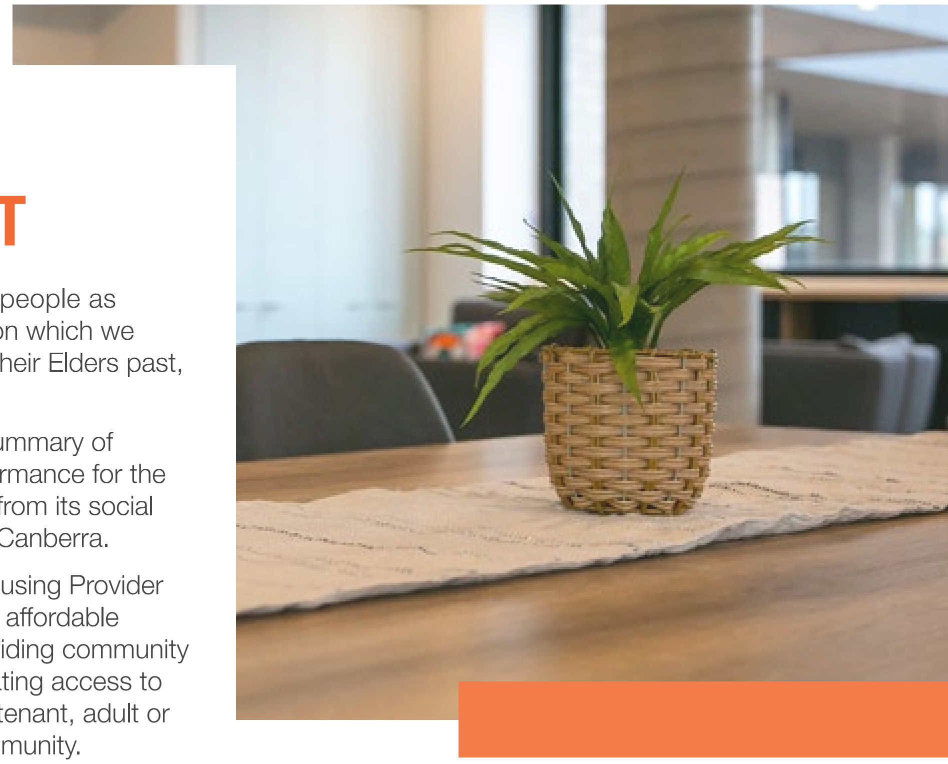
Homes for the community

ANNUAL REPORT

2021/22

SAFE AND SECURE HOMES IN STRONG COMMUNITIES

WELCOME



CHC'S 2021/22 ANNUAL REPORT

CHC acknowledges the Ngunnawal people as the traditional custodians of the land on which we operate, and we pay our respects to their Elders past, present, and emerging.

The Annual Report for 2021/22 is a summary of CHC's operations, activities and performance for the year ended 30 June 2022, as well as from its social enterprise, HomeGround Real Estate Canberra.

CHC is a not-for-profit Community Housing Provider that aims to provide safe, secure, and affordable homes to Canberrans, as well as providing community development opportunities and facilitating access to support services to help enable each tenant, adult or child, to thrive, strengthening our community.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Australia has been a member of the United Nations since 1945, and therefore adopted the 2030 Agenda for Sustainable Development - a shared blueprint for peace and prosperity for people and the planet, now and into the future, which comprises of 17 global goals for the world. These are collectively referred to as The Sustainable Development Goals (SDGs).

The SDGs cover social and economic development issues including poverty, hunger, health, education, global warming, gender equality, water, sanitation, energy, urbanization, environment and social justice.

Look out for the ways CHC actively contributes to the SDGs and helps to build a more fair and inclusive society throughout this report.

CONTENTS

OUR VISION

Safe and secure homes in strong communities.

OUR MISSION

To provide affordable homes, principally for rent, to individuals and families.

OUR VALUES

CUSTOMER CENTRIC

Everything we do directly or indirectly delivers value to our current and prospective future tenants.

AUTHENTIC

We are genuine and respectful in our dealings with our tenants, staff and all stakeholders.

COLLABORATIVE

We proactively partner with others to deliver greater value and manage risk.

INNOVATIVE

We bring fresh thinking to tackle industry challenges and to better meet our tenant needs.

CONTINUOUS IMPROVEMENT

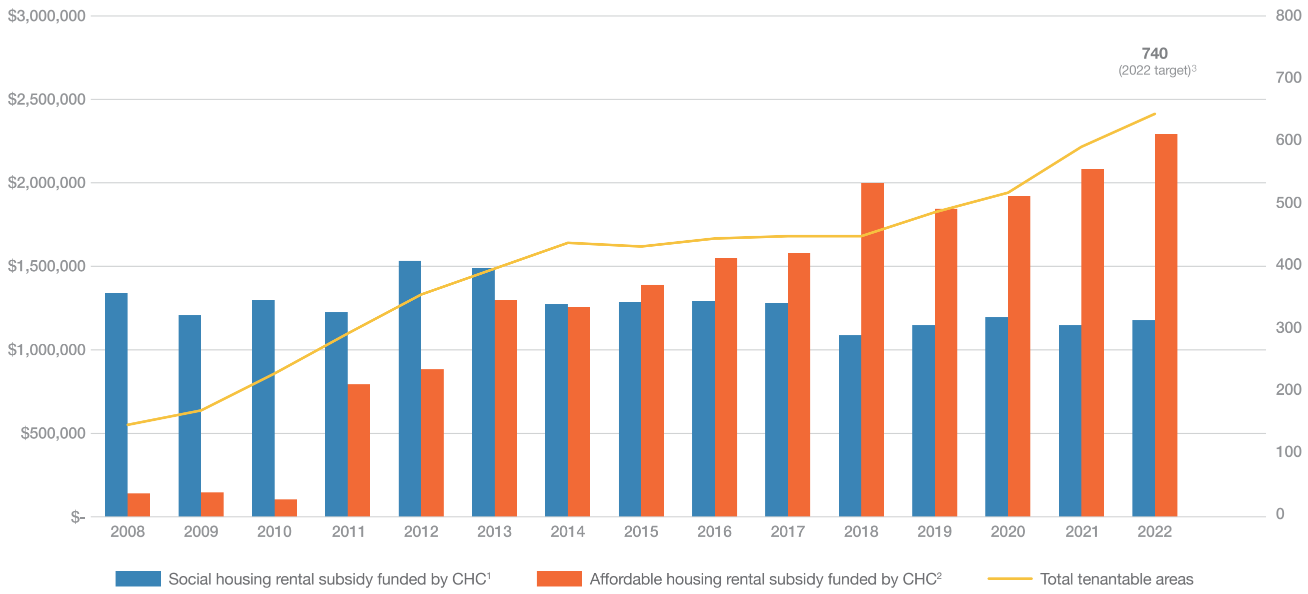
We strive to continuously improve all we do and accept that some of the greatest learnings and advances will result from initiatives that fail.

OUR IMPACT

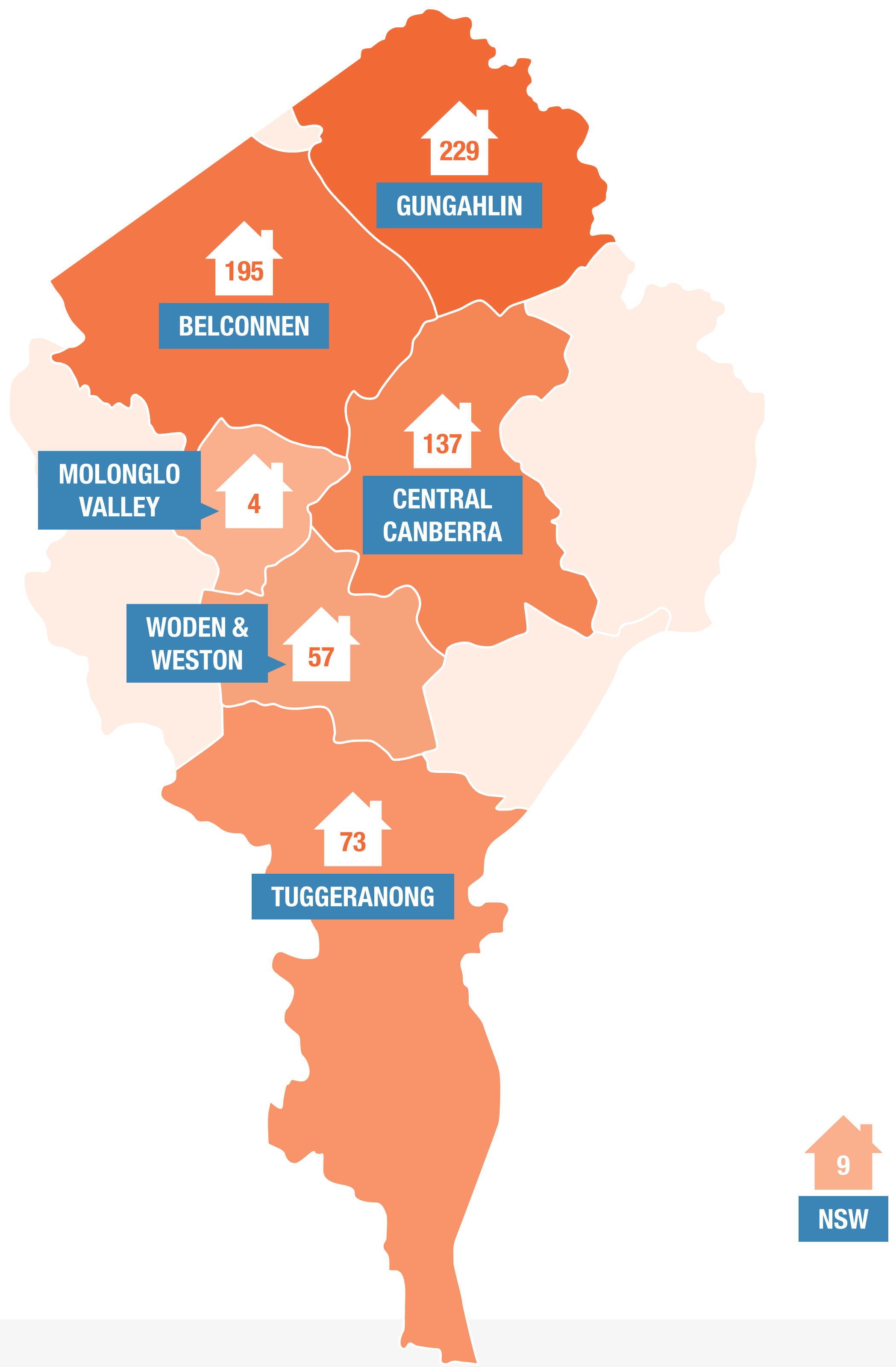
TENANCIES	>1750 PEOPLE HOUSED TODAY	645 SOCIAL & AFFORDABLE TENANCIES	51 SUPPORTED TENANCIES
FINANCIAL RESULTS	$3.5m RENTAL SUBSIDY FUNDED BY CHC	$228m TOTAL EQUITY	$3.3m UNDERLYING EBITDA*
SOCIAL IMPACT	13 SCHOLARSHIPS AWARDED	39 TENANCIES SUPPORTED DURING COVID-19	190 TENANT PARTICIPATION IN COMMUNITY EVENTS

*Note: Underlying EBITDA means earnings before interest, tax, depreciation, and amortisation. Underlying performance excludes the impact of development expenses and overheads, development revenue and one-offs such as asset acquisition/divestment.

RENTAL SUBSIDY FUNDED BY CHC AND TENANTABLE AREA GROWTH (CHC AND HGRE)



[1] Social housing operates on Rebated Rent Model (25% of household income plus Commonwealth Rent Assistance).
[2] Affordable housing operates on an Affordable Rent Model (74.9% of market rent).
[3] 740 tenantable areas equates to Strategic Plan target to house 2000 Canberrans by end of 2022 (@2.7 Canberrans housed per tenantable area)



704 TENANCIES*

>1900 HOUSEHOLD MEMBERS*

*includes 59 market rent tenancies via HomeGround Real Estate Canberra.

CHAIR REPORT

ADDRESSING COST OF LIVING PRESSURES

Cost of living pressures increased substantially through the financial year, with annual underlying inflation reaching highs not seen in decades, outstripping growth in wages. More lower income Canberrans today are struggling to put food on the table for their families, and keep a roof above their heads as compared to this time last year. At year end Canberra continued to hold the unenviable position of having the highest median rents for both houses and units out of any major city in the country[1]. Demand for social and affordable rental homes has continued to increase, with households renting in the private rental market increasingly being pushed into a state of unsustainable housing stress. The impacts of this are far reaching, such as on individual health and well-being, the ability to maintain education and employment, and the ability to partake fully in the community.

A change in Federal Government in May, with progressive housing policies such as the new $10B Housing Australia Future Fund (HAFF)[2] that, once implemented, will see investment earnings contributed as subsidies to ensure financial viability of delivery of growth in social and affordable rental supply, are welcome news for the community housing sector and the tenants and prospective future tenants that we exist to support. The 20,000 social housing dwellings and 10,000 affordable rental dwellings targeted to be delivered through the HAFF over five years nationally are much in need, but will merely scratch the surface of the scale of need that exists of over 650,000 dwellings (5,500 in the ACT)[3].

Tangible steps are being taken by the ACT Government in delivering on its Parliamentary and Governing Agreement commitment of 2020 to support delivery of 600 additional affordable rental dwellings over five years, principally through the Build To Rent Investment Prospectus[4] released just after year end and the signalled willingness to contribute subsidies to support growth in supply. Provided that this commitment remains in addition to the Federal Government HAFF targets, and the required subsidies are sufficiently sized to support project financial viability and are included in future ACT budgets, the ACT should see at least 1200 new social or affordable rental dwellings added to existing supply by 2027 – the impact of this on lower income Canberran households will be maximised if the community housing sector is chosen as the delivery vehicle of choice by Federal and ACT Governments.

CHC and its partners remain ready to co-invest alongside the ACT Government, leveraging Federal concessional debt finance on offer via the National Housing Finance and Investment Corporation (NHFIC) and other sources of institutional capital, to contribute to delivery of the ACT Government commitment. This commitment aligns with CHC's 2018-2022 Strategic Plan to deliver material growth in supply of affordable rental homes, and our vision of providing "safe and secure homes in strong communities".

CONTINUED STRONG PERFORMANCE AGAINST PLAN

In terms of key output measures, during the year the organisation:

- Grew social and affordable tenancies under management to 645, reflecting a 9% increase;
- Increased the supply of social and affordable tenancies under management by HomeGround Real Estate Canberra to 162, reflecting a 32% increase;
- Completed construction and settled two developments in Throsby comprising a total of 47 townhouses, including 18 market sales, 26 affordable sales leveraging the ACT Government's Land Rent Scheme, and 3 townhouses retained by CHC as affordable rentals;
- Completed construction of a five-bedroom group home in Page which was retained by CHC and is now fully tenanted with adults with disabilities that are each provided with tailored support services by our partner, Hartley Lifecare;
- Completed design work and lodged a development application to build a secondary residence in Holt to provide secure housing to support women transitioning from the justice system;
- Completed the purchase of development sites in Scullin, Taylor and Whitlam from the Suburban Land Agency (SLA) for specialist disability and other forms of supportive housing developments;
- Exercised an option to convert 48 existing affordable rental dwellings on Land Rent leases to Crown Leases, avoiding future land rent payments and availing CHC to future land price appreciation; and,
- Were awarded the tender to manage Common Ground Dickson, with CHC delivering tenancy and property management services, and our partner and subcontractor, YWCA Canberra, delivering tenant support services.

[1] Domain Rental Report June 2022, www.domain.com.au/research/rental-report/june-2022
[2] www.alp.org.au/policies/safer-and-more-affordable-housing
[3] UNSW City Futures Research Centre, Estimating need and costs of social and affordable housing delivery, Dr L Troy, March 2019, www.cityfutures.be.unsw.edu.au/research/projects/filling-the-gap
[4] www.treasury.act.gov.au/__data/assets/pdf_file/0005/2039558/220116-Build-to-Rent-Prospectus.pdf

From a financial perspective, in producing these outputs the organisation during the year delivered:

- A direct rental subsidy to lower income Canberran households of $3.5m;
- Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) of $7.2m and Net Surplus of $3.8m; and,
- A positive underlying net cash flow of $3.1m.

POSITIONED TO DELIVER GROWTH IN SUPPLY

CHC has been impeded from delivering major growth in supply of social and affordable rentals via development activity in recent years due to:

- CHC's capital structure, specifically due to the scale of the $3.5m per year principal loan repayment obligation to the ACT Government that commenced in 2018 (approximately 40% of current rental revenue) on top of interest payments; and,
- Roll-off of the Commonwealth Government's National Rental Affordability Scheme (NRAS), which will result in the progressive loss of NRAS income of over $1.0m per year (over 10% of current total rental revenue) over the next two years, with CHC having already absorbed the impact of a loss of NRAS income of approximately $1.3m per year, progressively over the last three years.

On 29th July 2022 CHC reached financial close on sales transactions for approximately $63m of a portfolio of CHC social and affordable rental properties to the ACT Government, and an associated management agreement over the same properties and associated tenancies for 15 years, extinguishing both CHC's existing loan agreements with the ACT Government. The management agreement is value accretive for CHC and importantly for tenants with no changes to the day-to-day management arrangements. CHC now carries no corporate or project-level debt.

CHC's multi-channel growth strategy includes both capital-light and capital-intensive approaches to grow supply of social and affordable rental dwellings. CHC has a number of large-scale development prospects, with memorandums of understanding or commercial term sheets in place with partners. COVID-induced material impacts on global supply chains and the availability and pricing of building supplies, and step changes to interest rates, negatively impacted project viability in each of these. With the application of subsidies that have been signalled by both the Federal and ACT Governments to support social and affordable rental supply growth, we expect these projects and other future projects will be viable and have the potential to play a significant role in delivering on the 1200 target by 2027.

I would like to take this opportunity to thank my fellow directors, independent committee members, the CEO, Andrew Hannan, and our staff for their relentless pursuit to deliver on our vision and mission.

It has been an absolute pleasure to work with you all.

Thank you to our tenant community who are at the core of all we do, and to the many partners who support us.

Paul Green
Chair

CEO REPORT

NEW STRATEGIC PLAN UNDER DEVELOPMENT

Performance against the FY18-22 Strategic Plan overall objectives and targets summarised below reflects that management's commitments to the Board and members have largely been delivered:

1. **Financially sustainable business model** – *to achieve positive underlying net surplus and cash flow by 2020.*
   - Underlying net loss of ($160k) compared with prior year surplus of $277k;
   - Positive underlying cashflow of $3.1m compared with prior year $3.6m; and,
   - Underlying EBITDA of $3.3m compared with prior year $4m.

Drivers of weaker year-on-year underlying performance include the continued roll-off of Federal Government NRAS subsidies, reduced grant income, and market-driven increases in operating costs that outstripped rental income escalation.

However, post-year end, financial close of the transaction that entailed the transfer of approximately $63m of properties to the ACT Government, extinguishment of ACT Government loan agreements, and commencement of a 15-year management agreement for the same tenancies and properties, is value accretive for CHC and will enhance future free operating cash flows.

2. **Outstanding tenant experience** – *top quartile tenant satisfaction.*
   - Overall tenant satisfaction has increased to 87%, up from 81%, and sits within the top quartile of community housing providers.
3. **Increased impact** – *2000 Canberrans housed by 2022 in appropriate, safe and secure homes, with $30m direct rental subsidy to tenants by 2022.*
   - 9% increase in affordable tenancies under management to 645, corresponding to over 1750 residents; and,
   - Delivery of fully self-funded $3.5m direct rental subsidy to tenants (increased from $3.2m in prior year) taking total cumulative rental subsidy fully funded by CHC since inception to $38.3m, exceeding the strategic target.

Enablers include retention of new townhouses developed in Throsby, development of the Page group home, and material growth in HomeGround Real Estate Canberra affordable rental tenancies. CHC has several large-scale development prospects with partner organisations, the financial viability of which has been impaired by material increases to the costs of capital and construction, but which would be viable with an appropriate subsidy from governments.

Work is well advanced in preparation of a new strategic plan that will guide the business through its next growth phase. This plan is framed by:

- The need to increase supply of social and affordable rentals with the cost of living and rental affordability at crisis point for lower income earners;
- CHC now being debt free with a strong balance sheet and strong free operating cash flows;
- Materially increased costs of construction and cost of debt and equity for financing projects; and,
- Availability of new subsidies that have been signalled at both Federal and State/Territory Government levels to support financial viability of new social and affordable rental projects.

CHALLENGING MARKET CONDITIONS

The COVID pandemic and geopolitical tensions in Europe have collectively had a significant impact on global and Australian markets. Annual underlying inflation in Australia is at levels not seen for over 20 years, driving a cost of living and housing affordability crisis as household incomes have not kept pace. At a time when the need for increased community housing supply is at its peak, market barriers to delivering this new supply have also increased. With government 10-year bond yields having tripled over the past two years, the cost of long-term senior project debt finance has almost tripled, challenging the financial viability of new community housing development projects, or requiring lower levels of community housing take-out and increased market product, be it for sale or rent. Further challenging the financial viability of projects has been material increases in the costs of construction, both materials and labour. Whilst for-profit developers may have the luxury of deferring planned new developments until market conditions improve, increased community housing supply is needed now, and a lot of it. The increased challenges to financial viability of new community housing projects can only be overcome with government subsidies.

SECTOR ADVOCACY YIELDS RESULTS

CHC has long been an advocate for the need for Government investment at all levels, alongside investment by community housing providers, to support the growth in supply of social and affordable rentals needed to meet a growing demand. The need for such investment, indeed an increased investment, has been accentuated by market impacts of the COVID pandemic and geopolitical tensions. Without a subsidy, subsidised housing simply cannot be delivered – what is an appropriately sized subsidy has increased on the back on increased pressures on project financial viability.

During the year CHC stepped up its own direct advocacy at the Federal and State/Territory levels, with major political parties, independents and departments, and actively supported the necessary evidence base, policy development and advocacy work of industry peak bodies, including:

- The Community Housing Industry Association (CHIA) and ACT Regional Committee,
- PowerHousing Australia,
- The Property Council of Australia (PCA) and ACT division,
- The Masters Builders Association of Australia (MBA) and ACT division,
- The Australian Council of Social Services and ACT division, and
- National Shelter and the ACT division.

For the year I held positions of National Chair of CHIA, Chair of CHIA ACT Regional Committee, Member of PCA ACT Social Sustainability Committee, as well as Member of ACT Minister for Housing's Consultative Committee. A key focus of CHIA has been to facilitate a more aligned and compelling message from the industry peaks as it related to community housing "asks" of governments, with there being many examples of joint policy development and advocacy work across these bodies. Potentially the fruits of these collaboration efforts are now starting to be seen, with new subsidy programs signalled at both Federal and State/Territory Government levels to support financial viability of new social and affordable rental projects. Pleasingly key design aspects appear to have been informed by CHIA's policy development and advocacy work.

Approaching three years as the National Chair of CHIA, I have announced that I will be standing down as Chair and as a Director at the November AGM. It has been an absolute privilege to have worked closely with my fellow Directors and the CHIA CEO, Wendy Hayhurst, to represent and deliver on behalf of CHIA's member organisations and the over 120,000 Australian households that they currently support. CHC will maintain close involvement in CHIA with Chief Operating Officer, Megan Ward, stepping up as nominee for the CHIA ACT Regional Director position on the National Board.

I look forward to being able to dedicate greater time and intensify my own focus on delivering on CHC's new strategic plan and growth ambition, capitalising on the opportunities unlocked by new subsidy programs at Federal and State/Territory levels.

THANK YOU

Thanks to our tenant community for your active engagement in our community development programs and activities, feedback on how we can continually improve our services, and the care you put into your homes.

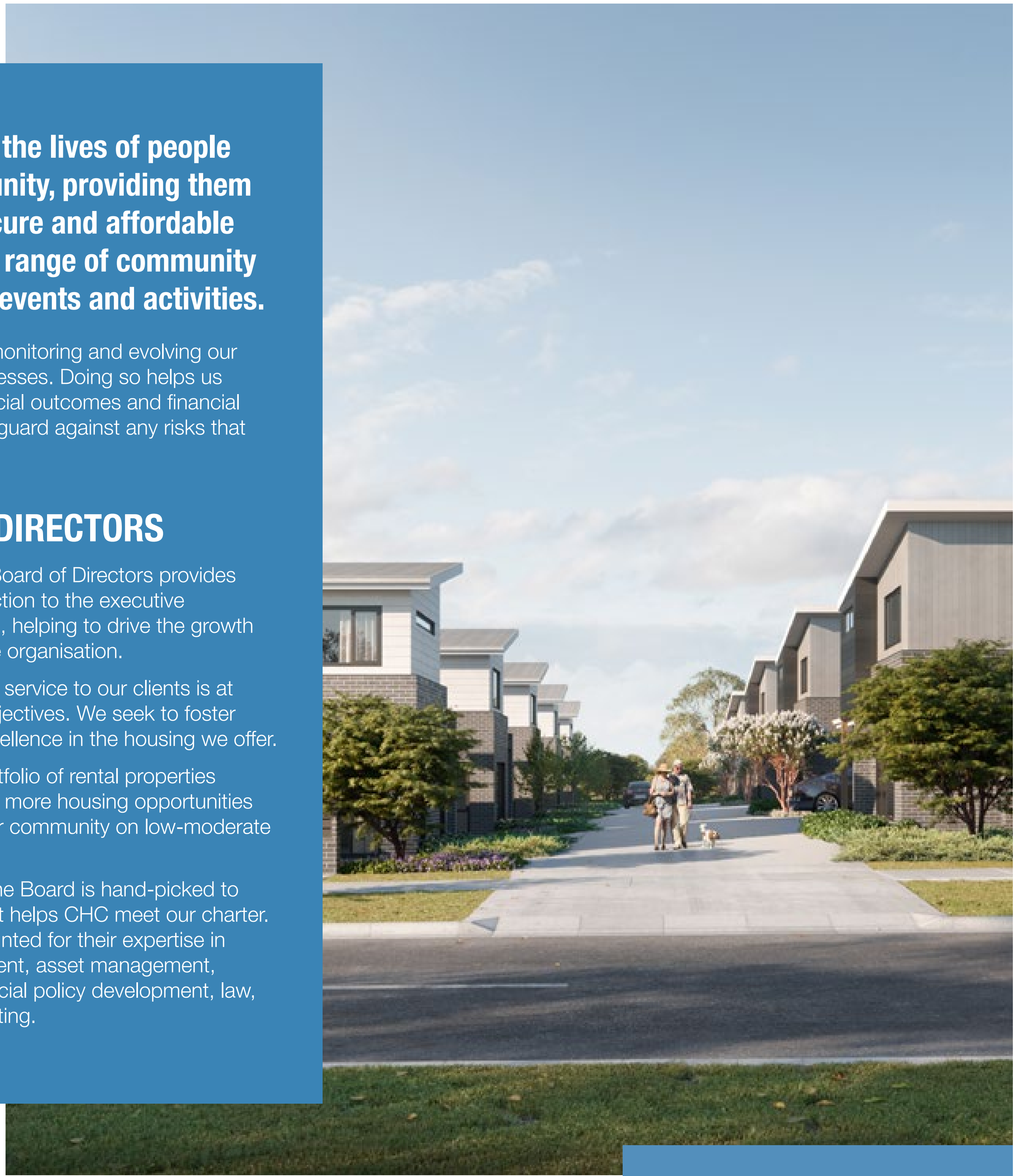
Thanks also to our long-term partners and contractors that support our tenants and delivery against our mission, and to our commercial, development and finance partners that will help us to continue to deliver more impact through our multi-channel approach to growth.

A big appreciation to the leadership team and all staff for again delivering a great performance across each of our strategic objectives despite the impacts of COVID-19 and increasingly challenging market conditions through the year. Your embracing of the necessary preparatory work in support of our growth aspirations is greatly appreciated, and will enable us to support many more lower income Canberran households through the next five years.

Finally, thanks to Paul Green, Chair, and the Board of Directors, for your direction, advice and support of management and staff in our day-to-day operations.

Andrew Hannan
Chief Executive Officer

CORPORATE GOVERNANCE & RISK MANAGEMENT



CHC changes the lives of people in our community, providing them with safe, secure and affordable homes, and a range of community development events and activities.

We're constantly monitoring and evolving our management processes. Doing so helps us deliver the best social outcomes and financial performance, and guard against any risks that may arise.

BOARD OF DIRECTORS

Our independent Board of Directors provides oversight and direction to the executive management team, helping to drive the growth and strength of the organisation.

Providing excellent service to our clients is at the heart of our objectives. We seek to foster innovation and excellence in the housing we offer.

Expanding our portfolio of rental properties allows us to create more housing opportunities for members of our community on low-moderate incomes.

Each member of the Board is hand-picked to bring a skill set that helps CHC meet our charter. Directors are appointed for their expertise in housing development, asset management, community and social policy development, law, finance, or accounting.

This year, we thank the following Directors for their ongoing commitment and contributions to the success of our organisation.

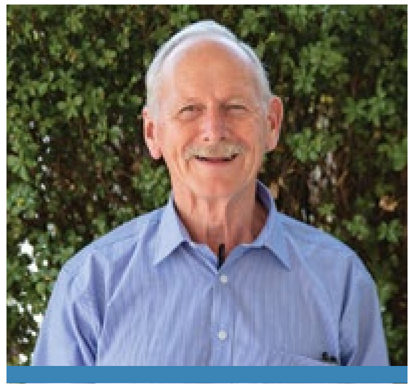
Paul Green MG, BA, LLB (Hons) - Chair, Chair Development Committee

Jill Divorty B Bus (Acctg & Fin) MBA, FCPA, GAICD - Deputy Chair, Chair Audit and Risk Committee

Cathi Moore AM BA (Social Science) - Director, Member Audit and Risk Committee, Member Community Committee

Paul Carmody BA (Admin) - Director, Member Development Committee

Clare Wall B Ec, Dip Rec. Pl, M Pub Pol - Director, Chair Community Committee, Member Development Committee



Jim Douglas AVI, Certified Practising Valuer, Licensed Real Estate Agent - Director, Member Community Committee

Alice Tay Graduate, Australian Institute of Company Directors, Fellow, Governance Institute of Australia LLB Sydney University - Director, Member Audit and Risk Committee

Additional information about our Directors can be found on page 33 of this report.

CORPORATE GOVERNANCE & RISK MANAGEMENT

EXECUTIVE TEAM

Reporting to the Chief Executive Officer, our executive team provides strategic leadership and managerial insight for the organisation.

The executive team comprises:

- Megan Ward, Chief Operating Officer
- Ahmed Munir, Head of Development
- Yee Cheam, Head of Finance
- Fiona Dearden, Head of People/Company Secretary

AUDIT & RISK COMMITTEE

CHC's Audit & Risk Committee assists the Board by overseeing the organisation's financial management and risk management practices, including: statutory reporting and external audit requirements; internal audit and internal control; risk and compliance management; CHC's insurance coverage; and tax and employee obligations. The Committee is made up of three Directors and an independent member from the ACT Government.

COMMUNITY COMMITTEE

CHC's Community Committee assists the Board by helping to ensure that the organisation continues to provide exceptional service to our tenants, and that a strong sense of community is fostered through our community development program.

DEVELOPMENT COMMITTEE

CHC's Development Committee assists the Board by overseeing the organisation's property development activity. During the year the committee oversaw the successful completion of the Acacia and Throsby 29 developments. These developments resulted on 47 new dwellings built, and 26 of them were sold as an affordable option and to first home buyers, 3 were kept as affordable rentals and 18 were sold on open market. All profits resulted from these operations are reinvested into the operation to create and expand the number of affordable rentals available in the ACT.

REGULATORY COMPLIANCE

Implementation of CHC's regulatory compliance responsibilities has been embedded in the Constitution of CHC, and in the organisation's corporate governance guidelines.

CHC is a not-for-profit company registered under the Corporations Act 2001.

CHC is a Charity and endorsed as a Public Benevolent Institution. This status is determined by the Australian Taxation Office and Australian Charities and Not-forProfit Commission (ACNC).

CHC is also registered as a Tier 1 provider under the National Regulatory System for Community Housing (NRSCH) Providers. This registration is the highest attainment under this system and CHC is committed to maintaining this status.

CHC remains an approved participant under the National Rental Affordability Scheme (NRAS) and is committed to maintaining and maximising incentives under the Scheme for itself and its Non-Entity Joint Venture investors.

CHC is a registered provider of Specialist Disability Accommodation with the National Disability Insurance Scheme (NDIS).

CHC is also a licensed real estate agent in both the ACT and NSW.

CHC complies with Accounting Standards as determined by the Australian Accounting Standards Board. The ACT Auditor General, in accordance with CHC's constitution, conducts an annual audit of

CHC. These financial statements are published in full within CHC's Annual Report. An additional external agency conducts audits on both the ACT and NSW HomeGround Real Estate Canberra Trust Accounts.

OUR STAFF

The staff of CHC has largely returned to normal business operations following the COVID–19 pandemic, with two reasonably short periods of reduced attendance in the office in January/February and July/August 2022.

Staff have adjusted to disruptions, such as lockdowns and restrictions, with a high level of professionalism, maintaining excellent levels of customer service for our tenants and stakeholders.

CHC continues to ensure personal hygiene items are available for use by all staff and encourage the maintenance of physical distancing practices where possible. Staff members are encouraged to remain absent from the workplace if they are unwell and CHC continues to minimise having large numbers of staff in enclosed areas for extended periods of time.

The leadership team has embraced the implementation and bedding down of ongoing flexible work arrangements for their staff. These arrangements have become part of normal business and have supported staff to make choices around their work patterns that are compatible with their work and personal needs. Participation in flexible working arrangements is voluntary, and arrangements are reviewed on a regular basis to ensure they continue to meet the needs of both staff and CHC.

CHC has maintained a robust training calendar that is directly linked to agreed development plans as well as all staff training sessions providing development in areas relevant across the organisation such as an Introduction to Human Rights. Training opportunities provided were diverse ranging from compulsory CPD training to Having Difficult Conversations, Mental Health First Aid and introduction to MS Project. CHC currently has two staff members completing a Diploma in Leadership and Management and are actively developing a Traineeship Program to support eligible staff to complete a Certificate IV in Property Services.

All staff members continue to participate in our performance management framework to provide regular, ongoing, feedback and encouragement. CHC also maintains training and development programs so that the team may advance in both their personal and professional lives.

Maintaining staff well-being and satisfaction is very important to CHC. All CHC employees have access to external well-being services, including access to well-being programs being run through our partner organisation PowerHousing and an EAP service. In the previous twelve months, CHC has expanded the employee well-being program to financially support a healthy lifestyle. All staff are invited to seek reimbursement of costs up to an agreed monetary limit to support their well-being. This could be to pay for a gym membership, other recreational activities or health support.

A positive workplace culture is contributed to by all staff and a social committee organises regular social activities to help foster that culture. This year the team has celebrated various dates of relevance including a NAIDOC week morning tea, when the team could acknowledge and recognise the contributions of Aboriginal and Torres Strait Islander peoples and culture. Staff tried treats that included bush tucker favourites and used the event to raise more than $500, which was donated to the Indigenous Literacy Foundation.

We are thankful to our staff and the contribution they make to CHC every day.

This is how CHC actively contributes to the United Nations SDGs and helps to build a more fair and inclusive society.

CHC WORK

Extended well-being program for staff.

IMPACT

21% of staff members signed up for gym memberships or similar.

CHC WORK

Courses and training opportunities offered to staff members.

Ken Horsham Scholarship offered to tenants.

IMPACT

CHC funded courses for 14% of staff members.

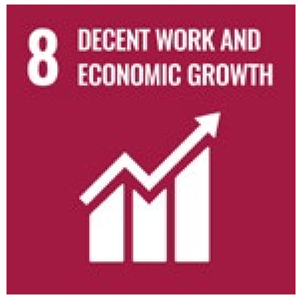
13 scholarships awarded this year.

CHC WORK

Expressive women's participation in CHC's leadership team and Board.

IMPACT

Leadership: Women 62%, Men 38%
Board: Women 57%, Men 43%



CHC WORK

The development and constant review and update of policies: Flexible Work Policy, Pandemic Policy, Health and Wellbeing Policy, Performance and Professional Development Policy.

IMPACT

38% of staff members are currently using the Flexible Work Policy, choosing to work from home at a given day or having more flexibility in relation to hours worked within the span of hours (after manager's approval).

HOMEGROUND CANBERRA

REAPING THE REWARDS OF HARD WORK AND INNOVATION

HomeGround Real Estate Canberra has concentrated on increasing community awareness and engagement throughout the financial year primarily through a series of targeted marketing campaigns along with a commitment to matching if not surpassing the service levels of larger, more established agencies operating in Canberra.

The not-for-profit real estate model has been increasingly sought after by landlords seeking to use their investment property to make a social difference, with the broad acknowledgement that ordinary Canberrans are being priced out of renting a property in the region.

Over the financial year, HomeGround's overall impact increased from 178 total properties under management to 221, which reflects an overall growth of near 35% across the portfolio spread.

In addition, HomeGround acquired three new strata developments, including the two stages of the Acacia complex developed by CHC and the Nirvana complex in Harrison consisting of 60 units, all tenanted under the National Rental Affordability Scheme and owned by private landlords.

As identified in the HomeGround strategic plan, a decision was made to invest in a multi-channel marketing campaign. After comparing offerings from various media outlets, HomeGround engaged with the Riotact to conduct an online campaign. The campaign was an immediate success and generated new leads, greater awareness, and other opportunities to promote the HomeGround brand.

A community engagement focus was also initiated, and it was wonderful to see business development manager, Maria participates and present at Senator Pocock's 2022 housing affordability summit. Subsequently, Senator Pocock specifically highlighted HomeGround Canberra in his Housing Strategy Paper and on various media platforms.

HomeGround was also recognised as 2022 national finalist in the categories of Small Agency of the Year and Business Development Manager of the Year – travelling to Melbourne for the REIACT ceremony, the event provided a wonderful opportunity to showcase the HomeGround brand and is a recognition of the hard work and dedication that the team deliver to all landlords and tenants alike.

In partnership with the ACT Government, HomeGround participated in a wonderful pilot opportunity to upgrade the insulation at a number of qualifying properties rented through the Land Tax Exemption Scheme. This initiative increased energy efficiency measures for almost 30 affordable households, thus reducing the tenants' utility running costs.

Lastly, the continued growth and tenant impact could not have been achieved if not for the hard work, dedication and commitment shown by Maria and the HomeGround team. The HomeGround team continues to strive for positive results and looks forward to finding further ways to increase our impact on vulnerable households in the ACT and contribute to the mission of CHC in the wider community.

HomeGround in the news

Click to read more

This is how HomeGround Real Estate Canberra actively contributes to the United Nations SDGs and helps to build a more fair and inclusive society.

4 QUALITY EDUCATION

HOMEGROUND REAL ESTATE CANBERRA WORK

Courses and training opportunities offered to staff members.

Ken Horsham Scholarship offered to tenants.

IMPACT

HGRE Canberra is supporting its staff members by financing their studies: 1x Diploma in Leadership and Management, 1x Certificate IV in Real Estate Practice.

Five out of the 13 scholarships awarded this year were granted to HGRE Canberra tenants.

10 REDUCED INEQUALITIES

HOMEGROUND REAL ESTATE CANBERRA WORK

Reducing inequalities by providing affordable housing to qualified tenants.

Organising Community Development Events to promote social and economic inclusion of all tenants, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

IMPACT

39 new affordable properties made available this year.

Social events, courses and scholarships provided to support tenants and strengthen the community.

11 SUSTAINABLE CITIES AND COMMUNITIES

HOMEGROUND REAL ESTATE CANBERRA WORK

Promote adequate, safe, and affordable housing through an innovative model, supporting positive economic, and social impact.

IMPACT

31.7% growth in the number of affordable rentals provided by HGRE Canberra this year.

34.8% growth in the total number of dwellings managed by HGRE Canberra.

All HGRE Canberra profit is reinvested into providing more affordable rental options.

HomeGround Real Estate Canberra

Proudly supported by

allhomes

ACT Government

COMMUNITY DEVELOPMENT

The Community Development program is a core service of CHC. In line with our strategic direction to deliver an outstanding tenant experience, we facilitate opportunities for tenants of CHC and HomeGround that foster and support education, employment, social inclusion, and community engagement, tailoring as appropriate for differing tenant cohorts.

Despite all difficulties in holding face-to-face events, due to COVID-19 restrictions, CHC is proud to have continued to promote these opportunities and engage with its community.

KEN HORSHAM SCHOLARSHIP

In January 2022 CHC opened applications for the Ken Horsham Scholarship for the fifth time. The late Ken Horsham was a founding director of CHC who took a keen interest in progressing his community and had a passion for social justice, and in this spirit, CHC has honoured him with this scholarship. The scholarship aims to help CHC and HomeGround tenants reach their study goals.

This year thirteen tenants received scholarships up to the value of $1,000 to assist with costs associated with their ongoing studies, such as notebooks, course fees, stationery, software, textbooks and others.

The scholarship awards ceremony was held and officiated by ACT Minister for Homelessness and Housing Services, Rebecca Vassarotti, MLA, and awards were presented by the Late Ken Horsham's wife, Mary Horsham, along with Andrew Hannan and the Minister. The ceremony happened in February 2022 and was a great opportunity for tenants, their families and CHC staff to come together and celebrate the applicant's achievements.

We would like to congratulate tenants, Anthea, Ba Quan, Carol, Fiona, Kai, Kristine, Lucy, Michanne, Oksana, Richard, Sandra, Sarah L., and Sarah R. who were all recipients of the scholarship in 2022.

TENANT ASPIRATIONS

Oksana came from Ukraine, just before the war started, moving to a home managed by HomeGround. She is currently enrolled in a one-year course, completing her Certificate in Early Childhood Education and Care at CIT. She is the mother of two children, and she aspires to use this scholarship to finance her course, so she can upskill herself and find better employment, but also make friends at school, and strengthen her social circle and network.

AUTOCO – CAR MAINTENANCE COURSE

CHC in partnership with Autoco Mitchell promoted a free car maintenance course to six CHC and HomeGround tenants, along with ACT carers, to empower them and promote a better understanding of their vehicles. The course focused on three components: checking tyres, getting under the bonnet, and being prepared for a dark, wet night on the roads.

RENTAL READINESS

CHC has developed and released the course "Rental Readiness – your tenancy passport". This course aims to provide all the information about rentals to first-time tenants, or those who struggle to find and maintain their rental properties.

The course is being rolled out now, and the first sessions were provided to members of Toora Women Inc. and Imagine More, aiming to support vulnerable women and people with disability.

COVID-19 VACCINATION

This year, CHC arranged to have a COVID-19 vaccination pop-up tent in the development located at Ijong Street. This initiative aimed to facilitate vaccination and help stop the spread of COVID-19 within the ACT. CHC supports and encourages tenants and staff members to observe the ACT Health guidelines and actively contributes to the adoption of a safe and healthy lifestyle for individuals and the community.

PARASOL – FIRST AID COURSE

CHC partnered up with Parasol to promote the "Heartbeats" First Aid Course. This was a great opportunity for 16 CHC and HomeGround tenants to obtain for free a nationally recognised cardiopulmonary resuscitation statement of attainment. This professional training helped tenants to upskill themselves, contributing to their careers and teaching valuable life-saving skills.

COMMUNITY DEVELOPMENT

SCHOOL HOLIDAYS WITH B.FIRM

CHC provided an opportunity for tenants' children to enroll in the B.Firm school holidays program. They had a day filled with obstacle and adventure training with Lee Campbell at B.Firm, the place where you can put your skills to trial, Australian Ninja Warrior style.

Nineteen kids attended and had a lot of fun, playing on muddy obstacles in the one-day event. Feedback from the families regarding this program was very positive, with children enjoying the engaging activities and the opportunity to participate and make friends.

HOMELESSNESS WEEK

All CHC staff members actively contributed to Homelessness Week 2022 by donating ingredients or by cooking a BBQ and soup for guests of the Early Morning Centre.

FAMILY FUN DAY

Thanks to the Community Connections Grant 2021, CHC could promote the Family Fun Day, which happened in May 2022. This event was a great opportunity for the 58 tenants who attended to enjoy a great day filled with many fun activities. There was mini-golf, face painting and all the tenants went for a train ride to a mini-zoo and had a chance to feed and pat the animals.CHC provided all the entertainment, food and refreshments for the group, and hired a professional photographer to register the best moments. This event made it possible for tenants to get to know each other and strengthen the community, as well as providing a safe and fun space for families to have some chilled time and entertainment.

CHRISTMAS FAMILY PORTRAITS

Gungaderra Homestead is a special place for CHC. This heritage home welcomes many community groups and is the preferred venue of many CHC and HomeGround tenants, to celebrate special occasions such as birthdays, baby showers and other events. This year, CHC decided to make it extra special, promoting an event so families could take a professional Christmas family photo. CHC arranged the perfect scene at the wool shed – a total of 23 families and 78 tenants had a great time registering their love and connection, through some beautiful and fun pictures, which will be kept as a beautiful memory.

This is how CHC actively contributes to the United Nations SDGs and helps to build a more fair and inclusive society.

CHC WORK

Ken Horsham Scholarship offered to tenants.

IMPACT

13 scholarships awarded this year.

CHC WORK

Organising Community Development Events to promote social and economic inclusion of all tenants, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

IMPACT

190 tenants participating on scholarships, courses and social events promoted by CHC.

TENANT STORY

Trigger warning: This is a story of resilience and overcoming difficult situations, but it may contain triggers for people in similar situations.

The story below is true, however, some details such as names and other information that could connect the story to the tenant have been changed to protect her identity and safety.

In 2018, our tenant Kelly got engaged to the "perfect guy". He seemed everything you could ask for: he had a good job, was very handsome and polite, treated her daughter well, and the relationship was evolving quickly.

They were very passionate, which made the ups and downs of their relationship very extreme. Everything was super intense and her partner was very jealous of her, which at first she didn't care too much – he was only passionate, right? She was completely in love with this man and didn't want their relationship to end, so she would close her eyes to his slightly aggressive attitude and words every time he was displaying his jealousness.

Unfortunately, with time, his jealous breakdowns intensified, but Kelly tried to ignore them. After all, he always apologised after fights and all the other aspects of their relationship seemed to be in place. All of a sudden, her fiancé's ex-partner reached out and warned Kelly that her "Prince Charming" had been violent with her during their relationship. Kelly couldn't believe it. She ignored this warning, despite feeling deep down that it might be true. She loved him and didn't want to lose him.

Kelly sought to maintain a normal life, despite all the emotional roller coaster her relationship brought. She was looking to grow professionally so she could marry her fiancé, move out of the house she was sharing with her brother and daughter at the time, and start her new life.

Everything seemed fine, until one day, while they were at her house her fiancé had another fit of jealousy, but this time he didn't just attack her verbally, he also assaulted her. When it was all over, her house was destroyed, and Kelly was injured. Her brother came to her rescue, and she received full support from her family and her work after the attack. Her work helped her file complaints against her abuser and provided her with psychological support.

Kelly and her family did everything they could to fix the damage done to the house, but after fixing everything, the property owners asked for the house back, claiming that someone from their family would move in. The episode was traumatic and resulted in her losing her home, but Kelly was determined not to let it get her down, despite all the pain and hardship.

Kelly's brother moved back in with her parents, and she moved with her daughter to a granny flat at a friend's house, who referred her to CHC. Kelly had little hope as she had applied for another social residency program over three years ago, but after a long wait, she had been turned down, but she still got in touch with CHC. Kym Markowski, CHC's tenancy officer, started looking into her case and according to Kelly, Kym was always very transparent through the process, very down to earth and never sugar-coated reality. Still, she did everything in her power to help Kelly find a home and brought hope to her life again. After three months, they found the perfect home for Kelly and her daughter.

Kelly lived with CHC for 3 years and in this period, where she could find stability and a safe space, she could progress in her jobs. After taking some courses, she left a job in customer service, moving to a more qualified job. With the increase in income, she was able to save enough money to put a deposit on her house. She describes the last 3 years as a transformative period, where she was able to develop more self-confidence, motivate herself and push herself to accomplish more. Kelly believes that CHC's support was essential for her achievements.

"CHC provided an affordable and safe home for me and my daughter, making it possible for me to put aside the house deposit and achieve home ownership. CHC also promoted courses that help me upskill myself, and some other special moments, such as the school holiday event, which my daughter took part in, exploring her dancing skills. I am very thankful for all the support CHC gave me. I hope that by sharing my story, I can inspire women in a similar situation to seek change and support to escape from domestic violence as well." Kelly says.

COMMON GROUND DICKSON

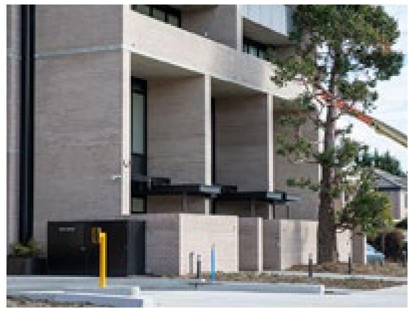
Common Ground Dickson is the newest ACT Government supportive housing initiative, which created 40 new homes in the ACT to support individuals and families who were struggling, or even facing homelessness, in finding suitable housing. The building is comprised of a mix of one, two and three-bedroom units, divided into social and affordable homes. The social homes will support people to move directly from homelessness into permanent housing, whilst the affordable rentals will provide for low-income households.

In November 2021 CHC applied for the tender of service provision to the Common Ground Dickson, in partnership with the sub-contracting organisation YWCA. The tender was granted to CHC as the leading contractor, which will be providing property and tenancy management, while the YWCA will deliver support services to all Common Ground Dickson residents.

This unique model is aligned with the internationally successful *housing first* principles, where holistic onsite support services are offered, strengthening the mission to sustain tenancies. The wrap-around services offered are completely voluntary and can be for a range of reasons but may include financial management, living skills, youth engagement, aging in place and trauma support. This inclusive model allows CHC to build a vibrant mixed community assisting those who have experienced homelessness, older Canberrans or even some of Canberra's key workers.

By providing housing to those who have experienced long-term homelessness, with separated voluntary support services, the principles have proven that a strengths-based approach when working with tenants who feel safe with a sense of community can not only improve their lives but also reduce the financial resources required to be funded by Government bodies.

"CHC will work hand-in-hand with YWCA support services to create a positive environment where we can empower our tenants to achieve independence and we are looking forward to helping enable each household member, adult or child, to thrive," CHC CEO Andrew Hannan says.



OUR DEVELOPMENTS

PAGE SDA GROUP HOME

In 2020 CHC submitted a gap funding proposal to The Big Issue's Homes for Homes Community Housing Grant round to support CHC's development of a five-bedroom group home for people living with disabilities. Upon being awarded the sought $300,000 grant, CHC was able to commence the proposed knock-down-rebuild project in Page replacing a legacy 1960s era three-bedroom dwelling owned by CHC with a beautiful five-bedroom ensuite home. Construction on the Page home commenced early in 2021 and was completed in September 2021.

This house was designed as an accessible home meeting the design standards for Specialised Disability Accommodation (SDA) homes. The front door has ramp access directly from the driveway to a large landing and internal entrance hall. The house is open-plan and allows for easy access to all communal areas. All ensuites have hobless showers and reinforced walls to allow for the addition of grab rails in the future if required. The orientation of the house is perfect to capture the Canberra winter sun and has a large private open courtyard located to the North. This house was designed to reduce energy use and cut down on waste and emissions. The house uses energy-efficient fixtures and appliances and achieves an over-energy efficiency rating of 6+ stars. Some other features of this house include an accessible kitchen and laundry, reverse cycle heating and cooling, large windows and sliding doors, externally ducted range hoods, full height tiling to bathrooms, wall-hung bathroom vanities and extensive on-site car accommodation/parking. Since completion, this home is accommodating four tenants managed by Hartley Lifecare.

Kathy from Hartley Lifecare writes:

"We were given the opportunity to assist four gentlemen to move in to the purpose-built property in Page last year, this was a very exciting opportunity and one that we have enjoyed working with CHC to achieve. The four gentlemen have a variety of needs and this house has been able to accommodate their individual requirements and enable them to live together successfully."

"Thank you for providing the house they are all living in, this will enable them to live their best lives together but also gives them opportunities to experience living in their own space to be independent and have full ownership of their home."

Kathy also writes about the tenants:

"Tenant 1 is a gentleman who has had a couple of moves in his life that had mixed successes, he has had anxiety and depression when these opportunities have not worked, his family wanted to find a place where he could live close to them and ideally maybe share with his brother (Tenant 2) and also enjoy visits with other family members."

"Tenant 2 has had ongoing support from his family through his years to be able to live as independently as possible, the opportunity for him to be in a house with his brother whilst having his own room is immensely important for their relationship to remain close but give him space to be his own person."

"Tenant 3 is a quiet unassuming gentleman who has a small informal support network, he has had medical challenges in his life which at times have affected his mental health. He enjoys his own peace and quiet where he is less anxious living in his new home he has the best of both worlds to choose when he wants to be with everyone or have his time to himself in his own space."

"Tenant 4 is the oldest gentleman living in the house, he has had many years of needing support for his mental health needs as well as his physical support. This had always been a major responsibility for his siblings and with him living in the house he is settled in his own space to be comfortable and [in] a house that suits his many needs."

Renaissance Homes were engaged as the builder for the Page Group Home. Director, Andrew Kerec, is a big advocate for accessible homes and took a special interest in the project. The video below showcases the Page development and the motivation and need behind the construction of accessible homes.

Click to watch video about Page SDA Group Home

OUR DEVELOPMENTS

THROSBY 29

Throsby 29 Affordable Rental and Affordable Home Purchase Project

In 2021 CHC commenced construction on the Throsby 29 Land Rent project which delivered 27 three-bedroom and two four-bedroom townhouses in Throsby. The project was completed in May 2022.

The Throsby 29 development delivered a total of 29 townhouses out of which three were retained by CHC as affordable rentals while the rest were sold to eligible first-home buyers under the ACT Government's Land Rent scheme. The ACT Government's Land Rent Scheme gives eligible individuals the option of renting land through a land rent lease rather than purchasing the land to build a home, making home ownership more affordable. This dramatically reduced their upfront costs because they only needed a loan for the value of the house while the land was being rented from the Government.

Townhouses in the development consisted of four different designs, all featuring open-plan living and dining areas which are served by a contemporary kitchen featuring stainless steel appliances, Caesarstone bench tops, gas cooking and a dishwasher. All bedrooms are generously sized with built-in wardrobes. The spacious living and meals area and outdoor courtyards add to the amenity of the dwellings.

Each townhouse block is individually titled with low strata fees applicable. Throsby 29's exterior consists of contemporary and durable finishes, such as face brick, lightweight cladding and Colorbond roofing. Purchasers were given a choice of two colour schemes for the interior.

During the life of the Throsby 29 project, the team successfully navigated various challenges including the COVID-19 pandemic, shortage of construction materials caused by external issues which affected the supply chain, and shortage of trades, to deliver a successful project.

Through the Throsby 29 project, CHC was delighted to offer homes to three CHC tenants. Testimonies from them are included opposite.

"Honestly, it was a great experience for us. Land rent helped a lot as we were not scared of the price boom in the property. We were very satisfied that we are in safe hands.

The new house is very nice and beautiful design which covers everything. Now we think that we have chosen the right place as playing fields and sports complex is coming there just across the house. Very happy to be there."

- Muhammad Imran

"I am incredibly fortunate [for] being able to access the land rent scheme and purchase my first - and forever - home.

Without the scheme, and with increasing housing costs, I was nearly priced out of the market. The land rent scheme is an amazing opportunity for people to access the competitive Canberra housing market and I highly recommend it."

- Maria Shaoor

"I am incredibly happy with my new home. The attention to detail and thought put into both design and building was outstanding."

- Nat

OUR DEVELOPMENTS

ACACIA

Acacia Home Purchase Project

Acacia is a boutique collection of 18 four-bedroom family townhouses spread over two blocks. Each block consists of nine two-storey, four-bedroom townhouses. Construction works commenced in November 2020 and the project was completed in May 2022. The Acacia development was sold out well before completion. Adjacent to and developed concurrently with the Throsby 29 Land Rent project and with the same builder, development surpluses from this ancillary project supported CHC's retention of Throsby 29 dwellings for affordable rental and also helped fund CHC's provision of rental subsidies across our portfolio.

Designed with practicality and family living in mind, each townhouse features an open-plan kitchen, living and dining with a second separate living area, powder room and internal access from the double garage on the ground floor. Finishes including dual-zoned heating and cooling, a 20mm Quantum Quartz stone bench top in the kitchen, Fisher & Paykel 600mm appliance package with gas cooktop and externally ducted range hood create a feeling of luxury and liveability. A range of floor plans provides an optional master bedroom with ensuite and walk-in-robe on the ground floor or first floor.

Across all floorplans, upstairs there are three generous bedrooms with built-in robes, one main bathroom and a separate study space. Each home has full-height tiling in the main bathroom and ensuites, floor tiles to the main living areas and carpet to the stairs and bedrooms. Purchasers were given a choice of two colour schemes for the interior.

All properties were landscaped with low-maintenance shrubs, ground cover, mulched garden beds and concrete paving. Acacia's exterior consists of contemporary and durable finishes, such as face brick, lightweight cladding and Colorbond roofing.

During the life of the Acacia project the team navigated through various challenges including the COVID-19 pandemic, shortage of construction materials caused by the supply chain distributions and shortage of trades to deliver a successful project.

KEY FEATURES

- Designed for families
- Open-plan living
- Double garage
- Second separate living area
- Stone bench tops

This is how CHC actively contributes to the United Nations SDGs and helps to build a more fair and inclusive society.

CHC WORK

Reducing inequalities by developing projects that provide a range of additional social and affordable housing in the ACT. Developing dwellings to promote social and economic inclusion, including people with disability, and other vulnerable groups.

IMPACT

48 new dwellings developed this year with five new social rental (SDA) tenancies, 26 affordable sales, 18 market sales and three additional affordable rentals.

CHC WORK

Promote adequate, safe, and affordable housing and support positive economic and social impact.

IMPACT

9% growth in the total number of homes managed by CHC and HomeGround.

KEY

- Cost
- Partner
- Land
- Subsidy
- Impact

Note: LDA stands for Land Development Agency

2001

CITY EDGE (O'CONNOR)

- >$10 million
- CIC Pendon Pty Ltd (50%)
- Purchased from LDA
- Total dwellings: 126
  Public housing: 15
  Retained affordable rentals: 15
  Sold on open market: 96

2004

VILLAGE VUE (GUNGAHLIN)

- >$3 million
- Purchased from LDA
- Total dwellings: 28
  Public housing: 2
  Retained affordable rentals: 4
  Sold on open market: 22

2009

MIRELLA APARTMENTS (GUNGAHLIN)

- >$5 million
- Purchased from LDA
- Total dwellings: 19
  Sold as affordable: 19

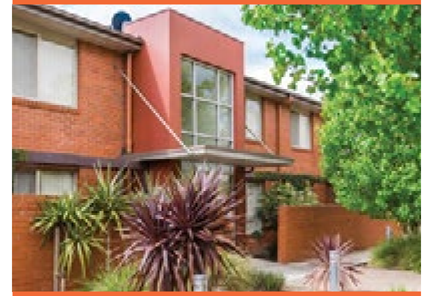
HOLT

- >$1 million
- Purchased from LDA
- NRAS 10-year operating subsidy (Federal)
- Total dwellings: 8
  Retained affordable rentals: 8

2010

FREESTYLE APARTMENTS (HOLT)

- >$4 million
- Purchased from LDA
- NRAS 10-year operating subsidy (Federal)
- Total dwellings: 24
  Retained affordable rentals: 24



EDGE (FRANKLIN)

- >$21 million
- Purchased from LDA
- Social Housing Nation Building Scheme (Federal)
- Total dwellings: 104
  Sold as affordable: 62
  Sold on open market: 42

GRACE (FORDE)

- >$3 million
- Purchased from LDA
- NRAS 10-year operating subsidy (Federal)
- Total dwellings: 20
  Retained affordable rentals: 20

2011

GUNGADERRA 29 (HARRISON)

- >$5 million
- Purchased from LDA
- NRAS 10-year operating subsidy (Federal), Social Housing Nation Building Stimulus Grant - $8m (Federal), Community Services Directorate - $1m (ACT)
- Total dwellings: 29
  Retained social rentals: 13
  Retained affordable rentals: 16

2012

BONNER

- >$16 million
- Purchased from LDA
- NRAS 10-year operating subsidy (Federal), Land Rent Scheme (ACT)
- Total dwellings: 77
  Retained affordable rentals: 77

CRACE JOINT VENTURE

- >$15 million
- Land Development Agency, Defence Housing Authority, Tatebrook
- Purchased from LDA
- Total dwellings: 56
  Retained affordable rentals: 56

2013

ECLIPSE (BRUCE)

- >$52 million
- Purchased from LDA
- NRAS 10-year operating subsidy (Federal), Community Services Directorate - $2.4m (ACT)
- Total dwellings: 240
  Retained affordable rentals: 20
  Sold to third-party investors as affordable rentals: 59
  Sold as affordable: 70
  Sold on open market: 91

2014

SYMPHONY PARK – STAGE 1 (HARRISON)

- >$8 million
- Purchased from LDA
- Housing Affordability Fund Capital Grant - $2m (Federal)
- Total dwellings: 32
  Sold on open market: 32

2016

LAWSON

- >$3 million
- Purchased from LDA
- Land Rent Scheme (ACT)
- Total dwellings: 15
  Retained affordable rentals: 9
  Sold on open market: 6

SYMPHONY PARK – STAGES 2 AND 3 (HARRISON)

- >$40 million
- Purchased from LDA
- NRAS 10-year operating subsidy (Federal)
- Total dwellings: 190
  Retained affordable rentals: 3
  Sold as affordable: 118
  Sold on open market: 69

2018

THROSBY 10

- >$2.5 million
- Purchased from LDA
- NRAS 10-year operating subsidy (Federal), Land Rent Scheme (ACT)
- Total dwellings: 10
  Sold as affordable: 10

MONCRIEFF

- >$8 million
- Purchased from LDA
- Land Rent Scheme (ACT)
- Total dwellings: 35
  Retained affordable rentals: 1
  Sold as affordable: 33
  Sold on open market: 1

2020

THE ASH (KAMBAH)

- >$3 million
- Purchased from LDA
- Total dwellings: 8
  Retained social rental (SDA) tenancies: 8

THE BRADFIELD – STAGE 1 (DOWNER)

- >$14 million
- Purchased from LDA
- Total dwellings: 37
  Sold on open market: 37

2021

THE BRADFIELD – STAGE 2 (DOWNER)

- >$40 million
- Purchased from LDA
- Total dwellings: 123
  Retained affordable rentals: 10
  Sold as affordable: 6
  Sold on open market: 107

PAGE SDA

- >$0.75 million
- The Big Issue (Home for Homes)
- CHC knockdown/rebuild
- The Big Issue (Home for Homes) - $0.3m Grant
- Total dwellings: 1
  Retained social rental (SDA) tenancies: 5

2022

ACACIA (THROSBY)

- >$9 million
- Purchased from LDA
- Total dwellings: 18
  Sold on open market: 18

THROSBY 29

- >$7 million
- Purchased from LDA
- Land Rent Scheme (ACT)
- Total dwellings: 29
  Sold as affordable: 26
  Retained affordable rentals: 3

A summary of smaller-scale developments

Development	Dwellings
2006 Abbeyfield Disability (Curtin)	10
2009 Group Homes from 2006-2009	29
2010 Franklin	4
2011 Braddon Joint Venture	9
2013 Jacka	14
2013 Apprentice House (Lyons)	5
2016 McKellar Disability Group Home	5
2018 Kambah	3
2019 MacGregor SDA	2
2020 Wanniassa Group Home	5

This is how CHC actively contributes to the United Nations SDGs and helps to build a more fair and inclusive society.

10 REDUCED INEQUALITIES

CHC WORK
Developing projects of social and affordable housing in the ACT, and promoting social and economic inclusion of various cohorts of vulnerable people.

IMPACT
48 new dwellings developed this year with five new social rental (SDA) tenancies, 26 affordable sales, 18 market sales and three affordable rentals.

11 SUSTAINABLE CITIES AND COMMUNITIES

CHC WORK
Promote adequate, safe, and affordable housing and support positive economic and social impact.

IMPACT
9% growth in the total number of homes managed by CHC and HomeGround.

Homes for the community

COMMUNITY HOUSING CANBERRA LIMITED

(A company limited by guarantee)

ACN 081 354 752

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

Contents to the Financial Statements

Corporate information

Company number	ACN: 081 354 752
Directors	P Green J Divorty C Moore C Wall P Carmody J Douglas A Tay
Company Secretary	F Dearden
Registered Office/Principal place of business	224/29 Braybrooke Street Bruce ACT 2617
Banker	Westpac Banking Corporation Cnr Badham St & Woolley St Dickson ACT 2602
Auditor	ACT Audit Office P O Box 275 Civic Square ACT 2608

Directors' qualifications, experience and special responsibilities

Name	Qualifications	Experience	Special responsibilities
Paul Green	MG, BA, LLB (Hons)	Provides legal advice to property developers and major builders nationally and internationally on project delivery including structure, tax, acquisition, construction and financing. Previously managing partner of Meyer Vandenberg Lawyers following an initial 21 year career as an officer in the Australian Regular Army. Has previously lectured in Building and Construction Law at the University of Canberra. Board member of the Lidia Perin Foundation. Board member since October 2011.	Chair Member (Audit & Risk Committee)(Resigned on 28 June 2021) Chair (Development Committee)
Cathi Moore	BA (Soc Sci)	Extensive experience in public administration, both in the social policy and program management areas and has a wide range of experience in the community sector. 10 years at the Senior Executive Level managing a range of commercial and operational areas and reviewing the efficiency and effectiveness of government services in the former Commonwealth Department of Administrative Services (DAS). President Parentline ACT Inc. Board member since October 2007.	Director Member (Audit & Risk Committee) Member (Community Committee)
Clare Wall	B Ec, Dip Rec. Pl, M Pub Pol.	Previously worked as an Associate and Partner with consultancy firm, SGS Economics and Planning and as Branch Head - Housing, for the Commonwealth Government, as well as in senior housing and planning roles for the ACT Government. Has completed training in Crime Prevention through Environmental Design and is a member of the Planning Institute of Australia, and has a particular interest in housing, economic development, social planning and active recreation. Board Member since August 2015.	Director Chair (Community Committee) Member (Development Committee)
Paul Carmody	BA Admin	Has worked as senior executive in the Commonwealth Department of Health, National Capital Authority, Deputy Director General Health Infrastructure in the ACT Health Directorate and as General Manager for Hindmarsh Pty Limited. Paul has extensive experience in the ACT Construction and Property industries and has a particular interest in residential planning, building design, housing affordability and the use of renewable energy. Board member since August 2016	Director Member (Development Committee)
Jill Divorty	B.Bus (Acctg&Fin), MBA, FCPA, GAICD.	Has had extensive experience in both federal and state level public sector, with a focus on large scale procurement and project management, finance and accounting, and residential housing management. Jill has held senior executive level positions with Defence Housing Australia, National Blood Authority and as Head of ACT Shared Services Centre. Board member since December 2017.	Director Chair (Audit & Risk Committee)
James Douglas	AVI, Certified Practising Valuer, Licensed Real Estate, Strata & Stock & Station Agent	Has an accounting background and extensive experience in all aspects of real estate. Extensive valuation experience for private, Tax, Court-related, Family Law and Superannuation Fund property valuations. Accredited trainer and assessor (ACT and NSW Certificate of Registration and Licence qualifications). Board Member since January 2021.	Director Member (Community Committee)
Alice Tay	LLB Sydney University, Graduate Australian Institute of Company Directors, Fellow with the Governance Institute of Australia.	Has extensive experience in areas of Audit, Risk and Governance through participation on Audit and Risk, Finance and Governance Committees for numerous organisations, across a variety of sectors within the ACT and nationally. This work is supported by experience accumulated as a lawyer, culminating as a partner at Meyer Vandenberg specialising in corporate and commercial law. Board member since July 2021.	Director Member (Audit & Risk Committee)

Directors' report for the financial year ended 30 June 2022

The Directors present this report to the members of Community Housing Canberra Limited ("the Company") for the year ended 30 June 2022 and the auditor's report thereon.

Directors

The Directors of the Company during the 2021-22 financial year and to the date of this report are:

	Date Appointed	Date Ceased	Directors' Meetings		Audit & Risk Committee Meetings	
			A	B	A	B
Mr Paul Green	30-Oct-11	-	6	6	-	-
Ms Cathi Moore	30-Oct-07	-	5	5	4	5
Ms Clare Wall	8-Sep-15	-	6	6	-	-
Mr Paul Carmody	2-Aug-16	-	6	6	-	-
Ms Jill Divorty	7-Dec-17	-	5	6	4	5
Mr James Douglas	24-Jan-19	-	5	6	-	-
Ms Alice Tay	1-Jul-21	-	5	6	3	5

A *Number of meetings attended*
B *Number of meetings held during the time the Director held office during year*

Ms Fiona Dearden was appointed as Company Secretary on 2 February 2021. KPMG, Sydney, is the Company's Australian Charities and Not-for-profit Commission (ACNC) agent.

Directors' Interests and Benefits

Mr Paul Green joined Lexmerca Lawyers as a consultant in 2019. Legal services were provided to Community Housing Canberra Ltd during the year regarding several development projects totalling $6,281 (2021: $12,912).

Mr James Douglas is the spouse of the director of Real Mastery Consulting who provides consultancy services to the Company in relation to its HomeGround Real Estate Canberra business and since his appointment during the year, Real Mastery Consulting has provided services totalling $Nil (2021: $1,730). The director was not involved with the procurement process. Real Mastery Consulting was contracted to provide services prior to the appointment of the director.

Other than the engagement mentioned above, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors or other key management personnel transactions shown in the financial statements at Note 24) by reason of a contract made by the Company or a related Company with a Director or with a firm of which the Director is a member, or with a Company in which they have a substantial financial interest. The Company's Directors are remunerated in conjunction with acting in their capacity as a Director.

Environmental Regulations

The Company's development and asset management activities are subject to environmental regulations under both Commonwealth and Territory regulations. The Company aims to achieve a high standard in environmental matters. The Directors have not received notification nor are they aware of any breaches of environmental laws by the Company.

Short and Long Term Objectives and Strategies

During the 2021-22 financial year, the Company continued to implement the five year Strategic Plan for 2018-2022. The Vision, Mission and Values remain as follows:

Vision*:* *Safe and secure homes in strong communities*

Mission: *Provide affordable homes, principally for rent, to individuals and families*

Values: *Customer Centric, Authentic, Collaborative, Innovative and Continuous Improvement*

The following strategic goals, each with associated strategic targets remains as follows:

1. ***Financially sustainable business model*** – to achieve positive underlying net surplus and underlying cash flow by 2022;
2. ***Outstanding tenant experience*** – Top quartile tenant satisfaction; and
3. ***Increased impact*** – 2000 Canberrans housed by 2022 in appropriate, safe and secure homes, with $30 million direct rental subsidy to tenants by 2022.

During the financial year, Management continued work on "Phase 3 – Grow" of the Strategic Plan, through growing its portfolio of third-party owned homes under management; pursuing targeted new developments and partnership opportunities; all whilst continuing to ensure high levels of tenant satisfaction and ensuring that CHC is a great place to work. The Company has a small underlying net loss and positive underlying cash flow this year.

Through the Company's HomeGround Real Estate Canberra business, Canberra's only licensed not-for-profit real estate agency, which was launched in April 2020, the portfolio of third-party owned homes under management continues to grow. The support of the ACT Government via the provision of an Innovation Fund Grant to the value of $230,000 is acknowledged, as well as the decision to commit to an ongoing land tax exemption program for eligible landlords contributing to affordable rental supply growth.

The Company maintains a robust governance and risk framework including a compliance program that helps provide assurance with respect to compliance with the requirements of a Charity and Public Benevolent Institution, and other legislation and regulations relevant to the Company's Business activities.

Principal Activities

The Company undertook the following principal activities during the financial year to achieve its objectives and strategies:

1. Provided rental rebates to Rebated Rent and Affordable Rent tenants in existing stock;
2. Provided rental rebates to National Rental Affordability Scheme (NRAS) tenants in existing stock;
3. Increased the supply of affordable housing properties available for sale through a targeted development program;
4. Continued to refurbish and redevelop transferred stock to improve the standard of that stock;
5. Continued to increase the supply of affordable housing properties available for rent through HomeGround Real Estate Canberra, with the assistance of the ACT Government via an Innovation Fund Grant of $230,000;
6. Administered the National Rental Affordability Scheme (NRAS) non-entity joint venture (NEJV) product, which provides for NRAS incentives to be allocated to properties not owned by the Company, thereby allowing these properties to be rented to qualifying tenants at 80% of market rent;
7. Increased the supply of affordable housing properties available for rent by eligible applicants through the capital works program;
8. Completed construction of 18 house and land dwellings and 29 land rent dwellings in the suburb of Throsby with 3 land rent dwellings retained by the Company for affordable housing;
9. Completed construction of a 5 bedroom group home in Page, which is partially funded by The Big Issue's "Homes for Homes" grant of $300,000, which the Company secured in 2019-20, as well as a cash investment of $460,000 by the Company. This home will provide housing for adult individuals with mental illness, who are not covered by the National Disability Insurance Scheme (NDIS) nor eligible for Specialist Disability Accommodation (SDA) and who are being cared for by aging parents, to provide them the opportunity to transition to living independently from their parents;
10. Completed design work with a development application lodged, to build a secondary residence in Holt. This development is partially funded by The Big Issue's "Homes for Homes" grant of $100,000 secured in 2020-21, to provide accommodation to support women's transition from the justice system to allow them to maintain secure housing, employment and community connections;
11. Secured the tender to provide Tenancy and Management Services at Common Ground Dickson on behalf of the ACT Government represented by Housing ACT. The Company commenced implementation of operations in June 2022 and will also partner with the YWCA to provide Tenancy Support Services at the site. Whilst the contracts have not been finalised, the Company has been provided with a letter of unconditional offer from Housing ACT to proceed on the basis substantially on the draft Services Agreement and License Agreement provided;
12. Completed design work to develop 6 SDA properties in Scullin with ongoing design work in progress to develop 6 social housing units in Taylor and a knock down re build development to build 1 SDA unit and 1 affordable rental unit in Wanniassa; and
13. Completed the conversion of the Company's 48 land rent blocks to full crown leases for $15.7 million.

In the opinion of the Directors, there were no significant changes in the nature of the Company's activities during the year.

Performance measures

The Company's primary performance measure reflects its mission to provide affordable homes, principally for rent, to individuals and families. During the 2021-22 financial year, a total of 645 (2020-21: 592) tenancies were supported, of which 483 (2020-21: 469) tenancies were supported directly by the Company and 162 (2020-21: 123) tenancies were from properties under management through HomeGround Real Estate Canberra. A total direct rental subsidy of $3.5 million (2021: $3.2 million) was provided by the Company.

The Company continues to provide both a Rebated Rent model (25% of household income plus Commonwealth Rental Assistance) and an Affordable Rent model (74.9% of market rent). In respect of the latter, the Company continued to support its affordable property portfolio by accessing the ACT Government's Land Rent Scheme and the Commonwealth Government's National Rental Affordability Scheme. Rebates were provided during 2021-22 as follows:

Tenancy model	2021-22 $	2021-22 Tenantable areas	2020-21 $	2020-21 Tenantable areas
Rebated Rental Rebate	1,174,773	107	1,146,980	99
Affordable Rental Rebate	2,291,207	376	2,081,620	370
Rebated or Affordable Rental – HomeGround	N/A	162	N/A	123
Total Rebate	**3,465,980**	**645**	**3,228,600**	**592**

Furthermore, the Company measures performance through the monitoring of targets across its operations, including in relation to the number of affordable dwellings for rent and for sale and renewal of existing housing stock. The Company is committed to long-term financial viability and the development of appropriate risk management and asset management processes. The Company is also committed to ensuring compliance with all legal and regulatory requirements stemming from the Company being a registered charity, a registered Community Housing Provider, a registered provider of Specialist Disability Accommodation provider and a licensed Real Estate Agent.

Dividends and Members' Guarantee

The Company's constitution precludes the distribution of surplus funds to its members. In accordance with the Company's constitution, each member is liable to contribute $100 in the event that the Company is wound up. The total amount members would contribute is $1,500 (2021: $1,400).

Events Subsequent to Balance Sheet Date

Negotiations that have been ongoing with the ACT Government ("Territory") over the past two years were assessed as substantially completed as at 30 June 2022, resulting in the execution of a Management Agreement ("the Agreement") between the Territory and the Company on 29 July 2022. See Note 26.

Consequently, at the reporting date:

- the non-current liability portion of the ACT Government Loans has been reclassified to current liability as per the Agreement which requires the extinguishment of ACT Government loans through the transfer of a number of properties that approximates the value of the outstanding loan with any shortfall to be settled in cash. See Note 4.
- the properties intended to be transferred in settlement of the ACT Government loans have also been reclassified from non-current asset, Property, Plant and Equipment to current assets, Assets held for transfer. See Note 22.

Future Developments

The Company will continue to carry on the principal activities noted above, while also working towards identifying future opportunities to increase the supply of affordable housing for rent and sale.

Indemnification and Insurance of Officers and Auditors

Since the end of the previous financial year, the Company has paid insurance premiums of $22,139 (2021: $25,064) in respect of Directors' and officers' liability and legal expenses insurance contracts for current and former Directors and officers, including senior executives of the Company.

The insurance premiums relate to:

- costs and expenses that may be incurred by the relevant officers in defending proceedings whether civil or criminal brought against them in their capacity as officers of the Company and whatever the outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving willful breach of duty or improper use of information or position to gain a personal advantage.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liability and legal expenses insurance contracts; as such disclosure is prohibited under the terms of the contract, confidentiality clause 12.14.

Auditor's Independence Declaration

The Auditor's independence declaration in accordance with s. 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 10 and forms part of the Directors' report for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Directors:

Paul Green
Chair
Canberra 28 October 2022

Jill Divorty
Director

Directors' declaration

In the opinion of the Directors of Community Housing Canberra Limited:

(a) the financial statements of the Company as set out on pages 13 to 37 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the financial position of the Company at 30 June 2022 and of its performance, as represented by the results of its operations and cash flows, for the year ended on that date; and
- complying with Australian Accounting Standards – Reduced Disclosure Requirements and subsection 60.15 (2) of the *Australian and Not-for-profits Commission Regulations 2013*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors:

Paul Green
Chair

Jill Divorty
Director

Canberra 28 October 2022

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

Auditor's Independence Declaration
under Section 60-40 of the
Australian Charities and Not-for-profits Commission Act 2012

To the Directors of Community Housing Canberra Limited

In relation to the audit of the financial statements of Community Housing Canberra Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* or any applicable code of professional conduct.

Yours sincerely

Ajay Sharma
Assistant Auditor-General, Financial Audit
24 October 2022

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Community Housing Canberra Limited

Opinion

I have audited the financial statements of Community Housing Canberra Limited (Company) for the year ended 30 June 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, notes to the financial statements including a summary of significant accounting policies, and directors' declaration.

In my opinion, the financial statements are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) presenting fairly, in all material respects, the financial position of the Company as at 30 June 2022 and its financial performance and its cash flows for the year then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

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

I am independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Company for the financial statements

The Directors of the Company are responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Australian Charities and Not-for-profits Commission Act 2012, Australian Charities and Not-for-profits Commission Regulation 2013* and Australian Accounting Standards – Reduced Disclosure Requirements;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Company to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

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Auditor's responsibilities for the audit of the financial statements

I am responsible for issuing an audit report that includes an independent opinion on the financial statements of the Company.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

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

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 statements, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company;
- conclude on the appropriateness of the Company's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Directors of the Company regarding, 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 my audit.

Ajay Sharma
Assistant Auditor-General, Financial Audit
1 November 2022

Statement of comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
INCOME			
Revenue from contracts with customers:			
- Rental and Management Revenue	5 (a)	9,374,957	9,062,502
- Development sales revenue	5 (b)	23,993,758	47,136,908
Other income	5 (c)	37,952	373,747
TOTAL INCOME		**33,406,667**	**56,573,157**
EXPENSES			
Asset management expenses	6 (a)	(2,380,180)	(2,217,186)
Cost of developments sold	6 (b)	(19,594,825)	(35,281,321)
Administrative expenses	6 (c)	(994,806)	(810,532)
Depreciation and amortisation	6 (d)	(3,279,463)	(3,323,412)
Employee expenses	7	(2,726,030)	(2,278,315)
Selling expenses		(431,868)	(1,299,982)
Net loss on disposal, transfer or impairment of assets	6 (e)	-	(53,257)
Bad debts	11(b)	(88,075)	(59,615)
TOTAL EXPENSES		**(29,495,247)**	**(45,323,620)**
Finance income	8 (a)	130,831	50,976
Finance expenses	8 (b)	(145,469)	(271,609)
Interest on lease liabilities	18	(142,295)	(138,379)
NET FINANCE EXPENSE		**(156,933)**	**(359,012)**
NET SURPLUS FOR THE PERIOD		**3,754,487**	**10,890,525**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Increase in the asset revaluation surplus	21	30,311,271	35,589,382
Other comprehensive income for the period		**30,311,271**	**35,589,382**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**34,065,758**	**46,479,907**

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
CURRENT ASSETS			
Cash and cash equivalents	10	39,740,210	43,197,618
Trade and other receivables	11	236,020	182,851
Inventory	12	233,964	13,428,937
Other assets	13	1,714,694	4,070,398
Assets held for transfer	22	62,070,000	-
TOTAL CURRENT ASSETS		**103,994,888**	**60,879,804**
NON-CURRENT ASSETS			
Capital works in progress	14	1,377,611	484,854
Property, plant and equipment	9	185,496,828	203,072,986
Intangible assets	15	447,866	719,535
Right-of-use assets	18	4,875,180	7,706,193
TOTAL NON-CURRENT ASSETS		**192,197,485**	**211,983,568**
TOTAL ASSETS		**296,192,373**	**272,863,372**
CURRENT LIABILITIES			
Trade and other payables	16	310,232	1,834,471
Employee benefits	17	412,081	301,439
ACT Government loan	4	63,112,000	8,500,000
Interest-bearing debt	4	-	483,630
Lease liabilities	18	194,694	393,087
Other provisions	19	311,663	433,125
Other liabilities	20	274,786	140,143
TOTAL CURRENT LIABILITIES		**64,615,456**	**12,085,895**
NON- CURRENT LIABILITIES			
ACT Government loan	4	-	54,612,000
Interest-bearing debt	4	-	5,937,562
Lease liabilities	18	3,688,886	6,405,642
TOTAL NON-CURRENT LIABILITIES		**3,688,886**	**66,955,204**
TOTAL LIABILITIES		**68,304,342**	**79,041,099**
NET ASSETS		**227,888,031**	**193,822,273**
EQUITY			
Asset revaluation surplus	21	144,088,286	113,757,515
Retained earnings		83,799,745	80,064,758
TOTAL EQUITY		**227,888,031**	**193,822,273**

The statement of financial position is to be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2022

	Note	Retained Earnings $	Asset Revaluation Surplus $	Total Equity $
Opening balance at 1 July 2021		**80,064,758**	**113,757,515**	**193,822,273**
Net surplus for the period		3,754,487	-	3,754,487
Other comprehensive income				
Impairment loss on land and buildings	21	-	(143,401)	(143,401)
Increase in asset revaluation surplus	21	-	30,454,672	30,454,672
Total comprehensive income for the period		**3,754,487**	**30,311,271**	**34,065,758**
Transfer of revaluation increment for assets disposed of	21	19,500	(19,500)	-
Closing balance at 30 June 2022		**83,799,745**	**144,088,286**	**227,888,031**

	Note	Retained Earnings $	Asset Revaluation Surplus $	Total Equity $
Opening balance at 1 July 2020		**67,977,002**	**79,365,364**	**147,342,366**
Net surplus for the period		10,890,525	-	10,890,525
Other comprehensive income				
Impairment loss on land and buildings	21	-	-	-
Increase in asset revaluation surplus	21	-	35,589,382	35,589,382
Total comprehensive income for the period		**10,890,525**	**35,589,382**	**46,479,907**
Transfer of revaluation increment for assets disposed	21	1,197,231	(1,197,231)	-
Closing balance at 30 June 2021		**80,064,758**	**113,757,515**	**193,822,273**

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2022

	Note	2022 $	2021 $
Operating activities			
Cash receipts from customers		9,551,775	9,646,784
Cash payments to suppliers and employees		(6,164,334)	(5,085,517)
Interest and dividends received		130,831	50,976
Interest and lease interest paid		(295,314)	(457,751)
Proceeds from the sale of inventory and properties		26,103,333	45,129,749
Construction of inventory and new properties		(9,358,312)	(27,448,703)
Grant Funding		31,370	365,242
Goods and Services Tax collected from customers		2,063,303	4,622,317
Goods and Services Tax input tax credits paid to/received from the Australian Taxation Office		(1,619,156)	(879,092)
Goods and Services Tax paid to suppliers		(1,065,451)	(2,870,730)
Net cash inflows from operating activities		**19,378,045**	**23,073,275**
Investing activities			
Payments for intangible assets		-	(99,193)
Payments for property, plant and equipment		(15,961,078)	(1,832,719)
Proceeds from the disposal of property, plant and equipment		-	1,295,490
Net cash outflows from investing activities		**(15,961,078)**	**(636,422)**
Financing activities			
Cash from borrowed funds		-	5,000,000
Lease liabilities principal paid		(453,183)	(453,246)
Repayment of loans		(6,421,192)	(5,465,046)
Net cash outflows used in financing activities		**(6,874,375)**	**(918,292)**
Net increase in cash and cash equivalents		(3,457,408)	21,518,561
Cash and cash equivalents at the beginning of the year		43,197,618	21,679,057
Cash and cash equivalents at the end of the year	10	**39,740,210**	**43,197,618**

The statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the financial statements for the year ended 30 June 2022

1 Corporate information

The financial statements of Community Housing Canberra Ltd (the Company) for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Directors on 28 October 2022.

2 Summary of accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Interpretations) issued by the Australian Accounting Standards Board (AASB), and the *Australian Charities and Not-for-profits Commission Act 2012*. The Company is a not-for-profit entity for the purposes of preparing the financial statements.

Historical cost convention
The financial statements are prepared on the basis of historical costs except for the following:

- land and buildings are measured at fair value less accumulated depreciation on buildings and any impairment losses;
- right-of-use assets are measured at an amount equal to the remaining lease liabilities, less any impairment losses; and
- lease liabilities related to the right-of-use assets, are measured at the present value of remaining lease payments over the remaining term of the lease.

The method used to measure the fair value of land and buildings are discussed in Note 3. The financial statements have been prepared on a going concern basis.

Functional and presentation currency
The financial statements are presented in Australian dollars.

(b) Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recorded in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 2 (k)(iii & iv) - Depreciation and amortisation
- Note 3 - Determination of fair values

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

IMPACT OF COVID-19
The Company has assessed the impact of the COVID-19 pandemic on the balances included in its financial statements. The recoverability of Receivables and Inventory are the two areas that were considered as potentially being impacted by the COVID-19 pandemic. However, the Company has concluded that COVID-19 has not had a material impact on either of these balances.

(c) Changes in accounting policies

There were no changes to the Company's accounting policies during the year ended 30 June 2022.

(d) Revenue recognition

Revenue is recognised in accordance with *AASB 15 Revenue from Contracts with Customers* where the contract is enforceable and contains sufficiently specific performance obligations, otherwise revenue is in the scope of AASB 1058 Income of not-for-Profit Entities.

Each revenue stream is recognised by applying the following steps:
1. Identify the contract with the customers;
2. Identify the separate performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price; and
5. Recognise revenue as or when control of the performance obligation is transferred to the customer.

Notes to the financial statements - continued

2 Summary of accounting policies – continued

(d) Revenue recognition - continued

Rental revenue comprises the revenue earned from the provision of community and affordable housing to entities outside the Company. Rental revenue is recognised when the fee in respect of services falls due, which is typically on a weekly basis, in advance of the provision of housing. Each rental/tenancy agreement is an enforceable contract where the provision of housing is a performance obligation which is satisfied over time and where the customer has control of the performance obligation at the commencement of the contract when they are given access to the property. The Company's right to the rental payments is unconditional and is recognised as a receivable. No contract liability is recognised on advance payment as the performance obligation has been satisfied on commencement of the contract and only the passage of time is required for revenue recognition.

Development sales revenue from the sale of land and building arising from development activities, is recognised on the date of settlement, net of any rebates or discounts. Each sale contract is an enforceable contract and the performance obligation related to the customer taking control of the property is satisfied when settlement occurs, where the consideration is paid concurrently.

Property Management Fees from the Company's HomeGround Real Estate Canberra business, which encompasses management fees from CHC Strata Services and property management services, are recognised when the fee in respect of services fall due. Each management agreement is an enforceable contract where the provision of property management services is a performance obligation which is satisfied over time and where the customer has control of the performance obligation at the commencement of the contract, in that they are given the authority to instruct their property manager as required in managing their property. The Company's right to the management fee payments are unconditional and is recognised as a receivable. No contract liability is recognised on advance payment as the performance obligation has been satisfied on commencement of the contract and only the passage of time is required for revenue recognition.

Grants and Contributions are recognised in conjunction with *AASB 1058 Income of Not-for-Profit Entities,* where an asset or service is received for significantly less than fair value, the grant revenue is recognised immediately on receipt of the asset/services in the statement of comprehensive income, for the excess of the initial carrying amount of an asset over related amounts which may be recognised as the following:

- contributions by owners;
- revenue or contract liability arising from a contract with a customer;
- a lease liability;
- a financial instrument; or
- a provision.

In respect of capital grants that meet the following conditions:

- the contract is enforceable
- the financial assets is to be used to acquire or construct a non-financial asset which will be recognised on the Company's books, and
- the asset is not required to be transferred to any other party

A contract liability is recognised on receipt of funds and grant revenue is recognised as the asset is constructed or acquired. A contract asset is recognised if funds have been received in arrears.

A contract liability is the Company's obligation to transfer goods or services to a customer for which the consideration has been received (or an amount of consideration is due) from the customers.

A contract asset is the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer, which are subject to the fulfillment of other performance obligations and shall be assessed for impairment in accordance with AASB 9.

(e) Expenses

Expenses are accounted for on an accruals basis reflecting the terms upon which the goods or services are purchased and recognised in the statement of comprehensive income, with the following exceptions:

- Asset Management Expenses – Planned and responsive maintenance and improvements which have the characteristics of plant and equipment and are capital in nature, with a minimum value of $1,000 are capitalised as property, plant and equipment on the statement of financial position.
- Expenses related to development projects are accounted per the Inventory policy. See 2(i).

(f) Finance income and finance expenses

Finance income comprises: interest income which is recorded in the statement of comprehensive income using the effective interest method; and dividend income, which is recorded in the statement of comprehensive income when the Company's right to receive payment is established.

Finance expenses comprise: interest expense on borrowings, which is recorded in the statement of comprehensive income using the effective interest method.

Notes to the financial statements - continued

2 Summary of accounting policies – continued

(g) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents comprise cash on hand and cash at bank. Cash flows from operating activities are reported using the direct method which requires major classes of gross cash receipts and gross payments to be disclosed.

(h) Trade and other receivables

Trade receivables arise in the normal course of providing goods and services. Normal terms of settlement vary from 7 to 60 days. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment.

Expected credit loss expenses are recognised as the movement in the allowance for impairment.

It is measured as the lifetime expected credit losses at each reporting date. The Company has established a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtor and the economic environment.

(i) Inventory

Inventory relates to costs of developments in progress that will be sold on completion to external parties. These costs include land and construction costs and borrowing costs associated with the developments. The Company capitalises borrowing costs incurred on acquiring, constructing, or producing its inventory.

Inventory is measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. Transfers out of inventory for sale of development is recognised in the statement of comprehensive income as cost of developments sold.

Works in progress costs for inventory projects are recognised when it is probable that the future economic benefits embodied within the project will flow to the Company. Inventory is classified as a current asset when it is expected to be sold within one year and is differentiated between work in progress (under construction) and available for sale.

(j) Capital works in progress

Capital works in progress are projects that have been designated for retention by the Company on completion. The cost of self-constructed assets includes the cost of materials, direct costs for consultants, where relevant, the costs of dismantling and removing items and restoring the site on which they are located, and statutory costs applicable in the asset being fit for use. The Company capitalises borrowing costs incurred on acquiring, constructing, or producing its capital works in progress.

Costs of capital works in progress are capitalised when it is probable that the future economic benefits embodied within the project will flow to the Company.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment, including improvements, are initially measured at cost. After initial recognition plant and equipment is measured at historical cost less accumulated depreciation and accumulated impairment losses, while land and buildings are measured at fair value less accumulated depreciation and accumulated impairment losses.

Any property, plant and equipment donated to the Company or acquired for nominal cost is recorded at fair value at the date the Company obtains control of the assets.

Land purchased for development (which is not intended to be sold) is carried at cost under capital works in progress until completion of the capital works development.

Property, plant and equipment with a minimum value of $1,000 is capitalised.

(ii) Revaluation of land and buildings

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using the market approach valuation technique. This approach uses prices and other relevant information generated by market transactions involving identical or similar assets. Fair values are determined by independent valuations which are obtained with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the reporting date. The Company has adopted a policy of external independent revaluation of its housing portfolio every two years. However, 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.

Notes to the financial statements - continued

2 Summary of accounting policies – continued

(k) Property, plant and equipment - continued

Land and buildings are treated as a class of assets. When the carrying amount of this class of assets is increased as a result of a revaluation, the increase is credited directly to the asset revaluation surplus, except where it reverses a revaluation decrement previously recognised in the statement of comprehensive income. When there is a reversal of a previous revaluation decrement through the statement of comprehensive income, the amount is credited to the statement of comprehensive income. When the carrying amount of land and buildings is decreased as a result of a revaluation, the decrease is recognised against the available asset revaluation surplus. Where no asset revaluation surplus exists, the decrease is recognised in the statement of comprehensive income.

(iii) Depreciation

Items of property, plant and equipment (other than land) are depreciated over their useful lives to the Company commencing from the time the asset is held ready for use. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	2022 Years	2021 Years
Buildings	20-43	20-43
Plant and Equipment		
-Computers	3	3
-Motor vehicles	5-6	5-6
-Office fit out	10	10
-Equipment	5	5
-Furniture and fittings	10	10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Land and buildings valuations were conducted for 2021-22 and a review of the estimated useful lives of buildings was undertaken and there were no significant changes to be made to the useful lives.

(iv) Amortisation

Amortisation is based on the cost of an intangible asset less its residual value. Amortisation is recorded in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, as this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Amortisation rates, methods and useful lives are reviewed at each reporting date and adjusted if appropriate. The useful life of intangible assets has been assessed for 2021-22 as 4 years (2020-21: 4 years).

(v) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the Company or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised. Any part of the asset revaluation surplus attributable to the asset disposed of or derecognised is transferred to retained earnings at the date of disposal.

(l) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Notes to the financial statements - continued

2 Summary of accounting policies – continued

(l) Leases - continued

Right-of-use assets are depreciated over a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land Rent Lease as part of housing stock – Not applicable
- Land Rent Lease as part of development stock – Not applicable
- Office Equipment – 4 years

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments include the exercise price of a purchase option if it is reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the subsequent carrying amount of lease liabilities is reassessed if there is a modification, a change in the lease term, a change in the lease payments from changes to future payments resulting from a change in an index or rate used to determine such lease payments or a change in the assessment of an option to purchase the underlying asset.

(iii) Short term leases and leases of low value assets

The Company applies recognition exemptions for short term leases of 12 months or less and leases of low value assets in the statement of comprehensive income, as an expense on a straight line over the term of the lease.

(iv) Sub-leases

Sub-leases in which does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in the statement of comprehensive income.

(m) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. Trade payables are unsecured, non-interest bearing and are normally settled in accordance with the terms of the purchase. Trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Employee benefits

Employee benefits comprise wages and salaries, annual and long service leave, and contributions to superannuation.

(i) Short term benefits

Liabilities for employee entitlements to wages, salaries, superannuation and annual leave that are expected to be settled wholly within 12 months of the reporting date are measured at undiscounted amounts based on remuneration rates the Company expects to pay when the obligation is settled.

(ii) Long term benefits

The Company's obligation in respect of long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to estimate its present value.

Provisions for employee benefits payable after 12 months from the reporting date are estimated based on future wage and salary levels, experience of employee departures, and periods of service, as disclosed in Note 17.

Long service leave: the long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of seven years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave.

Notes to the financial statements - continued

2 Summary of accounting policies – continued

(n) Employee benefits - continued

Long service leave benefits are recognised as either current or non-current liabilities based on whether they are payable within or after 12 months from the reporting date.

(iii) Superannuation

Employees are subject to the Superannuation Choice arrangements. The Company's default fund is AustralianSuper. Employees who choose to join AustralianSuper or other eligible funds have a superannuation guarantee contribution paid into their nominated funds. Contributions are recognised as an expense in the statement of comprehensive income when they are due.

(o) Provisions

A provision is recognised if, as a result of a past event, the Company has a present (legal or constructive) obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected cash flows that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Provisions are recognised in relation to construction projects where the Company is contractually allowed to withhold part of the payment of construction costs, up to a pre-agreed amount, as recourse in the event of unsatisfactory completion of works. Upon satisfactory completion of works, payment is made and the provisions are reversed.

(p) Financial assets and liabilities

(i) Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recorded as an expense in the statement of comprehensive income. When a subsequent event causes the amount of impairment loss to decrease, the decrease in the impairment loss is recorded in the statement of comprehensive income.

In assessing impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

(ii) Non-financial assets

The Company, at each reporting date, assesses whether there is an indication that its non-financial assets (property, plant and equipment, intangible assets and capital works in progress) are impaired, with recoverable amounts being estimates when events or changes in circumstances indicate that the carrying value may be impaired. An impairment loss is recognised in the statement of comprehensive income if the carrying amount of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. If the asset is recorded at fair value, in which case it is recorded as other comprehensive income and treated as a revaluation decrease.

An asset's 'value in use' is its depreciated replacement cost, where the asset would be replaced, if the Company was deprived of it. The recoverable amount is the greater of the fair value less costs to sell and value in use.

For plant and equipment, intangible assets and capital works in progress, an impairment loss is recorded in the statement of comprehensive income. However, as land and buildings are measured at fair value, impairment loses are recorded directly in the asset revaluation surplus. Where the impairment loss exceeds the balance of the asset revaluation surplus for that class of assets, the difference is recognised as an expense in the Statement of Comprehensive Income.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Non-financial assets that have been impaired are reviewed for possible reversal of impairment at each reporting date.

(iii) Financial liabilities

Loans and borrowings represent financial liabilities incurred by the Company, which are initially recognised at fair value and subsequently measured at amortised cost.

Notes to the financial statements - continued

2 *Summary of accounting policies – continued*

(q) Taxation

Income Tax

Under the provisions of Section 50-5, income 1.1 of the *Income Tax Assessment Act 1997* as amended, the Company is exempt from income tax and currently no tax provision has been provided for in the financial statements. This income tax exemption is reviewable by the Australian Taxation Office (ATO) from time to time and was endorsed in March 2007. The Company holds deductible gift recipient status.

Goods and services tax (GST)

Revenue, expenses and assets are recorded net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are recorded inclusive of GST. The net amount of GST recoverable from or payable to the ATO is included as part of receivables or payables.

The GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(r) Assets held for transfer

Assets classified as non-current in accordance *with AASB 101 Presentation of Financial Statements* shall not be reclassified as current assets until they meet the criteria to be classified as held for transfer, where they will be recovered principally through a sale or transfer transaction rather than through continuing use.

3. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below and reflect the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Non-financial assets - property, plant and equipment

The fair value of property (land and buildings) is measured using the market approach valuation technique. This approach uses prices and other relevant information generated by market transactions involving identical or similar assets.

In accordance with Company policy, a revaluation of the entire class of land and buildings occurs every two years. However, 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. Valuations are conducted by an external independent qualified valuer. The last valuation was conducted effective at 30 June 2022.

(b) Assets held for transfer

The fair value of assets held for transfer is measure in accordance with (a) above.

The following table discloses non-financial assets measured at fair value:

Fair value measurement of non-financial assets

	2022 $	2021 $
Property, plant and equipment Net fair value of land and buildings	184,430,941	202,046,016
Assets held for transfer	62,070,000	-

4. Loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings which are measured at amortised cost.

Loans	2022 $	2021 $
Current		
- ACT Government loan	63,112,000	8,500,000
- Beyond Bank (formerly Community CPS) loan	-	483,630
Total current loans	**63,112,000**	**8,983,630**

Loans	2022 $	2021 $
Non-current		
- ACT Government loan	-	54,612,000
- Beyond Bank (formerly Community CPS) loan	-	5,937,562
Total non-current	**-**	**60,549,562**
Total loans	**63,112,000**	**69,533,192**

The ACT Government loan consists of a $50 million loan facility and a $20 million loan facility both made available at the 90-day bank bill swap rate on the first day of each quarter. The facilities are subject to quarterly interest only repayments for ten years. The Company began principal repayments in 2017-18 on the $50 million loan facility.

Negotiations that have been ongoing with the Territory over the past two years were assessed as substantially completed as at 30 June 2022, resulting in the execution of a Management Agreement ("the Agreement") between the Territory and the Company on 29 July 2022. See Note 26.

Consequently, at the reporting date all ACT Government Loans have been reclassified to current liability as per the Agreement which requires the extinguishment of ACT Government loans through the transfer of a number of properties that approximates the value of the outstanding loan with any shortfall to be settled in cash.

Total interest incurred for the financial year was $53,481 (2021: $38,075). Of this amount, $7,549 (2021: $18,086), being approximately 14% (2021: 47%) of the interest incurred, has been capitalised to inventory and capital works in progress.

The Beyond Bank (formerly Community CPS) loans represent 69 principal and interest mortgages relating to Land Rent Scheme properties, which are repayable over 25 year terms. Interest costs for the year were $99,537 (2021: $251,620). These loans were fully repaid and all 69 mortgages were discharged during the 2021-22 financial year.

(a) Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

		2022 $	2021 $
Total facilities:			
- ACT Government facility (4.02.08)		*50,000,000*	*50,000,000*
- ACT Government facility (28.06.11)		*20,000,000*	*20,000,000*
- ACT Government facility total		70,000,000	70,000,000
- Beyond Bank (formerly Community CPS)		12,635,943	12,635,943
Total facilities		**82,635,943**	**82,635,943**
Facilities used at reporting date:			
- ACT Government loans (4.02.08)		*45,000,000*	*45,000,000*
- ACT Government loans (28.06.11)		*18,112,000*	*18,112,000*
- ACT Government loans total		63,112,000	63,112,000
- Beyond Bank (formerly Community CPS)		-	6,421,192
Total facilities used		**63,112,000**	**69,533,192**
Facilities unused at reporting date:			
- ACT Government facility (28.06.11)		*6,888,000*	*6,888,000*
- ACT Government facility total		6,888,000	6,888,000
- Beyond Bank (formerly Community CPS)		-	6,214,751
Total facilities unused	i	**6,888,000**	**13,102,751**

i. Facilities unused are not available for redraw.

4. Loans and Borrowings – continued

ACT Government Loans

The terms and conditions of the ACT Government loans are set out in the Loan Agreements dated 4 February 2008 and 28 June 2011 respectively, between the parties, Australian Capital Territory and Community Housing Canberra Limited. The loan facilities are to be used only for one or more of the permitted purposes as specified in the loan agreements and are secured by mortgages to the ACT Government over $75 million worth of property assets. Based on negotiations with the Territory, these loans are expected to be fully extinguished upon execution of the Agreement between the Territory and the Company on 29 July 2022.

Beyond Bank (formerly Community CPS)

69 of the Company's Land Rent Scheme properties are partially funded via commercial facilities with Beyond Bank (formerly Community CPS) and are held as security for the loan facilities. These are principal and interest mortgages, repayable over a 25-year term. These loans were fully repaid and all 69 mortgages were discharged during the 2021-22 financial year.

Westpac Banking Corporation

The Company obtained a business loan facility with Westpac in the form of a revolving bank guarantee facility up to a limit of $120,000. This is to enable the Company to obtain additional bank guarantees, which are a requirement of the ACT Suburban Land Agency land purchase sale contracts. This facility is secured on a $120,000 term deposit in the name of the Company.

The Company also banker's undertakings in the form of a bank guarantee with Westpac Banking Corporation, which remains outstanding as at 30 June 2022 from February 2019 for $53,400 to the Environment Planning & Sustainable Development Directorate - for Symphony Park Stage 3 development. The banker's undertaking is currently secured on the Company's term deposit above. This was released in September 2022.

5 Income

(a) Rental Revenue and Management Fees

		2022 $	2021 $
Public rebated rental income	i	938,418	873,813
Affordable housing rental income	ii	3,500,020	2,330,022
NRAS housing rental income *	iii	1,214,547	2,285,672
NRAS land rent housing rental income *	iv	2,710,502	2,865,412
Other rental income	v	730,568	508,280
Management fees		280,902	199,303
Total Rental Revenue and Management Fees		**9,374,957**	**9,062,502**

** National Rental Affordability Scheme (NRAS)*

(b) Development sales revenue

	2022 $	2021 $
Sales proceeds – Downer Stage 1	-	1,103,854
Sales proceeds – Downer Stage 2	5,148,667	45,983,265
Sales proceeds – Throsby	18,811,563	-
Other development income	33,528	49,789
Total Development Sales Revenue	**23,993,758**	**47,136,908**

(c) Other income

		2022 $	2021 $
Grants and Contributions:			
- The Big Issue - Homes for Homes grant	vi	-	300,000
- Other grants		31,370	65,242
Other income		6,582	8,505
Total Other Income		**37,952**	**373,747**

Income notes

i Public rebated rental income is based on tenancy agreements that assess 25% of household income plus Commonwealth Rental Assistance.

ii Affordable housing rental income is based on tenancy agreements that charge 74.9% of market rent. Market rent on the Company's housing portfolio is assessed annually in-house. The increase from previous year is due mainly to properties in the NRAS scheme rolling off the scheme and reallocated to the affordable housing program, which corresponds to the decrease in NRAS housing rental income.

iii NRAS housing rental income is based on tenancy agreements that charge 74.9% of market rent and for which an annual subsidy is provided by the Australian Government through the Department of Social Services (DSS). See comment above.

iv NRAS land rent housing rental income denotes revenue derived from properties under the Land Rent Scheme. The Scheme is an ACT Government initiative to increase access to affordable home ownership and was a recommendation of the Government's Affordable Housing Action Plan. The Company receives NRAS incentives for some of these properties and as such, discloses rental income separately.

Notes to the financial statements – continued

5.. Income – continued

v Other rental income relates to the hall hire charges for Gungaderra Homestead and Specialist Disability Accommodation (SDA) incentives for dwellings under the National Disability Insurance Scheme (NDIS).

vi In 2020-21 the Company received a Big Issue Homes for Homes grant for $300,000 which partially financed the construction of a 5 bedroom dwelling in Page to provide housing for adult individuals with mental illness, who are not covered by the National Disability Insurance Scheme (NDIS) nor eligible for SDA. The Company also secured the Big Issue Homes for Homes grant for $100,000 in 2020-21 to build two 2 bedroom dwellings for women exiting the Justice system. At the reporting date, the grant has not been disbursed as the development is currently in planning stages.

6 Expenses

		2022 $	2021 $
(a) Asset management expenses			
Asset management expenses	i	2,380,180	2,217,186
Total Asset Management Expenses		**2,380,180**	**2,217,186**
(b) Cost of developments sold			
Downer Stage 1		-	701,320
Downer Stage 2		3,826,839	34,580,001
Throsby		15,767,986	-
Total Cost of Developments Sold	ii	**19,594,825**	**35,281,321**
(c) Administrative expenses			
Audit Fees		68,600	58,252
Directors fees		91,256	36,636
Information technology		173,342	156,795
Professional services	iii	234,519	122,556
Other administrative expenses		427,089	436,293
Total Administrative Expenses		**994,806**	**810,532**
(d) Depreciation and amortisation			
Depreciation	9	3,003,460	3,039,207
Depreciation of right-of-use assets	18	4,333	4,333
Amortisation	15	271,670	279,872
Total Depreciation and Amortisation		**3,279,463**	**3,323,412**
(e) Net Loss/(gain) on disposal, transfer or impairment of assets			
Loss on disposal of land & building	iv	-	78,472
(Gain) on disposal of plant and equipment	v	-	(25,215)
Total Net Loss/(Gain) on Disposal, Transfer or Impairment of Assets		**-**	**53,257**

Expenses notes

i Relates to property expenses and repairs and maintenance work undertaken on affordable and rebated rental properties throughout the year.

ii. Relates to development and construction costs for completed projects for which settlement has occurred. Included in Downer Stage 2 is $29,678, being interest charged and $147,182 being establishment and line fees on a Westpac business loan secured specifically for the development in 2020-21 financial year.

iii. Relates to professional legal, consulting and accounting fees incurred over the year in relation to employee matters, development projects, financial reporting and operational processes.

iv. Relates to a loss on disposal of 33 Stockdale Street in 2020-21.

v. Relates to gains on disposal of various plant and equipment such as motor vehicles and other equipment.

Notes to the financial statements – continued

7 Employee expenses

		2022 $	2021 $
Salaries and wages	i	2,328,622	1,992,064
Superannuation contributions		237,084	185,684
Provision for annual and long service leave		110,642	61,641
Other employee expenses		49,682	38,926
Total Employee Expenses		**2,726,030**	**2,278,315**

i As at 30 June 2022, the Company has 32 staff (2021: 23). This included 2 staff on maternity leave cover as well as 3 staff hired specifically to provide Tenancy and Property Management Services to Common Ground Dickson. The increase in employee expenses is also due to a slower rate of wage capitalisation to projects and the Company's annual increments as defined by the CHC Enterprise Agreement.

8 Finance income and finance expenses

		2022 $	2021 $
(a) Finance income			
Interest earned on cash and cash equivalents		130,831	49,905
Dividends received		-	1,071
Total Finance Income		**130,831**	**50,976**
(b) Finance expenses			
Interest expense on ACT Government loans		53,481	38,075
Interest expense on ACT Government loans capitalised		(7,549)	(18,086)
Interest expense on Beyond Bank loans	i	99,537	251,620
Total Finance Expenses		**145,469**	**271,609**

i Finance expenses have seen a significant decline due to the Beyond Bank loan being fully repaid during the 2021-22 financial year.

9 Property, plant and equipment

(a) Adjustment to fair value

In accordance with Company policy, independent accredited valuers, are engaged to determine the fair value of the Company's land and buildings every two years. The last valuation was performed in 2020-21. However, as valuations had been performed on a portion of the Company's land and buildings portfolio as part of the debt restructure negotiations with the ACT Government, the Company engaged the valuers to determine the fair value of the remainder of the land and buildings class of assets in accordance with *AASB 116 Property Plant and Equipment*, paragraph 36, which requires the entire asset class to be revalued when a portion of it has been revalued.

Fair value is measured using the market approach valuation technique. This approach uses prices and other relevant information generated by market transactions involving identical or similar assets. The effective date of the current revaluation is 30 June 2022 and was performed by Jones Lang LaSalle (JLL).

Notes to the financial statements – continued

9. Property, plant and equipment – continued

(b) Property, plant and equipment carrying amount

Carrying amount	TOTAL $
2021	
Land and Buildings	
Cost or fair value	202,062,399
Less: Accumulated depreciation	(16,383)
	202,046,016
Plant and Equipment	
Cost	2,146,069
Less: Accumulated depreciation	(1,119,099)
	1,026,970
Carrying amount at 30 June 2021	**203,072,986**
2022	
Land and Buildings	
Cost or fair value	184,433,725
Less: Accumulated depreciation	(2,784)
	184,430,941
Plant and Equipment	
Cost	2,414,326
Less: Accumulated depreciation	(1,348,439)
	1,065,887
Carrying amount at 30 June 2022	**185,496,828**

(c) Property, plant and equipment reconciliation to carrying amount

Reconciliation to carrying amount	*Land and Buildings at fair value*	*Plant and Equipment at cost*	*Total Property, Plant and Equipment*
2021			
Carrying amount at 1 July 2020	**165,877,311**	**808,280**	**166,685,591**
Additions - Asset purchases	1,496,000	417,568	1,913,568
Additions – Transfers from capital works in progress	3,272,399	-	3,272,399
Impairment of land and buildings	-	-	-
Disposal of assets	(1,355,000)	(131,652)	(1,486,652)
Revaluation adjustment	35,589,382	-	35,589,382
Write back of accumulated depreciation on disposals	16,675	121,230	137,905
Depreciation for the year	(2,850,751)	(188,456)	(3,039,207)
Balance at 30 June 2021	**202,046,016**	**1,026,970**	**203,072,986**

Notes to the financial statements – continued

9. Property, plant and equipment – continued

Reconciliation to carrying amount		*Land and Buildings at fair value*	*Plant and Equipment at cost*	*Total Property, Plant and Equipment*
2022				
Carrying amount at 1 July 2021		**202,046,016**	**1,026,970**	**203,072,986**
Additions - Asset purchases	i	15,687,000	274,077	15,961,077
Additions – Transfers from capital works in progress/Inventory	ii	1,224,954	-	1,224,954
Assets held for transfer	22	(62,070,000)	-	(62,070,000)
Impairment of assets		(140,000)	(5,820)	(145,820)
Revaluation adjustment		30,454,672	-	30,454,672
Write back of accumulated depreciation on disposals		-	2,419	2,419
Depreciation for the year		(2,771,701)	(231,759)	(3,003,460)
Balance at 30 June 2022		**184,430,941**	**1,065,887**	**185,496,828**

i. Relates to conversion of the 48 of the Company's land rent blocks into full crown leases.
ii. Relates to the retention of 3 land rent blocks in the Throsby development Inventory Under Construction in 2020-21.

10 Cash and cash equivalents

	2022 $	2021 $
Petty cash	406	500
Cash at bank	39,739,804	43,197,118
Total Cash and cash equivalents	**39,740,210**	**43,197,618**

11 Trade and other receivables

(a) Current

		2022 $	2021 $
Trade debtors	i	316,144	231,148
Less: Allowance for expected credit losses		(80,000)	(50,000)
		236,144	181,148
Other debtors		(124)	1,703
Total trade and other receivables		**236,020**	**182,851**

i. Trade debtors is comprised of rent and non-rent charges from tenants of $316,144 (2020-21: $231,148) of which $115,054 (2020-21: $90,892) is considered overdue (30 days +).

(b) Reconciliation of the carrying amounts for the allowance for expected credit losses

	2022 $	2021 $
Carrying amount at the beginning of year	**(50,000)**	**(50,000)**
Reduction in allowance arising from write-off of unrecoverable debt	58,075	59,615
Additional allowance recognised	(88,075)	(59,615)
Carrying amount at the end of the year	**(80,000)**	**(50,000)**

Notes to the financial statements – continued

12 Inventory

Current		2022 $	2021 $
Available for Sale			
Developments – construction costs	i	233,964	3,585,441
Developments – land	i	-	241,398
Under construction			
Developments – construction costs	ii	-	6,001,298
Developments – land	ii	-	3,600,800
Total current inventory under construction		**233,964**	**13,428,937**
Non-current			
Under construction			
Developments – construction costs		-	-
Developments – land		-	-
Total non-current inventory under construction		**-**	**-**

i. Available for sale refers to 1 land rent house in Throsby in 2021-22 and 12 apartments in Downer Stage 2 in 2020-21, which remained unsold respectively.
ii. Current developments under construction in 2020-21 relate to the Throsby development.

13 Other assets

Current		2022 $	2021 $
Accrued income	i	1,209,406	1,546,937
Other receivables	ii	75,099	2,081,959
Prepayments		263,489	217,802
Deposits	iii	166,700	223,700
Total current other assets		**1,714,694**	**4,070,398**

i Relates to NRAS incentives which are acquitted annually to the Department of Social Services on a May to April basis.
Ii 2021-22 relates to costs of building inspection reports carried out on potential properties slated for a transfer to the ACT Government under a debt restructure deal being negotiated, which is recoverable on settlement and 2020-21 relates to settlement monies receivable for the Downer Stage 2 development.
iii Relates to deposits for the purchase of 4 units in Coombs in the Woodberry development in 2020-21, which have yet to be completed.

14 Capital works in progress

(a) Capital works in progress

		2022 $	2021 $
IT System Upgrade	i	67,532	67,532
Developments – land and construction costs	ii	1,310,080	417,322
Total Non-current Capital works in progress		**1,377,612**	**484,854**

i Relates to the Company's Agile IT program system which was in progress in 2021 and 2020 but has currently stalled. The project will recommence in 2022-23.
ii. Relates to development projects for supported housing in Scullin, Taylor and Whitlam for 2021-22 and developments on 2 special purpose group homes in Page in 2020-21, which is partially funded by The Big Issue's Homes for Homes. These will be retained as part of the Company's rental portfolio.

Notes to the financial statements – continued

14. Capital works in progress – continued

(b) Reconciliation of capital works in progress carrying amounts

2021	Developments $	New Website $	IT System Upgrade $	Total Capital Works in Progress $
Carrying amount at 1 July 2020	**521,925**	**73,242**	**53,492**	**648,659**
Additions	482,323	25,951	14,040	522,314
Transfers to property, plant and equipment and intangible assets	(586,926)	(99,193)	-	(686,119)
Carrying amount at 30 June 2021	**417,322**	**-**	**67,532**	**484,854**

2022	Developments $	New Website $	IT System Upgrade $	Total Capital Works in Progress $
Carrying amount at 1 July 2021	**417,322**	**-**	**67,532**	**484,854**
Additions	1,435,987	-	-	1,435,987
Transfers to property, plant and equipment and intangible assets	(543,229)	-	-	(543,229)
Carrying amount at 30 June 2022	**1,310,080**	**-**	**67,532**	**1,377,612**

15 Intangible assets

(a) Intangible assets

		2022 $	2021 $
At cost		1,407,947	1,308,754
Add: Additions – transfers from capital works-in-progress		-	99,193
Less: Accumulated amortisation		(960,081)	(688,412)
Carrying amount at the end of the year	i	**447,866**	**719,535**

(b) Reconciliation of the carrying amounts are set out below:

	2022 $	2021 $
Carrying amount at the beginning of year	**719,536**	**900,215**
Additions	-	99,192
Amortisation	(271,670)	(279,872)
Carrying amount at the end of the year	**447,866**	**719,535**

i Intangible assets includes the capitalised implementation and software costs of the GreenTree IT system and the new website which allows tenants and interest parties to put in applications and expressions of interest.

16 Trade and other payables

		2022 $	2021 $
Trade creditors		140,738	267,179
Accrued expenses	i	156,986	933,478
GST payable/(receivable) to/from the Australian Taxation Office		(28,987)	599,365
Pay as you go withholding (PAYG) payable to the Australian Taxation Office		41,495	34,449
Total Trade and other payables		**310,232**	**1,834,471**

i Accrued expenses largely relates to accrued construction costs for the Throsby developments in 2020-21 and includes fees for the ACT Audit Office for the audit of the financial statements. As at 30 June 2022, the Company had completed all development projects and do not have further outstanding construction costs which need to be accrued.

Notes to the financial statements – continued

17 Employee benefits

Current	2022 $	2021 $
Annual leave	284,551	234,986
Long service leave	127,530	66,453
Total current employee benefits	**412,081**	**301,439**

No provision is made for employees with less than minimum period of qualifying service per Note 2(n)(iii) and the probability that these employees will reach the minimum period is considered to be nil (2021: Nil).

18 Leases

The Company has the following leases with the respective lease terms:

- Land Rent Lease under the ACT Land Rent Scheme held as part of housing stock (LRHS) – Lease term 90-95 years
- Land Rent Lease under the ACT Land Rent Scheme held as part of development stock (LRDS) – Lease term 2 years
- Office Equipment – 4 years

Right-of-use assets

2021		LRHS $	LRDS $	Office Equipment $	Total $
Carrying amount at 1 July 2020		**6,209,685**	**264,111**	**12,999**	**6,486,795**
Add: Lease Re-measurement Adjustment		1,183,361	40,370		1,223,731
Less: Depreciation for the year	6(d)	-	-	(4,333)	(4,333)
Carrying amount at 30 June 2021		**7,393,046**	**304,481**	**8,666**	**7,706,193**

2022		LRHS $	LRDS $	Office Equipment $	Total $
Carrying amount at 1 July 2021		**7,393,046**	**304,481**	**8,666**	**7,706,193**
Add: Lease Re-measurement Adjustment		579,049	60,233		639,282
Less: Leases discontinued	i	(3,101,248)	(364,714)		(3,465,962)
Less: Depreciation for the year	6(d)	-	-	(4,333)	(4,333)
Carrying amount at 30 June 2022		**4,870,847**	**-**	**4,333**	**4,875,180**

i. Leases discontinued for LRHS refers to the conversion of 48 blocks into full crown leases and for LRDS they refer to the completion of the development and sale of the land rent blocks respectively, which effectively discontinued the leases that the Company was subject to.

Lease liabilities and movement

	2022 $	2021 $
As at 1 July	**6,798,729**	**6,028,254**
Add: Lease Re-measurement Adjustment	639,282	1,223,731
Add: Accretion of interest on lease liabilities	142,295	138,379
Less: Leases discontinued	(3,101,248)	-
Less: Lease payments	(595,478)	(591,635)
As at 30 June	**3,883,580**	**6,798,729**

Notes to the financial statements – continued

18. Leases – continued

Comprises	2022 $	2021 $
Current	194,694	393,087
Non-Current	3,688,886	6,405,642
Total lease liabilities	**3,883,580**	**6,798,729**

The following are the amounts recognised in the statement of comprehensive income:

	2022 $	2021 $
Depreciation of right-of-use assets	4,333	4,333
Interest on lease liabilities	142,295	138,379
Total amount recognised in statement of comprehensive income	**146,628**	**142,712**

19 Other provisions

(a) Other Provisions

		2022 $	2021 $
Project Retention Provision	i	**311,662**	**433,125**

(b) Reconciliation of Provisions

	2022 $	2021 $
Balance at the beginning of the year	**433,125**	**87,473**
Additions made during the year	1,055,215	407,799
Reductions due to payments made during the year	(1,176,677)	(62,147)
Balance at the end of the year	**311,663**	**433,125**

i Provisions made and used during the year relate to funds retained by the company against individual construction invoices, calculated as a percentage of total contract price on construction projects, which are held as recourse in the event of unsatisfactory completion of works. These funds are paid to the construction contractor upon reaching specified milestones following completion of the project, (see Note 2(o)).

20 Other liabilities

Revenue received in advance		2022 $	2021 $
Income received in advance	i	251,151	136,143
Other		23,635	4,000
Total other liabilities		**274,786**	**140,143**

i. Income received in advance relates to advance payments by tenants.

21 Equity

Asset revaluation surplus

	2022 $	2021 $
Balance at the beginning of the year	**113,757,515**	**79,365,364**
Disposals		
- Land and buildings	-	(1,197,231)
Total Disposals	-	(1,197,231)
Impairment Losses		
- Land and buildings	(123,901)	-
Total Impairment Losses	(123,901)	-
Revaluation adjustments of		
- Income based Buildings	5,508,493	8,997,761
- Affordable Buildings	21,158,561	16,129,872
- NRAS Buildings	2,901,968	5,713,136
- Land Rent Buildings	437,000	2,323,101
- Special Disability Buildings	235,000	1,509,311
- Commercial (includes office) Buildings	213,650	916,201
Total revaluation increments on valuation adjustments	30,454,672	35,589,382
Balance at the end of the year	**144,088,286**	**113,757,515**

The asset revaluation surplus is used to record the increments and decrements in the value of each class of property, plant and equipment.

22 Assets held for transfer

	2022 $	2021 $
Assets held for transfer	62,070,000	-
Assets held for transfer	**62,070,000**	**-**

Assets held for transfer refers to the portfolio of assets that will be transferred in settlement of the ACT Government loans (See Note 4).

On 24 May 2022 the Board approved to proceed with the execution of the Agreement with the Territory for a 15 year management agreement where these properties would be transferred to the Territory in settlement of the ACT Government loans with any shortfall to be settled in cash. The Agreement was executed between the Territory and the Company on 29 July 2022. See Note 26.

23 Commitments and contingencies

(a) Capital expenditure commitments

At the reporting date, the Company has capital expenditure commitments totalling $Nil (2021: $5,928,607). These commitments relate to:

Project	Cost Type	2022 $	2021 $
Page	Construction	-	103,336
Throsby	Construction	-	5,825,271
Total Capital Expenditure Commitments		**-**	**5,928,607**

As at the report date, no construction contract has been entered into for any other project.

Community Housing Canberra Limited
(A company limited by guarantee)

Notes to the financial statements – continued

24 Related parties and related party transactions

(a) Key management personnel

The following were key management personnel of the Company during the reporting period and unless otherwise stated were key management personnel for the entire period:

Non-executive Directors	Executives
Mr. Paul Green (Chair)	Mr. Andrew Hannan (Chief Executive Officer)
Ms. Jill Divorty (Deputy Chair)	Ms. Megan Ward (General Manager, Operations)
Ms. Cathi Moore	Ms. Fiona Dearden (Head of People/Company Secretary)
Ms. Clare Wall	
Mr. Paul Carmody	
Mr. James Douglas	
Ms. Alice Tay	

(b) Transactions with key management personnel

Directors of the Company received or accrued the following remuneration in conjunction with acting in their capacity as a Director of the Company:

Director	2022 $	2021 $
Mr. Paul Green	33,000	10,950
Ms. Cathi Moore	11,000	5,000
Ms. Clare Wall	11,000	5,000
Mr. Paul Carmody	11,000	5,000
Ms. Jill Divorty	11,000	5,000
Mr. James Douglas	11,000	5,000
Ms. Alice Tay (Appointed on1 July 2021)	10,084	-
	98,084	**35,950**

In addition to salaries, the Company also provides salary sacrifice options to executives and contributes amounts to nominated superannuation funds.

(c) Key management personnel remuneration

	2022 $	2021 $
Short-term employment benefits	653,357	697,682
Post-employment benefits (superannuation)	62,170	62,623
Total key management personnel remuneration	**715,527**	**760,305**

Included in the remuneration is $20,558 (2021: $6,538), which relates to Ms. Fiona Dearden's role as Company Secretary.

(d) Key management personnel transactions with the Company

Investment in Crace Developments Pty Ltd
The Company was represented on the Board of Directors of Crace Developments Pty Ltd by Mr Richard Bear, who resigned on 7 December 2019 and replaced by Mr Andrew Hannan, the Company's CEO.

The investment in Crace Developments Pty Ltd was fully impaired in 2018-19 and the company was wound up and deregistered in September 2022.

Lexmerca Lawyers
Mr Paul Green joined Lexmerca Lawyers as a consultant in 2019. Legal services were provided to Community Housing Canberra Ltd during the year regarding several development projects totalling $6,281 (2021: $12,912).

Community Housing Industry Association (CHIA)
Andrew Hannan, the Company's CEO, was appointed to be the ACT Chair of the Community Housing Industry Association (CHIA) from 2018-19. CHIA is the peak organisation for Community Housing Providers across Australia and lobbies State and Federal governments with respect to affordable housing outcomes for those most vulnerable in Australian society.

The Company is a current member of CHIA, and contributes an annual fee of $3,933 (2021: $3,739).

Notes to the financial statements – continued

24. Related parties and related party transactions – continued

Real Mastery Consulting

Mr James Douglas is the spouse of the director of Real Mastery Consulting who provides consultancy services to the Company in relation to its HomeGround Real Estate Canberra business and since his appointment during the year, Real Mastery Consulting has provided services totalling $Nil (2021: $1,730). The director was not involved with the procurement process. Real Mastery Consulting was contracted to provide services prior to the appointment of the director.

25 Additional company information

Company limited by guarantee

The Company does not have share capital and in the event of winding up, the liability of members is limited to $100. If upon winding-up or dissolution of the Company there remains, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to nor distributed among the members of the Company, but shall be given or transferred to some other institution or Company having objects similar to the objects of the Company and whose Memorandum of Association or constitution shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Company. Such institution or institutions are to be determined by the members of the Company at or before the time of the dissolution and in default thereof by application to the Supreme Court for determination.

At 30 June 2022 the number of members was 15 (2021: 14).

26 Events after reporting period

Debt restructure with ACT Government

Subsequent to balance sheet date, negotiations that have been ongoing with the ACT Government ("Territory") over the past two years were finalised and a Management Agreement ("the Agreement") was executed between the Territory and the Company on 29 July 2022.

The Agreement will result in the full repayment of the ACT Government loan of $63,112,000 (Note 4) outstanding as at balance sheet date, through a transfer of a portfolio of properties in the Company's rental portfolio and a balloon payment of the residual amount outstanding. These properties are currently reflected in Note 22 Assets held for transfer. The Agreement also appoints the Company to act as the Territory's agent and provide Tenancy and Property Management Services.

After the full repayment of the loan, the mortgages that the Territory holds over a portfolio of the Company's properties (Note 4(a)) will be discharged in full and the Company will have no encumbered assets, which would allow the Company to obtain financing through the National Housing Finance and Investment Corporation or commercial banks to enable it to grow its supply of affordable housing.

The financial impact is expected to nil on the balance sheet with corresponding reductions in the value of total assets and total liabilities to the amount of $63,112,000.

chc

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