341 709	(30 265)	(33 472)	(2 264)	1 671	(23 166)	(25 210)	(70 489)	158 593	(148)	(430)	(428 466)	442 861
Income Tax Equivalent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Result After Income Tax Equivalent	(302 134)	341 709	(30 265)	(33 472)	(2 264)	1 671	(23 166)	(25 210)	(70 489)	158 593	(148)	(430)	(428 466)	442 861

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DISAGGREGATED DISCLOSURES - ASSETS AND LIABILITIES

For the Year Ended 30 June 2020

	Public Housing		Indigenous Housing		Community Housing		Private Rental Assistance		Homelessness Services & Support		Emergency Relief Function		Program Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets														
Cash and cash equivalents	108 074	743 851	1	1	-	-	-	-	-	-	-	-	108 075	743 852
Receivables	23 045	14 219	901	1 406	278	147	-	-	-	-	-	-	24 224	15 772
Other financial assets *	803 614	122 371	-	-	-	-	-	-	-	-	-	-	803 614	122 371
Inventories	130 897	148 522	1 098	1 365	9 713	6 081	-	-	-	-	-	-	141 708	155 968
Non-current assets classified as held for sale *	2 620	15 574	-	-	-	-	-	-	-	-	-	-	2 620	15 574
Property, Plant and Equipment	7 296 156	7 129 801	615 413	619 273	2 764 900	2 699 417	-	-	41	-	-	-	10 676 510	10 448 491
Intangible Assets *	33 256	20 483	-	-	-	-	-	-	-	-	-	-	33 256	20 483
Total Assets	8 397 662	8 194 821	617 413	622 045	2 774 891	2 705 645	-	-	41	-	-	-	11 790 007	11 522 511
Liabilities														
Payables	274 389	102 739	6	1 339	-	-	-	-	-	-	-	-	274 395	104 078
Employee benefits liability	20 820	20 125	3 288	3 095	1 039	1 100	2 218	2 162	1 671	1 763	870	127	29 906	28 372
Provisions *	1 281	1 201	-	-	-	-	-	-	-	-	-	-	1 281	1 201
Financial liabilities	664	-	146	-	-	-	-	-	41	-	-	-	851	-
Other Liabilities	15 039	12 565	-	-	-	12	-	-	-	-	-	-	15 039	12 577
Total Liabilities	312 193	136 630	3 440	4 434	1 039	1 112	2 218	2 162	1 712	1 763	870	127	321 472	146 228

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

1.3 Impact of COVID-19 pandemic on the Trust

In response to the outbreak of COVID-19, a major emergency was declared in South Australia on 22 March 2020 under the *Emergency Management Act 2004*. The COVID-19 pandemic has impacted on the operations of the Trust and the impacts are included under the relevant disclosure notes. The key impacts in 2019-20 were:

- A COVID-19 Relief Call Centre was set up to help people affected by the COVID-19 emergency. The call center provided information and assistance with such things as:
 - personal hardship support
 - advice on short-term accommodation options for people unable to achieve self-quarantining or self-isolation
 - accommodation for emergency services personnel who are required to quarantine but unable to do so at home.
- Emergency accommodation was provided for people who were required to self-isolate but were rough sleeping. This included support from outreach services and assistance with meals.
- Funding to Specialist Homelessness Services to provide case management support to those rough sleepers in emergency accommodation to transition to longer term sustainable accommodation.
- Accommodation and transport for indigenous community members required to quarantine prior to returning to remote communities.

\$2.551 million in total was incurred as a result of the Trust's response to the COVID-19 pandemic and the Trust has received \$4.172 million funding from the Department of Treasury and Finance.

1.4 Changes to the Trust

Transferred In

There were no assets transferred into the Trust in 2019-20.

In 2018-19, pursuant to the *Public Sector (Reorganisation of Public Sector Operations – South Australian Housing Trust) Notice 2018*, all employees of the business unit known as Housing SA within the DHS, and all Renewal SA (RSA) employees assigned to the functions of the Trust immediately before 1 July 2018 were transferred to the employment of the Chief Executive.

The effective date of the transfer was 1 July 2018.

Under the *Public Sector (Reorganisation of Public Sector Operations – South Australian Housing Trust No. 2) Notice 2018*, DHS employees previously providing corporate services as per a Memorandum of Administrative Arrangement were transferred from DHS to the Trust.

The effective date of the transfer was 1 December 2018.

There were no activities transferred other than the employees in DHS and RSA whom were existing resources of the Trust previously assigned to work directly for the Trust immediately before 1 July 2018 and 1 December 2018.

On transfer of the employees from DHS and RSA, the Trust recognised the following liabilities:

	RSA \$'000	DHS \$'000	Total \$'000
Employee benefits liability	5 904	22 641	28 545
Staff on-costs liability	198	360	558
Staff entitlements liability	(4 088)	(21 554)	(25 642)
Total liabilities	2 014	1 447	3 461
Total Net Assets Transferred In	(2 014)	(1 447)	(3 461)

Net assets assumed by the Trust as a result of the administrative restructure are the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to transfer. The net assets transferred were treated as a contribution by the government as owner.

1.5 Significant transactions with government related entities

The Trust had the following significant transactions with government:

- Business Service Fees totalling \$4.443 million include payments made to DHS, RSA and Shared Services SA for these services and functions under the Service Level Administrative Arrangements (SLAA's) (note 3.4);

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- water rates payments of \$32.405 million to South Australian Water Corporations (note 3.5),
- land tax equivalent payments of \$214.493 million to Revenue SA (note 3.5),
- grant funding received of \$15.569 million and an equity contribution of \$240.599 million from the Department of Treasury and Finance (note 4.1).

Note 2 Board, Committees and Employees

2.1 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.

Total compensation for key management personnel was \$2.077 million in 2019-20 and \$1.458 million in 2018-19.

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 the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

	2020	2019
	\$'000	\$'000
Salaries and other short-term employee benefits	1 804	1 267
Post-Employment benefits	266	191
Other long-term employment benefits	7	-
Total key management personnel compensation	2 077	1 458

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.

2.2 Board and Committee Members

Members during the 2019-20 financial year were:

SAHT Governing Board

(appointed by the Governor)

G Storkey (Chairperson)
C Bierbaum *
S Reid *
G Bonato
M Perry
A Beer
C Tragakis

Audit, Risk & Finance Committee

(appointed by the Board)

C Tragakis
C Bierbaum
G Storkey
M Grantham

* In accordance with the Premier and Cabinet Circular No. 016. 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.

Board and committee remuneration

	2020	2019
	No.	No.
\$0 - \$19 999	3	5
\$20 000 - \$39 999	3	4
\$40 000 - \$59 999	1	-
\$80,000 - \$99,999	1	1
Total number of members	8	10

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The total remuneration received or receivable by members was \$0.255 million (\$0.218 million) including superannuation contributions of \$0.022 million (\$0.019 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.

2.3 Employee benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and Wages	63 459	60 938
Superannuation	7 386	7 310
Annual Leave	6 544	6 361
Payroll Tax	3 965	4 060
Other employee expenses	2 500	2 905
Long Service Leave	1 184	3 686
Retention Leave	462	482
Workers Compensation	966	31
Targeted Voluntary Separation Packages (refer below)	459	7 660
Board Fees	233	199
Charged to Capital Program	(9 794)	(8 551)
Total Employee Benefits Expenses	77 364	85 081

Employment on-costs – superannuation

The Trust makes contributions 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.

Executive remuneration

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

	2020	2019
	No	No
\$151 001 to \$154 000 #	N/A	3
\$154 001 to \$174 000	8	7
\$174 001 to \$194 000	4	3
\$194 001 to \$214 000	1	2
\$214 001 to \$234 000	2	1
\$234 001 to \$254 000 ^	2	1
\$254 001 to \$274 000 **	1	4
\$274 001 to \$294 000 ^	1	1
\$294 001 to \$314 000 ^	-	4
\$314 001 to \$334 000 ^	-	1
\$334 001 to \$354 000 **	1	1
\$374 001 to \$394 000	-	1
\$414 001 to \$434 000	1	-
Total number of Employees	21	29

This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2018-19.

* The table includes the TVSP component paid in 2019-20 where the employee meets the \$154,000 threshold on normal remuneration. In 2019-20, there were 2 staff included in the table who received a TVSP.

^ The table includes the TVSP component paid in 2018-19 where the employee meets the \$151,000 threshold on normal remuneration. In 2018-19, there were 11 staff included in the table who received a TVSP.

The table includes all employees who received normal remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and

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wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these staff for the year was \$4.493 million (\$6.721 million).

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 5 (94).

	2020	2019
Amount paid during the reporting period to separated staff:	\$'000	\$'000
TVSPs	459	7 660
Annual Leave, Retention Leave and Long Service Leave paid to those staff	220	3 692
Recovery from the Department of Treasury & Finance	160	7 660
Net cost to Trust	519	3 692

2.4 Employee benefits liability

	2020	2019
Current	\$'000	\$'000
Annual leave	7 518	6 353
Long service leave	2 187	2 267
Retention leave	539	440
Accrued Salaries and Wages	2 004	1 532
Total Current Employee Entitlements	12 248	10 592
Non-Current		
Long service leave	17 658	17 780
Total Non-Current Employee Entitlements	17 658	17 780
Total Employee Entitlements	29 906	28 372

Employee benefits accrue 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 is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as sick leave is non-vesting and the anticipated 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 3 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 2.3.

3.1 Supplies and services

	2020	2019
	\$'000	\$'000
Accommodation Expenses	11 096	10 341
Computer Expenses	9 806	6 264
Insurance	6 592	5 752
Contractors	5 984	3 355
Administration Expenses	3 238	2 359
Communications	1 686	1 082
Travel and Accommodation	1 537	1 166
Printing, Stationery and Postage	1 276	1 254
Other Customer Related Expenses	1 260	955
Tenant Relocation	1 165	913
Leased Property Expenses	965	946
Consultants	851	432
Fleet Management	792	1 861
Audit Fees - Auditor-General's Department ⁽¹⁾	541	595
Staff Development	457	657
Agent Fees	376	411
Brokerage	157	166
Charged to Capital Program	(385)	(2 900)
Total Supplies and Services	47 394	35 609

⁽¹⁾ Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements. No other services were provided by the Auditor-General's Department.

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2020	2020	2019	2019
	Number	\$'000	Number	\$'000
Below \$10 000	3	19	2	13
Above \$10 000	11	832	11	419
Total paid/payable to the consultants engaged	14	851	13	432

3.2 Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Rental Properties	59 630	59 046
Assets under Arrangement	20 540	20 756
Plant and Equipment	572	563
Administrative Properties	189	182
Commercial Properties	97	94
Intangible Assets	1 849	1 290
Leasehold Improvements	184	124
Remote Indigenous Leased Properties	9 525	9 201
Right-of-use Motor Vehicles	723	-
Total Depreciation and Amortisation	93 309	91 256

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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

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 Motor Vehicles	Straight Line	Lease term
Leasehold Improvements	Straight Line	3 - 10
Plant and Equipment	Straight Line	3 - 10
Intangibles	Straight Line	3 - 10

* 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 2020. This resulted in an increment mainly attributed to a significant increase in the value of land, particularly in metropolitan Adelaide, consistent with prevailing market conditions. Depreciation expenses decreased by \$0.085 million as a result of the revaluation.

3.3 Grants and subsidies

	2020 \$'000	2019 \$'000
Specialist Homelessness Services	68 490	66 813
Private Rental Assistance	10 217	12 294
National Rental Affordability Scheme Subsidies	7 761	8 023
Emergency Accommodation Assistance	6 793	7 649
COVID-19 Homelessness Response	2 551	-
Emergency Management Grants	2 075	37
More Affordable Tenancies in Community Housing	830	-
National Partnership Agreement: Remote Indigenous Housing	228	2 205
Other Recurrent Grants	55	49
Affordable Housing Grants	34	570
CBD Respite Facility	-	5 803
Total Grants and Subsidies	99 034	103 443

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3.4 Business services fees

	2020	2019
	\$'000	\$'000
SA Government Shared Services	2 063	2 144
Records Management and Mail Services	696	686
Administration Premises Management	537	691
Project Management Services	440	538
Motor Vehicle Hire Charges	280	370
GST Expense	215	363
Computing Services and Processing Charges	116	3 814
Staff Development	40	678
Human Resources Services	26	746
Geographical Information Services	26	140
Legal & Financial Services	4	190
Procurement Services	-	511
Internal Audit	-	322
Payroll Services	-	255
Media & Communications Services	-	138
Business Planning, Strategy and Quality Assurance	-	124
Insurance	-	120
Telecommunications Management and Charges	-	74
Total Business Service Fees	4 443	11 904

DHS, RSA and Shared Services SA 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 Shared Services SA for these services and functions. The SLAA with DHS was revised in 2018-19 resulting in a reduction of services provided to the Trust.

3.5 Rental property expenses

	2020	2019
	\$'000	\$'000
Land Tax Equivalent	214 493	196 314
Maintenance	107 253	111 100
Council Rates	43 358	42 622
Water Rates	32 405	31 576
Construction Variances	840	406
Other Property Expenses	510	545
Emergency Services Levy	219	243
Stamp Duty & Search Fees	25	25
Total Rental Property Expenses	399 103	382 831

3.6 Impairment expenses

	2020	2019
	\$'000	\$'000
Asset Write-offs ⁽²⁾	13 359	14 876
Doubtful Debts Expense	7 633	9 848
Assets Held for Sale	70	556
Total Impairment Expenses	21 062	25 280

⁽²⁾ Expensing of book value of assets demolished.

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.

Note 4 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.

4.1 Recurrent Revenues from SA Government

	2020 \$'000	2019 \$'000
Emergency Management Reimbursement - Bushfires	5 221	-
General Purpose Grant	4 679	423 298
Emergency Management Reimbursement - COVID-19	4 172	-
Homelessness Program	1 466	39 330
Other State Grants	31	30
National Rental Affordability Scheme	-	2 817
Tax Equivalent Reimbursement	-	178 583
One-off Homelessness Grant	-	180 526
Equal Remuneration Order Supplementation Funding	-	648
Total Recurrent Revenues from SA Government	15 569	825 232

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.

From 1 July 2018, the Trust commenced operating as an independent housing authority under the Act. In recognition of this change, and to restructure and recapitalise the Trust's financial arrangements, the SA Government provided the Trust with additional once off grants of \$603.824 million and an equity contribution of \$124.160 million in 2018-19 and a further equity contribution of \$240.599 in 2019-20. According to the 2019-20 State Budget the SA Government will provide the Trust with equity contributions totalling \$778.000 million from 2019-20 to 2022-23 and minimal recurrent grants. As a result the Trust recorded a net result after income tax equivalent of \$442.900 million in 2018-19 and will record large annual operating deficits over the period 2019-20 to 2022-23.

4.2 Rental income

	2020 \$'000	2019 \$'000
Rent received/receivable from entities external to the SA Government	\$'000	\$'000
Market Rent Income	433 674	430 671
less Rental Rebates	(199 507)	(199 106)
Other Rent	15 241	15 796
Total Rental Income	249 408	247 361

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

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. The difference between the assessed rent (\$234.167 million) for the property and the market rent (\$433.674 million) is recognised as a rental rebate subsidy provided to tenants and income forgone by the Trust (\$199.507 million).

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4.3 Recoveries

	2020	2019
	\$'000	\$'000
Water charges	11 130	11 032
Private Rental Assistance	6 609	7 601
Maintenance	5 638	5 351
Insurance	2 390	1 726
General Service Recoveries	952	477
Other	285	350
TVSP Recoveries	160	7 799
Grant Recoveries	17	454
Total Recoveries	27 181	34 790

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 regards to water recoveries the transaction price allocated to the performance obligation over time is estimated based on actual previous billing periods.

4.4 Interest revenue

	2020	2019
	\$'000	\$'000
Interest from entities within the SA Government	7 639	4 282
Interest from entities external to the SA Government	6	21
Total Interest Revenue	7 645	4 303

4.5 Recurrent Commonwealth Government revenues

	2020	2019
	\$'000	\$'000
National Affordable Housing Agreement Base Funding	-	9 400
Kurlana Tangkuinya 'New Dreams' Project	-	507
Keeping Women Safe in their Homes	452	-
Local Support Coordinator - Domestic & Family Violence	176	176
Total Recurrent Commonwealth Government Revenues	628	10 083

From 2018-19, the Department of Treasury and Finance provided National Affordable Housing Agreement Base Funding in the form of equity contributions. Some of this funding was still provided as grants in 2018-19.

4.6 Capital Commonwealth Government revenues

	2020	2019
	\$'000	\$'000
Specialist Disability Accommodation Initiative	-	1 000
Total Capital Commonwealth Government Revenues	-	1 000

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

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4.7 Other revenue

	2020	2019
	\$'000	\$'000
Bad Debts Recovered	4 584	5 817
Sundry Revenue	457	618
Shared Value Mortgages	136	223
Local Government Community Housing Program	-	373
Total Other Revenue	5 177	7 031

4.8 Resources received free of charge

	2020	2019
	\$'000	\$'000
Assets Received Free of Charge	725	-
Total Other Revenue	725	-

The Wangka Wilurrara Transitional Accommodation Centre was transferred from the District Council of Ceduna to the Trust for no monetary consideration in the 2019-20.

The Trust also received land from the Corporation of the City of Whyalla and Barunga West Council in 2019-20 as a result of council land relinquishments. These are Crown lands controlled by the council in which the buildings are owned by the Trust.

4.9 Net gain from disposal of assets

	2020	2019
	\$'000	\$'000
Rental Properties		
Proceeds from disposal	43 970	53 267
Less net book value of assets disposed ⁽³⁾	(45 572)	(55 174)
Net Loss from disposal of rental properties	(1 602)	(1 907)
Inventory - Developed Properties		
Proceeds from disposal	46 710	72 928
Less net book value of assets disposed ⁽³⁾	(38 547)	(61 580)
Net Gain from disposal of completed assets	8 163	11 348
Inventory – Vacant Land		
Proceeds from disposal	4 538	57 473
Less net book value of assets disposed ⁽³⁾	(4 130)	(18 408)
Net Gain from disposal of vacant land	408	39 065
Plant and Equipment		
Proceeds from disposal	-	102
Less net book value of assets disposed	(59)	(143)
Net Loss from disposal of plant and equipment	(59)	(41)
Total Assets		
Total proceeds from disposal	95 218	183 770
Less net book value of assets disposed ⁽³⁾	(88 308)	(135 305)
Total Net Gain from Disposal of Assets	6 910	48 465

⁽³⁾ 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.

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

	2020 \$'000	2019 \$'000
Rental Properties		
<i>Land</i>		
Land at fair value	4 576 178	4 373 561
<i>Buildings</i>		
Buildings at fair value	2 994 447	2 989 175
Accumulated depreciation	(40 598)	(39 868)
Total Buildings	2 953 849	2 949 307
Total Rental Properties	7 530 027	7 322 868
Administrative Properties		
<i>Land</i>		
Freehold Land at fair value	2 220	1 795
<i>Buildings</i>		
Buildings at fair value	4 654	3 509
Accumulated depreciation	(149)	(134)
Total Buildings	4 505	3 375
<i>Leasehold Improvements</i>		
Leasehold Improvements at cost (deemed fair value)	9 623	8 268
Accumulated depreciation	(6 043)	(5 996)
Total Leasehold Improvements	3 580	2 272
Total Administrative Properties	10 305	7 442
Commercial Properties		
<i>Land</i>		
Commercial Properties at fair value	233	217
<i>Buildings</i>		
Buildings at fair value	1 964	1 901
Accumulated depreciation	(63)	(63)
Total Commercial Properties - Buildings	1 901	1 838
Total Commercial Properties	2 134	2 055
Assets Under Arrangement		
<i>Land</i>		
Assets Under Arrangement at fair value	1 714 719	1 629 242
<i>Buildings</i>		
Assets Under Arrangement at fair value	1 016 835	1 035 745
Accumulated depreciation	(13 618)	(13 857)
Total Assets Under Arrangement - Buildings	1 003 217	1 021 888
Total Assets Under Arrangement	2 717 936	2 651 130
Vacant Land		
<i>Land</i>		
Freehold Land at fair value	67 328	56 369
Total Vacant Land	67 328	56 369

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	2020	2019
Remote Indigenous Leased Properties	\$'000	\$'000
Remote Indigenous Buildings at fair value	245 046	236 160
Accumulated amortisation	(24 580)	(15 376)
Total Remote Indigenous Leased Properties	220 466	220 784
Plant and Equipment		
Plant and Equipment at cost (deemed fair value)	6 896	7 054
Accumulated depreciation	(4 398)	(4 060)
Total Plant and Equipment	2 498	2 994
Right-of-Use Motor Vehicles		
Right-of-Use Motor Vehicles at cost	1 430	-
Accumulated depreciation	(587)	-
Total Right-of-Use Plant and Equipment	843	-
Capital Works in Progress		
Buildings & Land at cost	124 973	184 849
Total Capital Works in Progress	124 973	184 849
Total Property, Plant and Equipment	10 676 510	10 448 491
Total property, plant and equipment at fair value	10 623 624	10 327 674
Total property, plant and equipment at cost	142 922	200 171
Total accumulated depreciation/amortisation	(90 036)	(79 354)
Total Property, Plant and Equipment	10 676 510	10 448 491

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. The Trust capitalises assets with a value of \$5 000 or greater.

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 tenantable 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 market 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.

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.

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

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Reconciliation 2019-20

The following table shows the movement of Property, Plant and Equipment during 2019-20 and 2018-19:

	Rental Properties – Land		Rental Properties - Buildings		Admin Properties – Land	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July	4 373 561	4 214 855	2 949 307	2 886 742	1 795	1 822
Additions	-	-	-	-	319	-
Transfer In from other asset category	59 418	81 266	83 464	113 976	-	-
Maintenance Upgrades	-	-	12 025	12 476	-	-
Assets Classified as Held for Sale	(1 773)	(2 660)	(825)	(281)	-	-
Disposals	(18 886)	(33 837)	(9 259)	(19 217)	-	(90)
Transfer out to other asset category	(40 136)	(73 476)	(12 042)	(17 327)	-	-
Assets transferred due to Admin restructure	-	-	-	-	-	-
Revaluation Increment (Decrement) ⁽⁴⁾	203 994	187 413	(9 191)	31 984	106	63
Depreciation and Amortisation expenses	-	-	(59 630)	(59 046)	-	-
Depreciation and Amortisation on disposals	-	-	-	-	-	-
Carrying Amount as at 30 June	4 576 178	4 373 561	2 953 849	2 949 307	2 220	1 795

	Admin Properties – Buildings		Admin Properties – Leasehold Improvements		Commercial Property - Land	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July	3 375	3 543	2 272	2 510	217	207
Additions	-	-	1 843	268	63	-
Transfer In from other asset category	981	112	-	1 677	-	-
Maintenance Upgrades	-	-	-	-	-	-
Assets Classified as Held for Sale	-	-	-	-	-	-
Disposals	-	(271)	(401)	(91)	-	-
Transfer out to other asset category	-	-	(87)	(1 968)	(31)	-
Assets transferred due to Admin restructure	-	-	-	-	-	-
Revaluation Increment (Decrement) ⁽⁴⁾	338	168	-	-	15	10
Depreciation and Amortisation expenses	(189)	(182)	(184)	(124)	-	-
Depreciation and Amortisation on disposals	-	5	137	-	(31)	-
Carrying Amount as at 30 June	4 505	3 375	3 580	2 272	233	217

	Commercial Property - Buildings		Assets Under Arrangement - Land		Assets Under Arrangement - Buildings	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July	1 838	1 776	1 629 242	1 553 452	1 021 888	1 020 973
Additions	-	-	-	-	-	-
Transfer In from other asset category	-	-	1 003	7 030	1 323	6 255
Maintenance Upgrades	-	-	-	-	-	-
Assets Classified as Held for Sale	-	-	-	-	-	-
Disposals	-	-	(1 356)	(479)	(404)	(126)
Transfer out to other asset category	-	-	(1 593)	(7 633)	(605)	(1 976)
Assets transferred due to Admin restructure	-	-	-	-	-	-
Revaluation Increment (Decrement) ⁽⁴⁾	160	156	87 423	76 872	1 555	17 518
Depreciation and Amortisation expenses	(97)	(94)	-	-	(20 540)	(20 756)
Depreciation and Amortisation on disposals	-	-	-	-	-	-
Carrying Amount as at 30 June	1 901	1 838	1 714 719	1 629 242	1 003 217	1 021 888

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Reconciliation 2019-20 (Continued)

	Vacant Land – Land		Remote Indigenous Leased Properties		Plant and Equipment	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July	56 369	35 586	220 784	222 793	2 994	3 229
Additions	-	-	-	-	79	164
Transfer In from other asset category	16 520	24 308	13 050	7 192	-	215
Maintenance Upgrades	-	-	-	-	-	-
Assets Classified as Held for Sale	-	-	-	-	-	-
Disposals	(610)	(246)	-	-	(3)	(669)
Transfer out to other asset category	(6 155)	(4 960)	(4 164)	-	-	-
Assets transferred due to Admin restructure	-	-	-	-	-	-
Revaluation Increment (Decrement) ⁽⁴⁾	1 204	1 681	-	-	-	-
Depreciation and Amortisation expenses	-	-	(9 525)	(9 201)	(572)	(563)
Depreciation and Amortisation on disposals	-	-	321	-	-	618
Carrying Amount as at 30 June	67 328	56 369	220 466	220 784	2 498	2 994

	Capital Work in Progress		Right-of-Use Motor Vehicles		Total Property, Plant and Equipment	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July	184 849	295 640	-	-	10 448 491	10 243 128
Additions	88 631	133 839	1 602	-	92 537	134 271
Transfer In from other asset category	56 230	78 562	-	-	231 989	320 593
Maintenance Upgrades	3 855	-	-	-	15 880	12 476
Assets Classified as Held for Sale	-	-	-	-	(2 598)	(2 941)
Disposals	-	-	(171)	-	(31 090)	(55 026)
Transfer out to other asset category	(208 592)	(323 192)	-	-	(273 405)	(430 532)
Assets transferred due to Admin restructure	-	-	-	-	-	-
Revaluation Increment (Decrement) ⁽⁴⁾	-	-	-	-	285 604	315 865
Depreciation and Amortisation expenses	-	-	(723)	-	(91 460)	(89 966)
Depreciation and Amortisation on disposals	-	-	135	-	562	623
Carrying Amount as at 30 June	124 973	184 849	843	-	10 676 510	10 448 491

⁽⁴⁾ In 2020, the total \$285.604 million revaluation increment was applied as an increase in revaluation surplus. In 2019, the total \$315.865 million revaluation increment was applied as an increase in revaluation surplus.

5.3 Property, plant and equipment leased by the Trust

Property, plant and equipment leased by the Trust is recorded at cost. Additions to leased property, plant and equipment during 2019-20 were \$1.602 million.

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 associated lease payments are recognised as an expense and are disclosed in note 3.1.

The Trust has 191 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 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

The lease liabilities related to the right-of-use assets are disclosed in note 7.3. 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 note 3.2. 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.

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5.4 Intangible assets

	2020	2019
	\$'000	\$'000
Computer Software		
Internally Generated Computer software	41 877	19 429
Accumulated amortisation	(9 397)	(17 309)
Total Computer Software	32 480	2 120
Work in progress Computer System Development	776	18 363
Total Work in progress Computer Systems Development	776	18 363
Total Intangible Assets	33 256	20 483

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* 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.

In April 2020 the Trust implemented a new tenancy and property management system Connect, previously recognised as work in progress computer systems development, that replaced the Trusts legacy core ICT system.

All research and development projects that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed. An expense of \$0.985 million (\$0.362 million) for research and development costs has been recognised in 2019-20.

Reconciliation of Intangible Assets During 2019-20 and 2018-19

	Internally Generated Software		Work in Progress Computer System Development		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	2 120	2 709	18 363	7 483	20 483	10 192
Additions	32 255	701	14 668	11 581	46 923	12 282
Transfers to Internally Generated Software	-	-	(32 255)	(701)	(32 255)	(701)
Disposal	(46)	-	-	-	(46)	-
Amortisation	(1 849)	(1 290)	-	-	(1 849)	(1 290)
Closing Balance	32 480	2 120	776	18 363	33 256	20 483

5.5 Inventories

	2020	2019
	\$'000	\$'000
Current		
Capital Work in progress	89 032	115 460
Developed properties	40 992	31 141
Vacant land	2 693	4 974
Total Current Inventories	132 717	151 575
Non-Current		
Capital Work in progress	8 991	4 393
Total Non-Current Inventories	8 991	4 393
Total Inventories	141 708	155 968

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

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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.

- (i) Capital work in progress relates to development projects containing both land and building components that are expected to be sold on completion.
- (ii) 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.
- (iii) Vacant land consists of land that is expected to be sold.

5.6 Non-current assets classified as held for sale

	2020	2019
	\$'000	\$'000
Land	1 794	10 603
Buildings	826	4 971
Total Non-Current Assets Classified as Held for Sale	2 620	15 574

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

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	106 618	742 401
Cash – Development Projects	1 439	1 433
Cash on hand	18	18
Total Cash and Cash Equivalents	108 075	743 852

Deposits with the Treasurer

Relates to working cash held in the Commonwealth Bank Working account through the Department of Treasury and Finance.

Cash - Development Projects

Relates to the ANZ accounts held for the Playford development projects.

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6.2 Receivables

	2020	2019
	\$'000	\$'000
Current		
Trade receivables		
From government entities	831	1 825
From non-government entities	26 186	24 393
Total trade debtors before doubtful debts	27 017	26 218
Less allowance for doubtful debts	(16 443)	(17 100)
Total trade receivables	10 574	9 118
Accrued revenues	8 343	5 539
GST receivable	1 995	266
Prepayments	2 874	849
Total Current Receivables	23 786	15 772
Non-Current		
Affordable Assist Program	438	-
Total Non-Current Receivables	438	-
Total Receivables	24 224	15 772

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 a term of 30 days.

Other than what is recognised in the allowance for doubtful debts, 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, accrued revenues 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.

Refer to note 11.3 for further information on risk management.

Impairment of receivables

	2020	2019
	\$'000	\$'000
Carrying amount at the beginning of the period	17 100	17 677
Increase in the provision	7 633	9 848
Amounts written off	(8 290)	(10 425)
Carrying amount at the end of the period	16 443	17 100

Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.

6.3 Other financial assets

	2020	2019
	\$'000	\$'000
Cash held at SAFA Cash Management Facility	803 614	122 371
Total Other Financial Assets	803 614	122 371

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

For further information on risk management refer to note 11.3.

Note 7 Liabilities

Employee benefits are disclosed in note 2.4.

7.1 Payables

	2020	2019
	\$'000	\$'000
Current		
Creditors	23 587	25 636
Land Tax Payable	214 500	49 091
Accrued expenses	32 930	26 275
Staff oncosts	1 741	1 446
Total Current Payables	272 758	102 448
Non-Current		
Staff oncosts	1 637	1 630
Total Non-Current Payables	1 637	1 630
Total Payables	274 395	104 078

Payables and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

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.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2019 rate (41%) to 42%, and the average factor for the calculation of employer superannuation on-cost remains the same at 9.8%. These rates are used in the employment oncost calculation. The net financial effect of the change in the current financial year is an increase in the employment on-cost and staffing costs expense of \$1.995m.

7.2 Provisions

	2020	2019
	\$'000	\$'000
Current		
Public Risk & Professional Indemnity	53	58
Workers Compensation	265	270
Total Current Provisions	318	328
Non-Current		
Public Risk & Professional Indemnity	409	450
Workers Compensation	554	423
Total Non-Current Provisions	963	873
Total Provisions	1 281	1 201

An asset of \$0.020 million (\$0.015 million) for workers compensation recoveries has been recognised for 2019-20.

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Movement in provisions

	2020	2019
	\$'000	\$'000
Reconciliation of Public Risk & Professional Indemnity		
The following table shows the movement of Public Risk & Professional Indemnity		
Carrying amount at beginning of financial year	508	546
Additional provisions recognised	496	531
Reduction in provisions	(488)	(499)
Payments made	(54)	(70)
Carrying amount at 30 June	462	508

Reconciliation of Workers Compensation

The following table shows the movement of Workers Compensation

Carrying amount at beginning of financial year	693	1 226
Additional provisions recognised	966	269
Reduction in provisions	-	-
Payments made	(840)	(802)
Carrying amount at 30 June	819	693

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 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the 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.

7.3 Financial liabilities

	2020	2019
Current		
Lease liabilities	512	-
Total Current Financial Liabilities	512	-
Non-Current		
Lease liabilities	339	-
Total Non-Current Financial Liabilities	339	-
Total Financial Liabilities	851	-

All material cash outflows are reflected in the lease liabilities disclosed above. Refer note 9.1.

7.4 Other liabilities

	2020	2019
	\$'000	\$'000
Current		
Rent received in advance	11 788	8 978
Deposits Held:		
Tenant deposits held	2 346	2 292
Sale deposits held	-	1
Unearned revenue	159	159
Managed houses scheme	243	243
Total Current Other Liabilities	14 536	11 673
Non-Current		
Unearned revenue	199	358
Managed houses scheme	304	546
Total Non-Current Other Liabilities	503	904
Total Other Liabilities	15 039	12 577

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

For information about equity contributions see note 4.1.

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.

Cash flow reconciliation

	2020 \$'000	2019 \$'000
Reconciliation of cash and cash equivalents and other financial assets at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	108 075	743 852
Other financial assets disclosed in the Statement of Financial Position	803 614	122 371
Balance as per the Statement of Cash Flows	911 689	866 223
Reconciliation of Net Cash Inflows from Operating Activities to Net Result Before Income Tax Equivalent:		
Net Cash provided by/(used in) Operating Activities	(175 293)	576 829
Add/Less non cash items		
Depreciation and Amortisation	(93 309)	(91 256)
Assets transferred as part of administrative restructure	-	3 461
Net (loss)/gain from disposal of assets	6 910	48 465
Buildings and Other Assets Written Off	(13 429)	(15 432)
Construction Variance, surplus on property	(840)	(406)
Allowance for Doubtful Debts	657	577
Provision adjustment	(974)	(301)
Assets Received Free of Charge	725	-
Affordable Homes Assistance	98	-
Loan Amortisation	242	243
	(99 920)	(54 649)
Changes in Assets / Liabilities		
(Decrease) Increase in Receivables	7 357	1 826
(Decrease) Increase in Property, Plant and Equipment	13 902	(28 094)
(Increase) Decrease in Payables	(170 317)	(56 328)
(Increase) Decrease in Staff Entitlements	(1 534)	(2 731)
Decrease (Increase) in Provisions	894	872
Decrease (Increase) in Financial Liabilities	(851)	-
(Increase) Decrease in Other Liabilities	(2 704)	5 136
	(153 253)	(79 319)
Net Result Before Income Tax Equivalent	(428 466)	442 861

8.3 Unexpended funding commitments*Unspent Grant Commitments*

The following table shows grant revenue received which remains unspent as at 30 June 2020 and 30 June 2019.

	2020 \$'000	2019 \$'000
<i>Unspent SA Government Revenues</i>		
Public Housing Stimulus	1 032	1 115
Total Unspent SA Government Commitments	1 032	1 115
<i>Unspent Commonwealth Revenues</i>		
Local Support Coordinator	82	53
Total Unspent Commonwealth Grant Commitments	82	53
Total Unspent Grants	1 114	1 168

Most grants are subject to written agreements outlining the conditions of the funding, including the objectives, outcomes, performance criteria and reporting obligations. Non-compliance with these conditions may result in the Commonwealth or State recovering parts of the funding in accordance with the Implementation Plans (where applicable) for each agreement. The conditions attached to these grants can be summarised as:

Public Housing Stimulus

Funding to enable the Trust to progress planning and delivery of a number of projects and programs to help stimulate activity in the state's housing construction sector and improve the quality of public housing.

Local Support Coordinator

Funding for the engagement of a Local Support Coordinator to coordinate support and services for women affected by domestic and family violence.

Note 9 Changes in accounting policy**9.1 AASB 16 Leases**

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. AASB 16 Leases replaces AASB 117 Leases and related interpretations.

The adoption of AASB 16 Leases from 1 July 2019 resulted adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 Leases only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 Leases applies a comprehensive model to all leases. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position.
- AASB 117 Leases resulted in operating lease payments being recognised as an expense under Supplies and Services. AASB 16 Leases largely replaces this with depreciation expenses that represents the use of the right-of-use asset and borrowing costs that represent the cost associated with financing the right-of-use asset.

Impact on retained earnings

The total impact on the Trust's retained earnings as at 1 July 2019 is as follows:

	\$'000
Closing retained earnings 30 June 2019 – AASB 117	
Assets	
Property, Plant and Equipment	1,277
Liabilities	
Financial liabilities	(1,277)
Opening retained earnings 1 July 2019 – AASB 16	-

Accounting policies on transition

AASB 16 sets out accounting policies on transition in its transitional provisions. The Treasurer's Instructions (Accounting Policy Statements) requires certain choices in those transitional provisions to be taken. The Trust has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining lease payments discounted using the relevant incremental borrowing published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 3.14%.
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.
- the initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020, except for vehicles leased from SAFA.

Ongoing accounting policies

The Treasurer's Instructions (Accounting Policy Statements) specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the Trust's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- the Trust, in the capacity of a lessee, does not include non-lease components in lease amounts.
- right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the public authority to further its objectives.
- right-of-use assets are subsequently measured applying a cost model.

Significant accounting policies relate to the application of AASB 16 are disclosed under relevant notes and are referenced at note 5.3.

9.2 AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes AASB 111 Construction contracts, AASB 118 Revenue and related Interpretations and applies to all revenue arising from contracts with customers.

Impact on retained earnings

On transition, there was no impact on retained earnings.

Accounting policies on transition

The Trust has adopted AASB 15 on 1 July 2019. The Treasurer's Instructions (Accounting Policy Statements) require certain choices in those transitional provisions to be taken. The Trust has on transition:

- recognised the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of retained earnings as at 1 July 2019. Therefore, the comparative information has not been restated.
- not adopted the completed contract expedient, and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former revenue and income accounting standards.

- elected not to restate retrospectively contracts for modifications that occurred before 1 July 2019. Such contract modifications were minor, so this is expected to have little impact on the financial statements.

Impacts on the financial statements are explained below together with impacts from adoption of AASB 1058 Income of Not-for-Profit Entities.

Ongoing accounting policies

The Treasurer's Instructions (Accounting Policy Statements) specify requirements for public authorities in applying AASB 15. These requirements are reflected in the Trust's accounting policies as follows:

- for non-intellectual property licences, low value licences (i.e. assets which have a value of \$15 000 or less) and short-term licences (i.e. being those with a licence term of 12 months or less) are exempt from AASB 15 revenue recognition requirements. The Trust has elected to recognise revenue at the point in time the licence is issued.
- AASB 15 is applied to a portfolio contracts with similar characteristics.
- there is no adjustment to the promised amount of consideration for the effects of a significant financing component if the period between the transfer of goods/services and the payment date is one year or less.
- the incremental costs of obtaining a contract are expensed when incurred when the amortisation period of the asset that the Trust would have recognised is one year or less.
- for measuring progress towards satisfaction of performance obligations when the output method is applied, revenue is recognised in the amount to which there is a right to invoice corresponding directly to the value to the customers of the Trust's performance completed to date.
- there is no disclosure of certain information relating to remaining performance obligations if the original contract is expected to end within one year or when revenue is recognised in accordance with para. B16.

Significant accounting policies relating to the application of AASB 15 are disclosed under relevant notes.

9.3 AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 Contributions, AASB 118 Revenue and AASB 111 Construction Contracts. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

Accounting policies on transition

On transition, there was no impact on retained earnings.

9.4 Effects on financial statements from AASB 15 and AASB 1058

The Trust has performed a detailed analysis of its revenue streams and concluded that there is no material financial impact in 2019-20 of adopting AASB 15 and AASB 1058.

9.5 Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the Trust. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

Note 10 Outlook**10.1 Unrecognised contractual commitments**

Commitments include those operating, capital and outsourcing commitments arising from contractual or statutory sources and are disclosed at their nominal value.

Capital Commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial statements, are payable as follows:

	2020	2019
	\$'000	\$'000
Within one year	26 987	24 239
Later than one year but not longer than five years	18 456	15 507
Later than five years	7 651	10 078
Total Capital Commitments	53 094	49 824

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

Recurrent Commitments

The Trust's recurrent commitments are for agreements for expenditure on operations and maintenance contracted but not provided for and payable, are as follows:

	2020	2019
	\$'000	\$'000
Within one year	7 192	3 468
Later than one year but not longer than five years	311	943
Later than five years	-	-
Total Recurrent Commitments	7 503	4 411

The 2019 recurrent commitments included motor vehicle leases of \$1.954 million that are recognised as right-of-use assets in 2020.

Management Agreement Commitments

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) which are contracted but not provided for are payable as follows:

	2020	2019
	\$'000	\$'000
Within one year	306	298
Later than one year but not longer than five years	2 497	3 761
Later than five years	-	-
Total Management Agreement Commitments	2 803	4 059

Accommodation Commitments

The Trust's accommodation commitments are for agreements for expenditure on accommodation not provided for and payable, are as follows:

	2020	2019
	\$'000	\$'000
Within one year	7 962	8 303
Later than one year but not longer than five years	25 942	27 907
Later than five years	4 722	10 443
Total Operating Lease Commitments	38 626	46 653

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 9 (12) properties under this scheme with a total discount provided of \$0.490 million (\$0.621 million). The current share of depreciation of these properties is approximately \$0.003 million (\$0.005 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 (8) properties included in the scheme are subject to mortgages with a collective loan balance of \$0.090 million (\$0.118 million). The Tenant's share of the value of the properties subject to mortgage is estimated to be \$1.161 million (\$1.326 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 (5) 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 \$1.206 million (\$1.201 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 2020 is \$58.469 million (\$57.449 million). The value of claims made this financial year is \$6.647 million (\$7.538 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 2020 is \$10.622 million (\$10.333 million).

10.3 Impact of standards and statements not yet effective

The Trust has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

AASB 1059 – Service Concession Arrangement: Grantors

AASB 1059 prescribes the accounting for certain arrangements in which an operator provides public services on behalf of a public sector grantor involving a service concession arrangement. This standard applies to reporting periods beginning on or after 1 January 2020.

The Trust will adopt AASB 1059 – *Service Concession Arrangement: Grantors* from 1 July 2020.

Objective

AASB 1059 prescribes the accounting for a *service concession arrangement* by a *grantor* that is a public sector entity.

Impact on 2020-21 financial statements

The Trust has various arrangements with Community Housing Providers which could potentially be captured under the AASB 1059.

The Trust is consulting with the Department of Treasury and Finance as per the requirement from Treasurer's Instructions (Accounting Policy Statements) 1059.A. requiring the Chief Executive's approval to apply AASB 1059.

The Trust has commenced assessing but not yet quantified the impact of applying AASB 1059 and the resulting impact on the statement of financial position.

10.4 COVID-19 pandemic outlook for the Trust

The COVID-19 pandemic will continue to impact the operations of the Trust in 2020-21. The key expected impacts include:

- the Trust will continue to support and transition those rough sleepers that were provided emergency accommodation when required to quarantine to longer term sustainable housing.
- The Trust will continue to operate the COVID-19 Relief Call Centre until it is no longer required.

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

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

The actuarial assessment performed by the Department of Treasury and Finance 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 decreased from 2019 (1.25%) to 2020 (0.75%). This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is an decrease in the long service leave liability of \$1.462 million and employee benefits expense of \$1.976 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.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience.

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 are subsequently measured at fair value after allowing for accumulated depreciation.

The valuation processes and fair value changes are reviewed by the Director, Finance 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 5.6.

During 2020 and 2019, 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 2020**Fair Value Measurements at 30 June 2020**

	\$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurement			
Land (Note 5.1)	6 293 350	6 293 350	-
Buildings (Note 5.1)	3 963 472	3 963 472	-
Vacant Land (Note 5.1)	67 328	67 328	-
Leasehold Improvements (Note 5.1)	3 580	-	3 580
Plant and Equipment (Note 5.1)	2 498	-	2 498
Remote Indigenous Leased Properties (Note 5.1)	220 466	-	220 466
Capital Works in Progress (Note 5.1)	124 973	124 973	-
Total recurring fair value measurements	10 675 667	10 449 123	226 544
Non-recurring fair value measurement			
Land held for sale (Note 5.6) ⁽⁵⁾	1 794	1 794	-
Buildings held for sale (Note 5.6) ⁽⁵⁾	826	826	-
Total non-recurring fair value measurements	2 620	2 620	-
TOTAL	10 678 287	10 451 743	226 544

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Fair value classification – non-financial assets at 30 June 2019

Fair Value Measurements at 30 June 2019

	\$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurement			
Land (Note 5.1)	6 004 815	6 004 815	-
Buildings (Note 5.1)	3 976 408	3 976 408	-
Vacant Land (Note 5.1)	56 369	56 369	-
Leasehold Improvements (Note 5.1)	2 272	-	2 272
Plant and Equipment (Note 5.1)	2 994	-	2 994
Remote Indigenous Leased Properties (Note 5.1)	220 784	-	220 784
Capital Works in Progress (Note 5.1)	184 849	184 849	-
Total recurring fair value measurements	10 448 491	10 222 441	226 050
Non-recurring fair value measurement			
Land held for sale (Note 5.6) ⁽⁵⁾	10 603	10 603	-
Buildings held for sale (Note 5.6) ⁽⁵⁾	4 971	4 971	-
Total non-recurring fair value measurements	15 574	15 574	-
TOTAL	10 464 065	10 238 015	226 050

⁽⁵⁾ 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. Refer to Note 5.6.

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 revalues all land and buildings annually using the Valuer-General's values for rating purposes, issued as at 1 July 2019 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 2019, using the 1 July 2019 values, for all land and buildings acquired or completed before 31 October 2018.

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, nor consistent Valuer-Generals information that could be applied to an alternative valuation method. The properties were last revalued at 31 October 2017.

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
	2020 \$'000	2020 \$'000	2020 \$'000
Opening balance at the beginning of the period	2 994	2 272	220 784
Acquisitions	79	1 843	-
Transfer into level 3 ⁽⁶⁾	-	-	13 050
Transfer out of level 3 ⁽⁶⁾	-	(87)	(4 164)
Disposals	(3)	(264)	321
Total gains (losses) for the period recognised in net result:			
Depreciation and Amortisation expenses	(572)	(184)	(9 525)
Revaluation increments	-	-	-
Carrying amount at the end of the period	2 498	3 580	220 466

	Plant & Equipment	Leasehold Improvements	Remote Indigenous Properties
	2019 \$'000	2019 \$'000	2019 \$'000
Opening balance at the beginning of the period	3 229	2 510	222 793
Acquisitions	164	268	-
Transfer into level 3 ⁽⁶⁾	215	1 677	7 192
Transfer out of level 3 ⁽⁶⁾	-	(1 968)	-
Disposals	(51)	(91)	-
Total gains (losses) for the period recognised in net result:			
Depreciation and Amortisation expenses	(563)	(124)	(9 201)
Revaluation increments	-	-	-
Carrying amount at the end of the period	2 994	2 272	220 784

⁽⁶⁾ 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 *Risk Management Policy Statement* issued by the Premier and Treasurer 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 the Department of Treasury and Finance 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.

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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 \$240.599 million in 2019-20 (\$124.160 million in 2018-19).

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. An allowance for doubtful debts and an impairment expense are 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 allowance for doubtful debts 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 63% of debtors at 30 June 2020. The percentage applied in 2019 was 72%.

Brett & Watson Pty Ltd determined the 2020 percentage by analysing customer debtors at 31 March 2020 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 0.63 per cent per annum based on the risk free rate as at 31 May 2020.
- amounts estimated that will not be received based on common risk characteristics of the transaction and the debtor.

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	Loss %	Lifetime expected losses
	\$'000		\$'000
Customer debtors	26,100	63	16,443
Other debtors	917	0	0
Loss allowance	27,017		16,443

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 \$8.136 million written off during the year are still subject to enforcement activity.

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 significant accounting policies 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	2020 Carrying Amount / Fair value \$'000	2020 Contractual maturities		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
Financial Assets					
Cash and cash equivalents					
Cash and cash equivalents	6.1	108 075	108 075	-	-
Financial assets at amortised cost					
Receivables	6.2	19 355	18 917		438
Other financial assets	6.3	803 614	803 614	-	-
Total financial assets		931 044	930 606	-	438
Financial Liabilities					
Financial liabilities at amortised cost					
Payables	7.1	55 591	55 591	-	-
Other liabilities	7.4	2 893	2 589	304	-
Total financial liabilities		58 484	58 180	304	-

Category of financial assets and financial liability	Note	2019 Carrying Amount / Fair value \$'000	2019 Contractual maturities		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
Financial Assets					
Cash and cash equivalents					
Cash and cash equivalents	6.1	743 852	743 852	-	-
Financial assets at amortised cost					
Receivables	6.2	14 657	14 657	-	-
Other financial assets	6.3	122 371	122 371	-	-
Total financial assets		880 880	880 880	-	-
Financial Liabilities					
Financial liabilities at amortised cost					
Payables	7.1	99 830	99 830	-	-
Other liabilities	7.4	3 082	2 536	546	-
Total financial liabilities		102 912	102 366	546	-

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2.

Note 12 Disclosure of Administered Items**12.1 Disclosure of Administered Items as at 30 June 2020**

	Homelessness Social Impact Bond		HomeStart Community Service Obligations		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Revenues from SA Government	1 200	1 200	7 256	6 921	8 456	8 121
Total administered income	1 200	1 200	7 256	6 921	8 456	8 121
Administered expenses						
Grants, subsidies and client payments	1 200	1 200	7 256	6 921	8 456	8 121
Total administered expenses	1 200	1 200	7 256	6 921	8 456	8 121
Net result	-	-	-	-	-	-

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 Community Service Obligations

HomeStart's requirement to undertake Community Service Obligations are set out in regulation 6(1)(a) of the *Housing and Urban Development (Administrative Arrangements) (HomeStart Finance) Regulations 2007* which permits HomeStart to provide housing finance on concessional or special terms.

The Trust administers the payment that the Government provides to HomeStart in recognition of the cost of the following non-commercial activities in providing housing finance on concessional or special terms:

- Acceptance of non-commercial credit risk
- Advantage Loan program
- Nunga Loan program
- Contribution to achieve required return to equity, where necessary