chc 25 YEARS

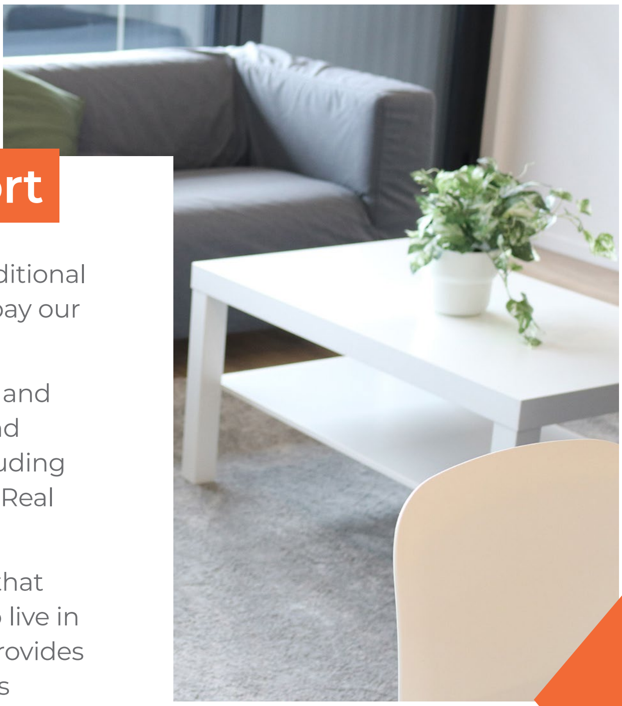
Homes for the community

ANNUAL REPORT

2022/23


EMPOWERED INDIVIDUALS,
STRONGER COMMUNITIES.

WELCOME



CHC's 2022/23 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.

This report presents an overview of CHC's operational and financial performance, key activities and initiatives, and highlights throughout the 2022-23 financial year, including with respect to CHC's social enterprise, HomeGround Real Estate Canberra.

CHC is a not-for-profit Community Housing Provider that aims to enable more people in the Canberra region to live in quality homes at a price that is affordable. CHC also provides community development opportunities and facilitates access to support services, assisting tenants to thrive and strengthening communities.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Australia has been a part of the United Nations since 1945, and as such, the Country has embraced the 2030 Agenda for Sustainable Development. This agenda serves as a universal framework for promoting peace and prosperity for both people and the planet, not only in the present but also in the years to come. It encompasses 17 global objectives collectively known as the Sustainable Development Goals (SDGs). These SDGs address a wide range of social and economic development challenges, such as poverty, hunger, healthcare, education, climate change, gender equality, access to clean water and sanitation, sustainable energy, urbanization, environmental preservation, and the pursuit of 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

VISION, MISSION AND VALUES

Our Vision

Empowered individuals, stronger communities.

Our Mission

To enable more people in the Canberra region to live in quality homes at a price that is affordable.

Our Values

CUSTOMER-CENTRIC:

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

AUTHENTIC:

We are genuine and respectful in our dealings with our customers and all other 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 customer 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

>2,160
People Housed Today

802
Social and Affordable Tenancies

160
Supported Tenancies[1]

FINANCIAL RESULTS

$2.8m
Rental Subsidy Funded by CHC

$229m
Total Equity

$2.3m
Underlying EBITDA[2]

SOCIAL IMPACT

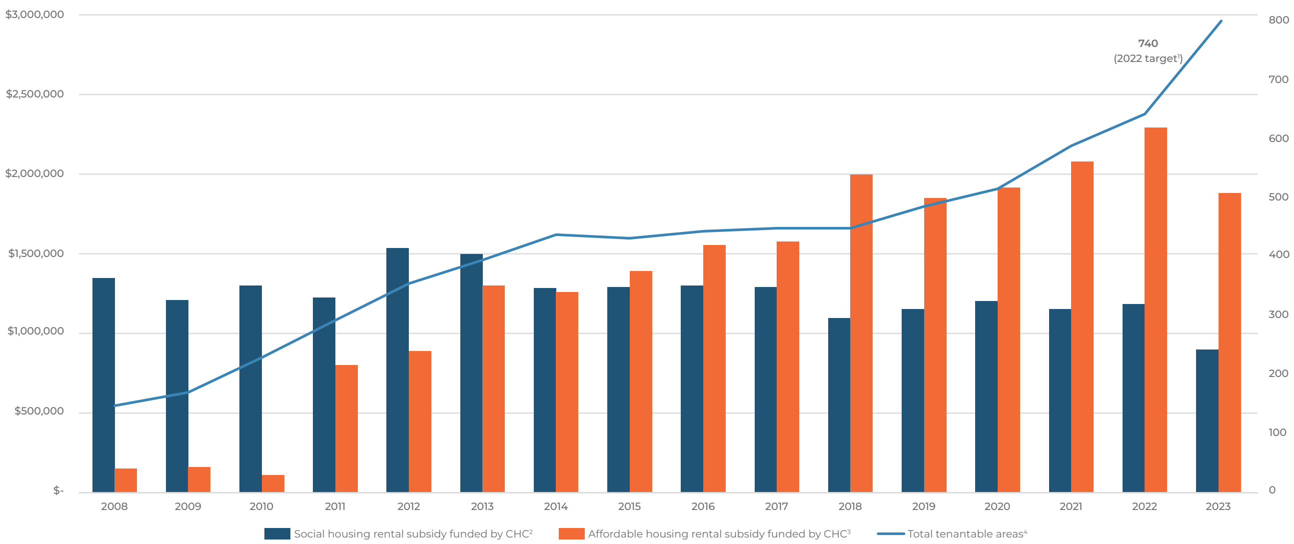
11
Scholarships Awarded this Year

+$34,000
Ken Horsham Scholarship Total Awards[3]

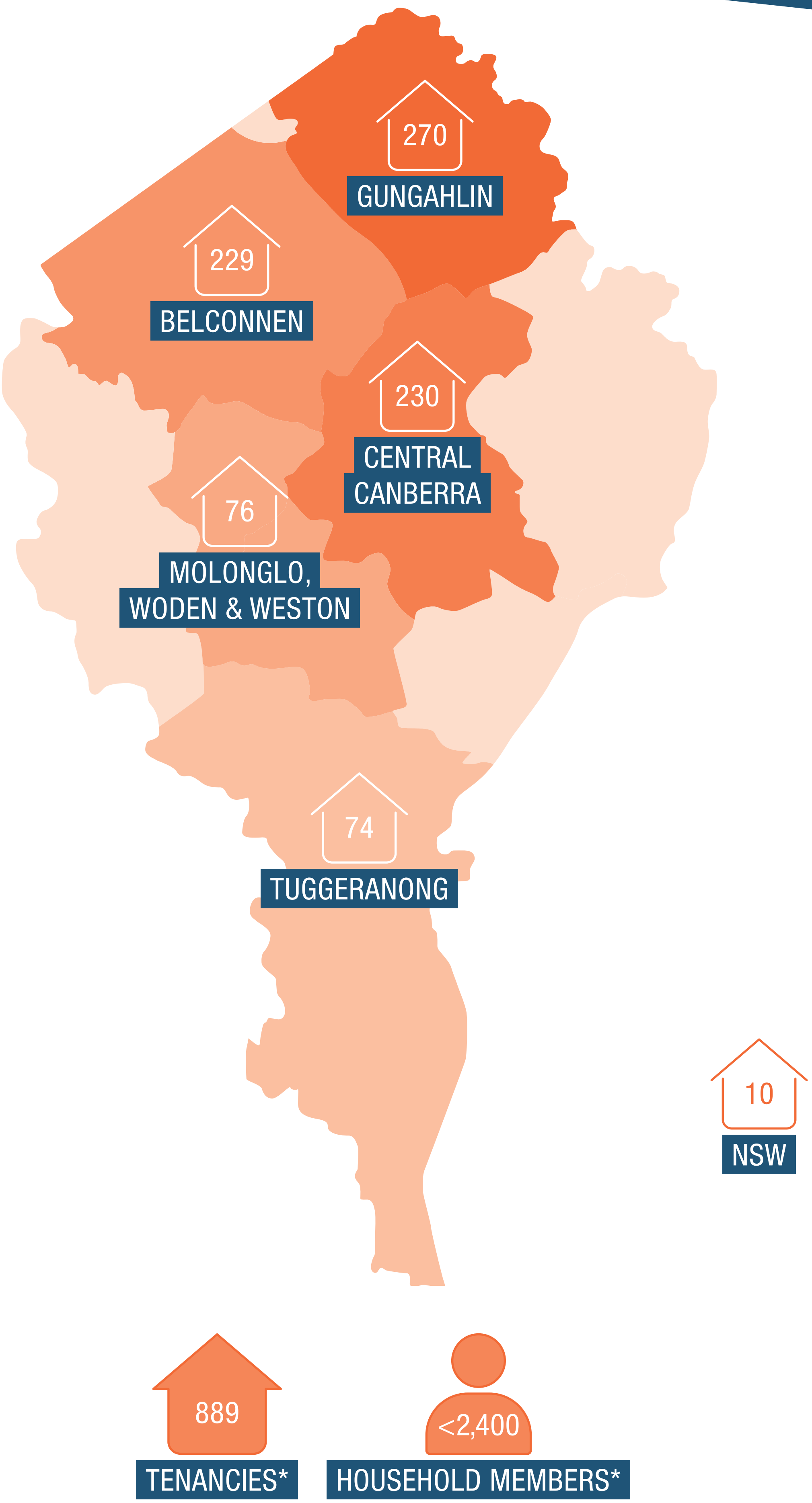
244
Tenants Participating in Community Events

1 A supported tenancy is a subset of the total number of social tenancies, relating to those tenancies that also have a tenant support services provider appointed.
2 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.
3 Total amount spent on the Ken Horsham Scholarship since its first edition. Period: 2017 - 2023.

Rental subsidy funded by CHC and tenantable area growth (CHC, HGRE)



1 740 tenantable areas equates to Strategic Plan target to house 2,000 Canberrans by end of 2022 (@2.7 Canberrans housed per tenantable area)
2 Social housing operates on Rebated Rent Model (25% of household income plus Commonwealth Rent Assistance)
3 Affordable housing operates on an Affordable Rent Model (74.9% of market rent)
4 Total tenantable areas include 180 properties managed by CHC through the fee-for-service model



*includes 87 market rent tenancies via HomeGround Real Estate Canberra

CHAIR REPORT

Cost of living pressures unabated

Housing affordability continues to present a challenge nationally and in the Canberra region, with harsh economic and social wellbeing impacts on lower income earners. Annual underlying inflation continued to persist at around 6%, on par with the prior year, and continued to outstrip growth in wages. Rental markets continued to tighten nationally, which are expected to be further impacted with stronger immigration, albeit the Canberra region bucked the national trend in the second half with increasing vacancy rates and small falls in market median rents. There are more lower income Canberrans today struggling to make ends meet each week, including keeping a roof above their heads, than this time last year. It is no surprise then that we continue to see increasing demand for social and affordable rental homes, reinforcing the critical role that the community housing sector and CHC play in the broader housing market.

New policy agendas welcomed

The passage of the Housing Australia Future Fund Bill 2023 and associated package of laws outside of the reporting period on 14 September was a welcome outcome that is expected to be transformational in unlocking the ability for the community housing sector to deliver a much-needed step growth in social and affordable rental supply. Key to success in delivering on Government growth in supply targets (20,000 new social rental homes and 20,000 new affordable rental homes over five years; a total of 1,200 for the ACT) will be the ability of the community housing sector to harness institutional capital, private sector developers and construction companies, and negotiate contributions from other levels of government, in a programmatic manner and at scale.

At the ACT Government level, the announcement on 3 February of the consolidation of housing policy within Treasury under the new position of Coordinator General for Housing was also a welcome sign, coinciding also with the close of the first ACT Government Affordable Build-to-Rent Request for Tender process.

The FY24 budget announced the creation of a $60m ACT Government Affordable Housing Fund to aid the delivery against the Parliamentary and Governing Agreement target of an additional 600 affordable rentals by 2026. One CHC project was announced as being supported – being CHC's pilot Build-to-Rent-to-Buy Women's Housing Initiative, designed to support eligible single women into home ownership.

In June the ACT Planning Bill 2022 was passed, setting the foundation for the new outcomes-focussed planning system and the new Territory Plan. ACT Government streamlined release of suitable sites and development approvals is also a key to success in delivering on the 600 affordable rentals target by 2026, in addition to the 1,200 social and affordable rental combined Federal Government target for the ACT by 2028.

Strong delivery, and a new strategic plan

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

- Materially grew total social and affordable tenancies under management to 802, reflecting a 24% increase;
- Achieved a 56% increase in the supply of social and affordable tenancies under management by HomeGround Real Estate Canberra to 253;
- Executed agreements with the ACT Government covering the transfer of social and affordable rental homes owned by CHC and cash in extinguishment of around $63 million of loans, and providing for CHC's continued provision of tenancy and property management services;
- Executed agreements with Housing ACT for CHC to provide tenancy and management services for 40 social and affordable rental units at Common Ground Dickson;
- Executed an agreement with the ACT Justice and Community Safety Directorate for CHC to provide tenancy and property management services for 10 dwellings as part of the Justice Housing Program, providing short term social rental homes for people released from custody;
- Settled on the purchase of four properties in the Woodberry development in Coombs, now used for affordable rentals;
- Constructed a secondary residence in Holt, to provide accommodation to support women's transition from the justice system, with handover to operations outside the reporting period in September;
- Obtained regulatory approval for an affordable Build-to-Rent development through a joint venture with the Canberra Southern Cross Club;
- Received development application approvals for:

- six specialist disability properties in Scullin;
- six social housing units in Taylor; and,
- a knock-down rebuild development to build one specialist disability unit and one affordable rental unit in Wanniassa.

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

- A direct rental subsidy to lower income Canberran households of $2.8m;
- Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) of $2.1m and Net Surplus of $1.1m; and,
- A positive underlying net cash flow of $4.1m.

Over the five-year strategic plan period just ended the organisation has delivered on each of its strategic objectives and targets. A new FY24-28 Strategic Plan was released in October, defining what success looks like for CHC over the next five years, mindful of the new policy agendas of Governments, and charting a course to achieve this.

25th Anniversary

This year we celebrate 25 years of CHC having delivered affordable housing for the Canberra region and in doing so, empowering lower income individuals and households and helping to build stronger communities. Whilst visions and missions have changed over this time frame, constants that have existed for each of CHC's 25 years include:

- the strong support of the ACT Government;
- the leadership role that CHC has played within the community housing sector, including on the national stage;
- the willingness of CHC Board's and management teams to be innovative in conceiving and delivering on new housing models with our partners; and,
- the need for increased supply of housing options that are affordable.

We will celebrate this key milestone at an event following the Annual General Meeting. I would like to recognise the hard work and dedication of past Directors and staff over our history, which has enabled CHC to deliver the outstanding impact that it has.

In particular I would like to recognise the contributions of my predecessors as Chair that have successfully steered the organisation since inception:

- Mr William Kirkby-Jones AM 1998 – 2003*;
- Mr Ken Horsham 2003 – 2007*;
- Mr Ross Barrett OAM 2007 – 2011; and,
- Mr Col Alexander OAM 2011 – 2019.

I would like to take this opportunity to thank my fellow Directors, independent committee members, the CEO, Andrew Hannan, and each staff member for their conscious choice to work with CHC, and for their direct or indirect contribution to supporting lower income individuals and households with their housing needs. I extend a big thank you to Paul Carmody, a Director since 2016 and a valued member of the Development Committee, who has announced his retirement following the upcoming annual general meeting.

Thanks very much to our tenant community who remain at the core of all we do, and to our many partners that support us, and who will be critical to our delivery of ambitious future growth in supply of social and affordable housing targets.

Paul Green
Chair

*Deceased

CEO REPORT

Strategic plan delivered

The strategic goals and targets from the five-year strategic plan have been delivered, and a new FY24-28 Strategic Plan has now been approved by the Board to guide the future direction and growth of the organisation.

The final status update against the five-year strategic plan for the period just ended is below:

1. **Financially sustainable business model** – *to achieve positive underlying net surplus and cash flow by 2020.*
   - Underlying net surplus of $1.4m compared with prior year net loss of ($160k);
   - Positive underlying cashflow of $4.1m compared with prior year $3.1m; and,
   - Underlying EBITDA of $2.3m compared with prior year $3.2m.

The drivers of improved underlying performance are increased investment and fee-for-service income, offset by the continued roll-off of Federal Government NRAS subsidies.

2. **Outstanding tenant experience** – *top quartile tenant satisfaction.*
   - Overall tenant satisfaction remains at 87% and remains within the top quartile for the sector, with the next biennial survey in February 2024.

3. **Increased impact** – *2000 Canberrans housed by 2022 in appropriate, safe and secure homes, with $30m direct rental subsidy to tenants by 2022.*
   - 24% increase in social and affordable tenancies under management to 802, corresponding to over 2,100 residents; and,
   - Delivery of $2.8m direct rental subsidy to tenants (reduced from $3.5m in prior year) taking total cumulative rental subsidy fully funded by CHC since inception to $41m.

The drivers of increased tenancies are a 56% growth in social and affordable rental tenancies via HomeGround Real Estate Canberra and securing of ACT Government fee-for-service management contracts for Common Ground Dickson and the Justice Housing program.

Barriers to growth in supply persist

Consequential impacts of the COVID pandemic and geopolitical tensions in Europe have continued to have a significant impact on global and Australian markets.

Annual underlying inflation in Australia continues to remain at levels not seen in decades, driving a cost of living and housing affordability crisis as wages have not kept pace. At a time when the need for increased community housing supply is at a peak, market barriers remain high, with persistent high costs of construction, both materials and labour. Further and perhaps most significantly in terms of impact on project financial viability, interest rates to finance and hold new developments today are at least 3% higher than just two years ago. The combined effects are materially impacting the feasibility of new development projects.

The roll-out of the new policy agendas outlined in the Chair Report, and provision of appropriately sized subsidies, are critical to support financial viability of new community housing projects. Whilst the combined targets of new social and affordable rental supply targeted are large as compared to the status quo, especially within the ACT, it is important to remain mindful of the fact that they are small in context of the overall scale of need across our communities.

Advocacy yields outcomes and remains important

Government policy success or otherwise should be not just measured in terms of delivery against the growth in supply targets out to 2028 but should be measured against the extent to which an investable asset class in social and affordable rentals has been created, is sustainable and can survive the political cycles. Reinforcing this point has been an important focus of CHC's own direct advocacy at all levels of Government, and via our sector peak and related bodies, the Community Housing Industry Association (CHIA) and PowerHousing Australia (PHA).

CHC continues to maintain representation on the CHIA National Board following my retirement as National Chair last year, with Megan Ward, Chief Operating Officer, providing CHC representation as ACT Regional Director. Through Megan, CHC has continued to actively support the necessary evidence base, policy development and advocacy work led by CHIA, and more generally as a member organisation CHC has actively supported such work of bodies including the Federal and ACT arms of the Property Council of Australia, the Master Builders Association, the Australian Council of Social Services, and National Shelter.

I have maintained a role on the CHIA Environment, Sustainability and Governance (ESG) Steering Committee, which has overseen the development and adoption of the CHIA ESG Reporting Standard, which is an important enabler to attracting institutional investment and establish an asset class based on social and affordable housing.

New strategic plan

The FY24-28 Strategic Plan has been informed by and assumes government commitment to delivery of the new policy agendas as it relates to growth in social and affordable supply in the Canberra region. The plan outlines a refreshed vision and mission, and defines our strategic goals and key success factors, and how we will deliver. It reflects our unwavering commitment to improving the lives of lower income individuals and families in the Canberra region and strengthening communities. An overview is below:

Vision – *Empowered individuals, stronger communities*

Mission – *To enable more people in the Canberra region to live in quality homes at a price that is affordable*

Values – *Customer-centric, authentic, collaborative, innovative, continuous improvement*

Strategic goals, and key success factors:

1. *Deliver sustainable growth in social and affordable housing supply*
   - Additional 500 social or affordable rentals created over 5 years;
   - Additional 50 home purchase opportunities created over 5 years; and,
   - All growth is in line with the needs of the community and is value accretive for CHC.
2. *Deliver quality homes and related services*
   - New homes developed or acquired meet minimum silver-level accessibility and 7-star energy ratings;
   - Existing stock is regularly inspected (at least annually) and appropriately maintained; and,
   - Overall customer satisfaction levels of over 75% are achieved, across tenants, home purchasers and landlords.
3. *Enhance business operating model to support delivery of strategic goals*
   - Positive underlying cashflow and EBITDA;
   - Better proactive Governance, Risk and Compliance management practices are implemented;
   - Better practice business processes and systems are implemented;
   - Workforce management plan is implemented, aligned to strategic goals;
   - Overall staff satisfaction levels of over 75% are achieved; and,
   - Voluntary annual ESG reporting is undertaken and a plan for a staged future transition to net zero is prepared.

Thank you

To our tenants, thank you 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 support delivery against our mission. Thanks to our commercial, development and finance partners that will help us to continue to deliver more impact through our multi-channel approach to growth. Delivery on our new strategic plan hinges upon how well we can all pull together to deliver on the required development and other growth programs.

A big appreciation to the leadership team and all staff for again delivering a great performance across each of our strategic objectives despite the 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 over 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 AND RISK MANAGEMENT

CHC helps to empower individuals and strengthen communities through the provision of safe, secure, and affordable homes, providing connections to support services, and a range of community development events and activities.

Our organisation is committed to transparent and ethical corporate governance and, therefore, we are 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

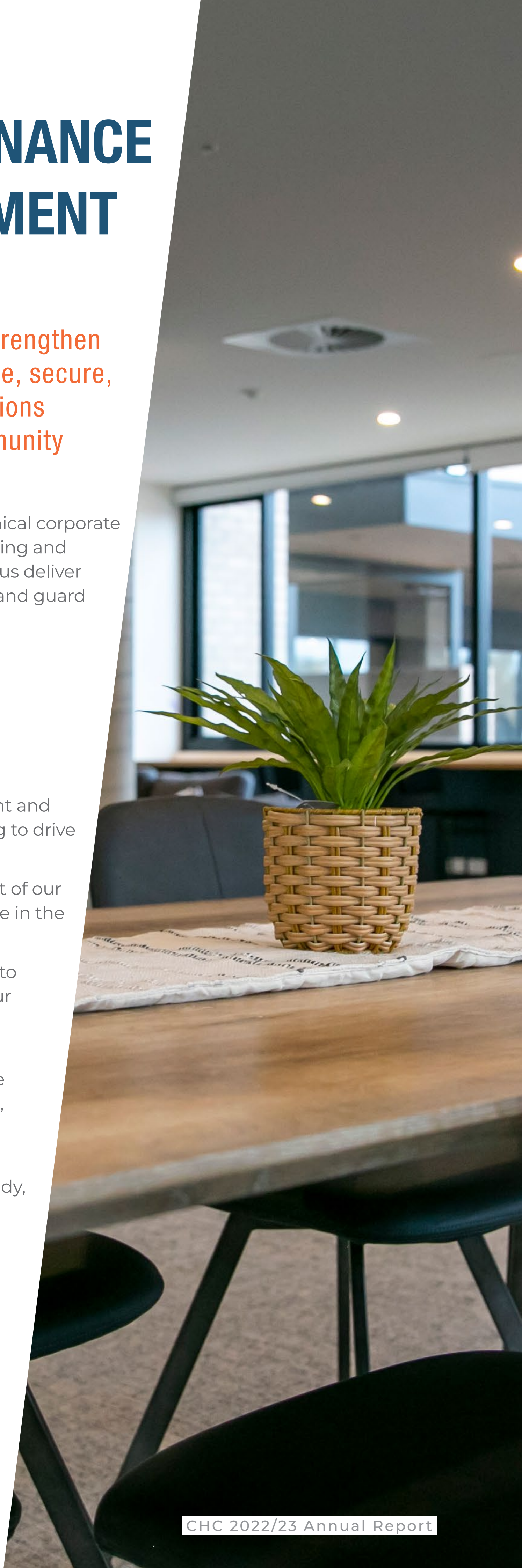
Our independent Board of Directors provides oversight and direction to the executive management team, helping to drive the growth and strength of the organisation.

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.

We would like to extend our gratitude to Paul Carmody, our Director and member of CHC's Development Committee since August 2016, who is retiring at this year's Annual General Meeting. His extensive experience in the ACT Construction and Property industries has positively impacted CHC's outcomes and success and we thank him for his invaluable contributions and dedication.



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 & Risk Committee

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

Cathi Moore BA (Soc Sci) – Director, Member Audit & Risk Committee, Member Community Committee

Paul Carmody BA Admin – Director, Member Development Committee

James Douglas AVI, Certified Practising Valuer, Licensed Real Estate, Strata & Stock & Station Agent – Director, Member Community Committee

Alice Tay LLB Sydney University, GAICD, Fellow with the Governance Institute of Australia – Director, Member Audit & Risk Committee

Hal Pawson BSc, M Pub Pol, M Soc Pol, Professor of Housing Research and Policy (UNSW) – Director, Member Development Committee

Director from 31 January 2023

Additional information about our Directors can be found on page 41

CORPORATE GOVERNANCE AND 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 during the year comprised:

- Megan Ward, Chief Operating Officer
- Miko Montelibano, Chief Financial 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.

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. In doing so, they exemplify the essence of CHC's vision - "Empowered individuals, stronger communities."

Development Committee

CHC's Development Committee assists the Board by overseeing the organisation's property development and acquisition activities.
During the year, the committee oversaw the construction of a social housing unit in Holt, the acquisition of affordable rental dwellings in Coombs, and had oversight of a number of further social and affordable rental property development proposals and supported these through to a Board final investment decision.

All development surpluses resulting from property developments are reinvested to expand the number of social and 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 practices.

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-for-Profit 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, under its HomeGround business arm 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. Annual audited 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

Building stronger communities through dedication and innovation

CHC has maintained focus on creating strong, diverse, and thriving communities through providing social and affordable rental homes and associated support services. At the heart of our success are the passionate, committed, and highly skilled individuals who make up the CHC team. Their unwavering dedication to providing high-quality services and support is instrumental in turning our vision into reality.

Our staff are the bedrock of CHC, and they embody our commitment to making a positive impact in the lives of low to moderate-income households.

This year, we faced new challenges as we broadened our fee-for-service tenancy and property management service offerings, catering to individuals with higher or more complex needs, such as those transitioning from the justice system and those who have experienced homelessness. Our staff rose to the occasion, adapting their skills to better support our new tenants. Our staff's ability to understand and care for tenants with diverse backgrounds and needs was pivotal in delivering the exceptional services that CHC is known for.

CHC invests heavily in our staff, recognising that their satisfaction and well-being are essential to the organisation's success. We are committed to attracting and retaining the best talent in the industry by treating our staff with respect, offering competitive compensation, and providing opportunities for professional growth. We believe that our employees' insights are invaluable in enhancing our processes and systems, and we actively involve them in shaping the way we operate. Their input and dedication are central to our continued growth and evolution.

CHC has a well-being program to support physical and mental health of our staff. We are proud to report that 30 employees accessed the $700 Health and Well-being payment during the financial year, with an impressive 87.5% of staff availing themselves of this benefit. Additionally, CHC funded flu vaccinations.

In our unwavering dedication to staff development, CHC funded courses for 100% of our team members this year. These courses encompassed diverse topics, including a cultural awareness training, a course named Bridges out of poverty, which equipped staff with knowledge and skills to better assist tenants from challenging backgrounds, first aid and mental health first-aid courses, safe home visit training, and other real estate-related courses. We believe in empowering our staff with the knowledge and skills they need to excel in their roles, ensuring they can provide the best possible service to our tenants.

As we reflect on the past year, we are profoundly grateful for the hard work and outstanding contributions of our staff. Delivering upon CHC's vision and mission would remain an aspiration without the dedication, innovation, and compassion of our team. Their unwavering commitment to our tenants and the community continues to be the driving force behind our success, and we look forward to another year of building stronger, more inclusive communities together.

Thank you, CHC staff, for your incredible work and dedication.

CHC Work

Extended well-being program for staff.

Impact

- 30 employees accessed the $700 Health and wellbeing payment in the financial year.
- 87.5% of staff had availed themselves of this payment.

CHC Work

Courses and training opportunities offered to staff members.

Impact

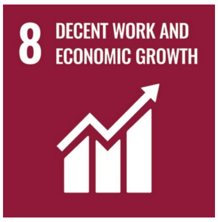
CHC funded courses for 100% of staff members.

CHC Work

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

Impact

- Leadership: 67% women x 33% men
- Board: 50% women x 50% men



CHC Work

CHC has an Enterprise Agreement that includes terms and conditions of employment negotiated between staff and management. This agreement includes:

- 8 weeks paid parental leave over and above Government-funded Parental Leave entitlements.
- Christmas Closedown (without the requirement to take leave).
- Flexible work arrangements.
- Professional Development.
- Allowances for undertaking support tasks such as Fire Warden & First Aid Officer.

Impact

- Gives employees greater flexibility to balance work and personal responsibilities.
- Gives recognition for performing tasks requiring additional responsibility.
- Supports skills development, career progression opportunities and supports skills development and career pathways within the sector.

HOMEGROUND REAL ESTATE CANBERRA

A Year of Remarkable Growth and Impact

In the Financial Year 2022-23, HomeGround Real Estate Canberra continued to make housing more accessible and affordable for those in need. The agency presented impressive growth in all areas of the business – market-rate rentals, strata management, number of land tax exemptions distributed to landlords, and its key focus, affordable rental properties. The extraordinary growth and outstanding results underlined below positively impacted the lives of many in the Canberra region community.

Ever-growing property management business

During FY 22-23, HomeGround saw remarkable growth in the number of properties under its management. The total number of properties managed by HomeGround increased from 221 dwellings in FY 21-22 to an impressive 340 dwellings, marking a substantial growth of 119 dwellings or 54% increase.

Increasing affordable housing options

HomeGround's core mission is to provide affordable rental housing, and this year's achievements in this area are truly inspiring. The number of affordable rental properties managed by HomeGround increased from 162 dwellings in FY 21-22 to 253 dwellings in FY 22-23, showcasing an impressive growth of 91 dwellings, equivalent to a 56% increase.

Business surplus reinvested in the community

HomeGround also expanded its reach into the market-rate segment, increasing the number of market-rate properties managed from 59 dwellings in FY 21-22 to 87 dwellings in FY 22-23, demonstrating a growth of 28 dwellings or 47%.

The growth in all areas of the business reflects HomeGround's strategy to diversify its property portfolio as a way to continue to increase its social impact. All surplus of HomeGround's business is reinvested into generating new affordable rentals and into Community Development events that promote free courses, scholarships, and events to improve tenants' quality of life and facilitate access to education, culture, entertainment, and social inclusion.

The good you do comes back to you

During FY 22-23, 48 landlords benefited from land tax benefits, showing a significant growth of 48% compared to the previous fiscal year.

What is truly remarkable is that these landlords, by listing their properties through HomeGround's affordable rent scheme, have become champions of hope for mid to low-income families in their community. Their act of generosity has opened doors to suitable homes, creating a ripple effect of positivity and prosperity. It is a beautiful reminder that the good you do comes back to you, and together, we can make our communities thrive.

Transforming Lives

HomeGround's impact goes beyond numbers - it transforms lives. Our organisation is not only about providing high-quality property management but also about offering support, creating opportunities for personal and professional development for our tenants and strengthening our community.

One of the remarkable stories from this year involves a former CHC tenant who utilised their tenancy time as a platform to generate savings and who recently became a property owner.

The plan was to live in the property for a while, but circumstances changed and the couple was posted overseas to work for three years abroad. In a heartwarming act of giving back, they listed their home as an affordable rental through HomeGround, thereby helping another family like themselves once needed.

Throughout FY 22-23, eleven tenants were able to use their tenancy time as a platform to generate savings, achieving their goals of purchasing their own homes. As a result, they vacated affordable properties managed by HomeGround, making room for other families and individuals in need.

This year also witnessed three properties under the NRAS program roll-off. Two owners maintained existing tenancy arrangements and placed their properties under the affordable program, ensuring ongoing support for those in need, while one property was converted to full market rent as a result of the current challenges landlords are facing, for example, the increasing interest rates affecting mortgages.

In conclusion, the Financial Year 2022-23 was a year of incredible growth and impact for HomeGround Real Estate Canberra. The significant increase in the number of properties managed, particularly affordable rental properties, is a testament to HomeGround's dedication to its mission. Furthermore, the inspiring success stories of tenants turned homeowners and generous landlords who give back demonstrate the deep community spirit and the lasting impact of HomeGround's work. As HomeGround continues to grow and thrive, it remains a beacon of hope and opportunity for those in need of affordable housing in the Canberra region.

Leadership Transition

We would like to take a moment to extend our heartfelt gratitude to Maria Edwards, our previous Business Development Manager, for her remarkable four years of dedicated service. Maria's unwavering commitment and invaluable contributions have played a pivotal role in paving the way for HomeGround's continued success. As proof of her professionalism and exceptional results, Maria Edwards was awarded as Business Development Manager of the Year by the Real Estate Institute of the ACT (REIACT) – a great personal and professional accomplishment that adds to HomeGround's recognition and prestige. We wish all the best to Maria, and we are confident that she will continue to shine in her future position as REIACT CEO. Maria is not only an exceptional professional but also a remarkable human being, and we are immensely thankful for the positive impact she has had on our team.

It is worth noting that during her tenure, Maria Edwards meticulously trained her right-hand team member, Jesika Mackey, who has since blossomed into an exceptional asset for HomeGround. Today, we are thrilled to welcome Jesika as our current Business Development Manager. Her unwavering dedication to HomeGround's mission and her impressive contributions have already made a significant impact on our results this year. Jesika's leadership assures us that HomeGround's future is bright. We look forward to continued growth and success under Jesika's capable guidance.

Scan here to learn more about HomeGround

HOMEGROUND REAL ESTATE CANBERRA

HomeGround team: Amy Hardaker (Property Manager), Jesika Mackey (Business Development Manager), Janet Wendorf (Strata Manager).

Receiving REIACT Award (September 2022).

Maria Edwards (former Business Development Manager).

HomeGround
Real Estate Canberra

Proudly supported by:

allhomes

ACT Government

HomeGround Real Estate Canberra Work

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

Impact

- 56% growth in the number of affordable rentals provided by HomeGround Real Estate (HGRE) Canberra this year.
- 54% growth in the total number of dwellings managed by HGRE Canberra.
- All HGRE Canberra profit is reinvested into providing more affordable rent options and community-supportive services and events.

HomeGround Real Estate Canberra Work

Courses and training offered to staff members were fully funded by HomeGround.

Impact

- Jesika Mackey (Business Development Manager) finished her Diploma in Leadership and Management.
- Amy Hardaker (Property Manager) finalised her Certificate IV in Real Estate Practice.

HomeGround Real Estate Canberra Work

Ken Horsham Scholarship offered to tenants.

Impact

- 2 out of the 11 scholarships awarded this year were granted to HomeGround tenants.
- The awardees received one laptop and funds towards course fees.

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

- 91 new affordable properties were made available this year.
- Social events, courses and scholarships were provided to support tenants and strengthen the community.

COMMUNITY DEVELOPMENT

During the year CHC's Community Development program continued to be a cornerstone of our commitment to providing an outstanding tenant experience and facilitating access to supportive services, personal and professional development opportunities, social inclusion, and community engagement. This chapter highlights the various events, courses, and initiatives that were undertaken to support these goals.

Ken Horsham Scholarship

The Ken Horsham Scholarship is a program that honours academic achievement and supports deserving individuals in their educational endeavours. In the past year, CHC had the privilege of recognising 11 outstanding recipients who demonstrated exceptional academic achievements. A total of $7,775 was awarded to these recipients to provide financial assistance for their educational pursuits, providing our tenants with laptops, funds towards course fees, stationary material, software, and books.

The Ken Horsham Scholarship goes beyond financial support; it serves as a catalyst for inspiring and motivating CHC tenants to reach their full potential. The award ceremony underscored the transformative power of education, both for individuals and the broader community. This year, our tenants' achievements were celebrated for their family members, CHC staff and Board members, the family members of the late Ken Horsham and the Minister for Homelessness and Housing Services, Ms Rebecca Vassarotti, MLA. This initiative is a testament to CHC's commitment to nurturing talent and fostering opportunities for personal and professional growth.

CHC CEO, Andrew Hannan with the 2022 Ken Horsham Scholarship recipients, family members of the late Ken Horsham, Minister for Homelessness and Housing Services, Ms Rebecca Vassarotti MLA and CHC Chair, Paul Green.

Rental Readiness

CHC identified that many people were first time renters or struggled to understand their rights and responsibilities as a tenant. The Rental Readiness course was designed to support these individuals. The content was developed by the CHC team, and the costs of graphic design and printing were covered by a Hands Across Canberra Grant. The operational costs are covered by CHC, as this course is offered free of cost to all participants.

This year, clients from Toora Women Inc and Imagine More benefited from this valuable training. The course equipped the participants with the knowledge and skills necessary to succeed in finding and securing a rental property and important information on how to proceed when things are though.

The Rental Readiness course covered all aspects of the rental application process, from where to start and how to prepare, to understanding tenancy expectations, resolving disputes, and managing transitions. This initiative has significantly enhanced the readiness and confidence of attendees, thereby improving their prospects of securing and maintaining suitable rental properties.

AFL Family Game Afternoon

CHC extended its community outreach by partnering with the ACT Government Chief Minister, Treasury, and Economic Office to provide free tickets to the GWS Giants vs. Brisbane Lions AFL game at Manuka Oval. These tickets were distributed to CHC and HomeGround tenants, offering them an opportunity for an exciting and inclusive experience.

This initiative aimed to promote community engagement and well-being, ensuring that our tenants could come together for an enjoyable and memorable event. It underscored CHC's commitment to creating meaningful connections and fostering a sense of community among our residents.

Energy Efficiency Program

In collaboration with Vinnies, CHC organised one session of the Energy Efficiency Program. This program was dedicated to educating participants about energy usage and implementing modifications to enhance energy efficiency. Vinnies offered free and personalised assessments and advice to eligible tenants, distributing Energy Savings Kits based on their assessments and available resources.

The Energy Efficiency Program was instrumental in assisting CHC tenants in improving home comfort and reducing energy expenses. This program empowered participants to make sustainable energy choices, creating more comfortable living environments while simultaneously reducing utility bills.

Career Development and Resume Workshop

CHC engaged Greg Salles, an International Career Consultant and CEO of RestartUs, to conduct a Career Development and Resume Workshop. This workshop covered essential topics such as job interview training, resume building, career development, and professional skills.

This workshop equipped attendees with enhanced skills and a clearer understanding of how to advance their careers and present themselves effectively to potential or current employers. This workshop is an example of CHC's commitment to support personal and professional development among our tenants.

Career Development and Resume Workshop.

COMMUNITY DEVELOPMENT

Tulip Top Garden Visit

In a delightful excursion, tenants from CHC and HomeGround were treated to a free visit to the enchanting Tulip Top Garden. This event was a vibrant celebration of the beauty of nature and community connection. The attendees enjoyed a day filled with music, food, refreshing drinks, and the breathtaking views of the garden. To ensure the convenience and enjoyment of all participants, free bus transportation was arranged.

The Tulip Top Garden Visit was a remarkable opportunity for our residents to come together, connect, and relax amid natural beauty. This social event exemplifies CHC's commitment to fostering community and providing moments of joy and relaxation for our tenants.

End of the Year Celebration at Common Ground Dickson

CHC, in collaboration with YWCA Canberra, organised an end-of-the-year celebration at Common Ground Dickson (CGD). This festive occasion brought joy and excitement to the CGD community, featuring Christmas music, engaging games, a special visit from Santa for the children, and the distribution of gifts. Attendees also enjoyed a delicious Christmas lunch.

This event exemplifies CHC's dedication to promoting social inclusion and connection, as well as fostering a sense of community. It provided tenants with a memorable and heartwarming celebration of the holiday season.

Aqua Park and BBQ Day

CHC and HomeGround tenants came together for a fun day at the Canberra Aqua Park. This day was filled with excitement and adventure as participants tackled an inflatable water obstacle course and indulged in a BBQ feast.

Canberra Aqua Park kindly offered discounted rates for all CHC and HomeGround tenants, all the costs with tickets, food and drinks were fully covered by CHC.

The Aqua Park and BBQ Day was a perfect opportunity for residents to bond, engage in outdoor activities, and create lasting memories in a vibrant and engaging setting.

Heritage Festival: Gungaderra Homestead Stories

As part of the 2023 Canberra Heritage Festival, CHC was honoured to organise tours for the Canberra community to explore Gungaderra Homestead. Eric Martin from Eric Martin & Associates, a Heritage Architecture Specialist, guided the tours, while the Country Women's Association Canberra Branch provided delightful Devonshire tea for attendees.

This event celebrated the rich cultural heritage of Canberra and offered an engaging experience for all attendees. It also promoted Gungaderra as a hire space for the community, available at affordable rates, thereby ensuring that the homestead continues to be a hub of heritage and community activity.

Tenant Forum

CHC recognises the importance of giving tenants a voice and fostering a sense of community. To this end, we organised a Tenant Forum, providing a platform for tenants to voice concerns, share ideas, provide feedback on our services and contribute to CHC's Community Development initiatives.

The Tenant Forum enhanced tenant engagement and strengthened our sense of community. It served as a valuable feedback mechanism, enabling us to continually improve the experiences of our tenants and ensure that CHC remains a supportive and welcoming place to call home.

4 QUALITY EDUCATION

CHC Work

Ken Horsham Scholarship offered to tenants.

Impact

11 scholarships awarded this year.

7 AFFORDABLE AND CLEAN ENERGY

CHC Work

Energy Efficiency Program.

Impact

- Free energy efficiency assessments and advice to eligible tenants.
- Energy Savings Kits distributed.

10 REDUCED INEQUALITIES

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

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

Tulip Top Garden Visit.

Aqua Park and BBQ Day.

Tulip Top Garden Visit.

Heritage Festival.

TENANT STORY

Greta's Journey: A Symphony of Resilience and Triumph

In the vast tapestry of life, Greta's story unfolds as a symphony—a melody of courage, resilience, and the unwavering support she received from CHC and other supportive services. From the shadows of a troubled past to the radiant present of homeownership, Greta's narrative serves as a testament to the transformative power of hope and community.

Greta, a vibrant woman from Argentina, embarked on a journey that would test her spirit and fortitude. She was married to an Australian man, a relationship that was growing increasingly complicated, but one she hoped to salvage. She decided to move to Australia with him, pursuing happiness and peace in her marriage, but moving to Australia marked the beginning of a dark chapter in her life, where domestic and financial violence became the tormentor of her existence.

Two years after the move, Greta found herself entangled in a web of manipulation. Her partner started exploiting her immigration status, and denied her access to financial resources, leaving her vulnerable to his aggression. The once lively and capable Greta succumbed to a state of despair, her spirit eclipsed by the darkness of her circumstances. These were the moments when hope seemed to slowly escape from her, and the future felt uncertain and dangerous.

One day, Greta fell sick and had to go to the hospital. A turning point emerged when the nurses, alarmed by her partner's behaviour, intervened. Greta was referred to a social worker, initiating her journey towards healing. Therapy and counselling guided her through the labyrinth of her emotions and unveiled the harsh truth about her toxic relationship. It was a revelation that, although painful, set her on a course towards liberation.

The desire to break free from her abusive partner, however, was met with financial and emotional roadblocks. Stranded without resources, Greta felt like she was entering a losing game. Yet, in the darkest hours, support manifested itself through CHC.

Recognising the critical need to secure her safe and affordable housing, Greta's psychologist reached out to CHC, setting in motion a series of events that would reshape her destiny.

In 2018, a call from CHC brought a mix of emotions. As Greta visited the property she had applied for, excitement and hope blended with great anxiety about the possibility of not being able to secure this home. With the money she had in her pocket, Greta was eager to pay the Tenancy Officer on the spot so she could secure her tenancy and her fresh beginning. CHC Tenancy Officer, Kym, calmed her down and assured her that the property was hers to have and that she would only have to pay for the bond once the paperwork was completed. Greta, over the moon with relief, bid farewell to her toxic past and embraced the opportunity for a new life.

Her shared home became a canvas for rebuilding—a space occupied by three men her age and an older lady as flatmates. Initially anxious about the dynamics, Greta chose to break the ice by reaching out to each flatmate, inviting them to dinners that soon became a regular communal activity. Slowly, the shared house transformed into more than just a house, it became a home - a place of friendship and community.

The restoration of her independence unfolded in stages. Greta, with a newfound stability from living in social housing, sought employment at Fyshwick markets. Though her earnings were modest, they covered her rent and living expenses, allowing her to save for the future. The dream of homeownership, once deemed unattainable, began to take shape.

In 2018, she took the first step toward financial literacy, contacting a mortgage broker to explore pathways to homeownership. The initial steps felt daunting, but Greta was determined. She embraced her new lifestyle, sacrificing dinners out and indulgences to save every penny.

The shared home provided more than just shelter; it fostered deep connections and enduring friendships. Greta shared stories of collaborative dinners, game nights, and travels with her flatmates.

She also said that CHC made it possible for her to host her mother, who came from Argentina to visit her, marking a joyous milestone in her journey.

The camaraderie between Greta and her flatmates, born out of mutual support, helped weather the storms of life. The challenges of 2020, marked by the onset of the COVID-19 pandemic, tested the bonds further.

Greta and her flatmates faced the uncertainties with resilience, implementing strict safety measures and supporting each other through the fears of infection. Despite her best efforts, Greta contracted the virus and received all the support and care from her flatmates, who looked after her until she recovered. In return, when others fell ill, Greta had the chance to return the care and support.

The pandemic reshaped Greta's career trajectory. Recognising the vulnerability of customer service jobs, she sought a career in finance. In 2020, she commenced her Business Administration Diploma at CIT, marking a pivotal step towards professional growth. However, financial constraints threatened to hold back her educational pursuits. CHC once again offered support, as the applications for the Ken Horsham Scholarship had just opened. Greta applied and received a scholarship that covered her course fees, allowing her to further progress her studies, enrolling in the Advanced Diploma in Accounting.

After her studies, Greta landed a position in the finance sector of a Government Department. Her income increased, boosting her savings, and positioning her closer to the dream of homeownership.

As Greta navigated the complexities of her financial journey, an unexpected turn of events added an opportune twist. During a casual visit to her friend, Greta came across an off-the-plan development for sale, which after a closer look, seemed to be within her reach. Unfortunately, the development she found was just sold out, but the agent told her they would give her a call once the next development sales commenced.

Armed with determination and guided by advice from real estate agents, mortgage brokers, and the bank, Greta meticulously planned her next steps to fulfil her dream. Ruthless budgeting, a better job, and a stroke of luck through the repayment of an old debt brought her closer to her goal. When the real estate agent contacted her, Greta, with just enough for a deposit, secured her home loan and embarked on the journey to homeownership.

Cassia Vidigal, CHC's Communications and Marketing Manager, had the privilege of visiting Greta's new home. A testament to Greta's resourcefulness, the apartment was meticulously decorated with second-hand treasures and freebies and radiated warmth and taste. Greta's journey, encapsulated in the beauty of her home, became a source of inspiration.

As Greta reflected on her odyssey, she left behind words of wisdom for those navigating their own challenges. "It doesn’t matter what is your current situation; you should always seek the motivation and support to fulfil your dreams. Keep fighting, and you will find your way. Everything is possible!" Greta's story is a testimony to the importance of supportive services and the work of CHC in empowering individuals and strengthening communities.

Greta's journey is a testament to the transformative power of resilience, community, and unwavering determination. From the shadows of domestic violence and financial hardship, she emerged as a homeowner, a symbol of triumph over adversity. Her inspiring story serves as a reminder that, even in the darkest days, taking a break, recharging, reconnecting, and pushing forward can lead to the realisation of one's goals.

Her story resonates as a call to action for those facing challenges, urging them to believe in the possibility of transformation and the support that can arise from unexpected places.

Greta's symphony, with its buildup of hope, echoes the universal truth that, indeed, everything is possible.

COMMON GROUND DICKSON

Providing homes with love and dedication

In the heart of Canberra, Common Ground Dickson is changing the lives of individuals and families in need of suitable housing. Managed by CHC, Common Ground Dickson is a Housing ACT-owned development that provides a stable foundation for those at risk of homelessness. With its 40 new homes, this project is a beacon of hope for those seeking a fresh start and a brighter future.

Common Ground Dickson is a shining example of a supportive housing initiative that transcends merely providing shelter. CHC, in collaboration with YWCA Canberra, has dedicated itself to not only managing property and tenancy but also delivering a range of on-site services tailored to meet the diverse needs of its tenants. These services include education, employment support, financial assistance, as well as mental and physical health services. This comprehensive approach ensures that residents receive the holistic support they need to rebuild their lives.

The development is strategically divided into two types of homes: social homes and affordable rentals. Social homes are designed to assist individuals in their transition from homelessness to permanent housing, while affordable rentals are tailored for low to mid-income households. This model aims to create a vibrant and diverse community that includes individuals who have experienced homelessness, youth, families, single and older residents, and key workers in Canberra. It is more than just housing; it is about fostering a sense of belonging and community.

What sets Common Ground Dickson apart is its strengths-based approach to working with tenants. Rather than focusing solely on their challenges and past struggles, CHC and its partners recognise and build upon the strengths and potential of each tenant. This approach, rooted in empathy and understanding, forms the foundation of the community they are nurturing.

One of the most heartwarming aspects of CHC's involvement in Common Ground Dickson is the dedication and love that staff members have poured into creating homes for the tenants.

When the development was ready to welcome its first residents, all units were fully furnished to ensure that they felt truly at home. CHC staff members, working together, meticulously assembled furniture and distributed house appliances to each unit. The act of setting up the furniture and appliances took a full three weeks, during which 44% of CHC staff were actively engaged in this process. Some pieces of furniture were kindly donated by IKEA, highlighting the community support that this project has garnered.

This effort was not just about putting furniture in place; it was about creating an environment that radiated warmth, comfort, and a sense of belonging. These dedicated staff members were not just delivering social and affordable houses; they were delivering homes.

As the holiday season approached in December 2022, CHC and the YWCA came together to organise the first Christmas Party for all Common Ground Dickson residents. The event, attended by Santa Claus himself, brought together more than 35 tenants. It provided an opportunity for residents to bond with their neighbours, share delicious food, receive some gifts, and enjoy a range of activities and music. The Christmas Party was a joyful occasion that reinforced the sense of community and togetherness that Common Ground Dickson strives to create.

The positive outcomes for Common Ground Dickson residents have been nothing short of transformative. Having a stable home and access to supportive services has enabled them to achieve personal and professional growth. Many residents have gone on to pursue further education, gain stable employment, and improve their overall quality of life. This initiative has not only provided housing but has also created an environment where dreams can flourish, and aspirations become reality. This shows that with the right support and a strong community, individuals can overcome adversity and build a better future for themselves and their families.

Common Ground Dickson Work (CHC and YWCA)

Providing access to:

- Affordable and quality homes for people at risk of or experiencing homelessness and mid to low-income families.
- Basic services to improve tenants' quality of life.

Impact

- Offering twenty social and twenty affordable homes, housing a total of seventy people of all ages.
- Forty-five residents accessed support services such as food and emergency relief, legal aid, health services and other support services.

Common Ground Dickson Work (CHC and YWCA)

Facilitating access to well-being, health, and mental health-related services.

Impact

Referring tenants to services, such as:

- Canberra Health Services
- Community Health
- Community Info Hub
- Community Options (NDIS support)
- Community Relations and Funding Support
- Falls and Falls Injury Prevention
- Feros Care
- Life Without Barriers (NDIS Support)
- Sexual Health & Family Planning ACT
- Warm Connections Counselling (YWCA Canberra)

Common Ground Dickson Work (CHC and YWCA)

Facilitating access to education-related services.

Impact

- ACT Education Directorate
- Ken Horsham Scholarship
- Nest Program (OzHarvest)

COMMON GROUND DICKSON

Common Ground Dickson Work (CHC and YWCA)

- Solar panels maintenance.
- Energy efficiency assessment and insulation improvements.

Impact

- Solar energy is available, reducing energy costs for all tenants.
- Energy Efficiency Assessment (St. Vincent de Paul Society – Canberra/Goulburn).

Common Ground Dickson Work (CHC and YWCA)

- Access to formal training, improving chances of securing better employment opportunities.
- Workshops to support tenants' professional development and growth.

Impact

- Ken Horsham Scholarship
- Career Development and Resume Building Workshop

Common Ground Dickson Work (CHC and YWCA)

Providing access to:

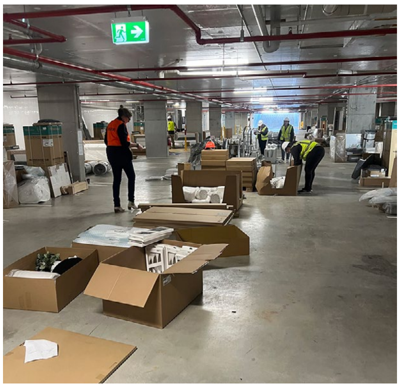
- Affordable and quality homes.
- Basic services to improve tenants' quality of life.
- Education opportunities.
- Health-related services.
- Affordable and clean energy.

Impact

All the above-mentioned services.

Members of the ACT Government, Common Ground Canberra Board Members, and CHC, YWCA and IKEA Executives and staff members.

Deputy Chief Minister Yvette Berry and Paul Eady, Market Manager at IKEA Australia.



CHC team in Hi-Vis Vests, assembling and distributing furniture to all units.

Common Ground Dickson Christmas Party.

PORTFOLIO UPGRADE

Renewing Hope: CHC's investment in the transformation of a Higgins property

In the heart of Higgins, a remarkable transformation unfolded at a four-bedroom property, brought to life by the tireless efforts of CHC's dedicated Assets Manager, Kelsey Hindle, and her team, and a CHC investment of over $120,000.

This house, a former ACT Housing property, had seen a decade of service, sheltering a family of eight – two parents and six children. The family was relocated to another CHC property so the work could be done. Their departure marked the beginning of a new chapter, one filled with hope and renewal.

The first task on the agenda was to breathe new life into the interior. The maintenance team undertook a comprehensive overhaul, leaving no stone unturned. The bathrooms, toilets, and laundry were all upgraded to modern standards, ensuring that the new tenant and her children would enjoy the comforts they deserve. The kitchen, the heart of any home, was revitalised, ready to serve as a hub for nourishing meals and cherished memories.

Beyond the cosmetic changes, the team addressed deeper issues, such as mould remediation and necessary wall and ceiling sheeting. The roof received much-needed attention, and insulation with an R6.7 value was installed, making the property more energy-efficient, reducing energy costs, and providing a comfortable living environment.
Asbestos eaves were replaced with safe alternatives, ensuring the utmost safety for the new occupants.

The external aesthetic of the property was also made over. Fresh coats of paint brought new life into the façade, and the yard was enclosed, providing a safe haven for children to play. The gardens were meticulously tidied up, adding a touch of natural beauty to the property's charm.

CHC's commitment to providing quality housing extends beyond bricks and mortar.
In this transformation, a new beginning was crafted not just for the property, but also for the Canberra community. The outgoing family found a new home with CHC, and a woman escaping domestic violence and her children now have a secure refuge to rebuild their lives.

This renovation project is not just about improving the physical structure; it's about creating a brighter future for the tenants and strengthening the bonds within our community. It embodies CHC's mission to provide more than just housing; it's about creating a nurturing environment that fosters growth, healing, and hope.

As this property in Higgins welcomes its new residents, it stands as a testament to the positive impact that CHC brings to the lives of its tenants and the Canberra community. With a fresh start, a new chapter unfolds, filled with the promise of a brighter tomorrow.

1 NO POVERTY

11 SUSTAINABLE CITIES AND COMMUNITIES

CHC Work

Providing access to:

- Affordable and quality homes for people at risk of or experiencing homelessness and mid to low-income families.
- Services to improve tenants' quality of life.

Impact

- Supported a family of ten and a single mother with four children by providing them affordable and quality homes.
- All CHC tenants have access to Community Development events and supportive services.

4 QUALITY EDUCATION

CHC Work

Facilitating access to education-related services.

Impact

All CHC tenants can apply for the Ken Horsham Scholarship to further progress their studies.

7 AFFORDABLE AND CLEAN ENERGY

CHC Work

Energy efficiency and insulation upgrades.

Impact

Insulation upgrades to R6.7 value.

10 REDUCED INEQUALITIES

CHC Work

Providing access to:

- Affordable and quality homes.
- Services to improve tenants' quality of life.
- Education opportunities.
- Energy efficiency and insulation upgrades.

Impact

All the above-mentioned services.

PORTFOLIO UPGRADE

Before

After

OUR DEVELOPMENTS

This year was marked by challenges in the supply chain, a result of the COVID-19 pandemic impact. The shortage of materials and labour disruptions significantly impacted our construction projects, leading to delays and postponements. In the face of these obstacles, CHC remained steadfast in its commitment to providing affordable housing solutions to the community. We are proud to report that, despite these challenges and additional challenges relating to increased interest rates, we successfully secured Board final investment decision for several groundbreaking projects to expand our affordable housing stock over the next couple of years.

In response to the difficulties brought on by the pandemic, CHC's leadership harnessed innovation and strategic planning to continue our mission of providing affordable housing. Two new models, the Fee-for-Service and Built-to-Rent-to-Buy, were developed to address the pressing needs of our community. These models are set to enhance our approach to affordable housing delivery and the social impact that we create, with the Built-to-Rent-to-Buy model set to be introduced upon completion of CHC's development in Ginninderry.

CHC is continuously planning and working on new developments. Here is an overview of the projects that are in CHC's pipeline now.

PHILLIP – AFFORDABLE BUILD-TO-RENT

CHC has formed a partnership with the Canberra Southern Cross Club to develop a section of the former pitch and putt site in Phillip for an Affordable Build To Rent apartment project. This will form part of the Canberra Southern Cross Club's broader redevelopment of the site.

HOLT – SUPPORTING INCLUSION

CHC completed a remarkable 2-bedroom social housing unit in Holt. This property supports women exiting the justice system and is managed by Toora Women Inc. The development received a grant of $100,000 from Homes for Homes.

WANNIASSA – PROMOTING ACCESSIBILITY AND AFFORDABILITY

In response to the growing need for disability-friendly and below-market rental housing, CHC embarked on this Wanniassa Dual Occupancy project. This project consists of a three-bedroom accessible dwelling, to be designed and constructed to the Specialist Disability Accommodation (SDA) High Physical Support design category, along with a two-bedroom affordable housing dwelling. Currently under construction, this project represents a significant step forward in making our communities more inclusive and accessible for all.

WHITLAM SOCIAL HOUSING - SUSTAINABILITY AT THE CORE

Sustainability is one of CHC's biggest goals for the next five years, and the Whitlam Social Housing project reflects this commitment. This social housing development will comprise of a four-bedroom house emphasising sustainability through features such as all-electric heating and cooking and solar photovoltaic (Solar PV). By integrating renewable energy sources and eco-friendly technologies, CHC aims to provide not only affordable housing but also environmentally conscious and budget-friendly solutions. The construction of the Whitlam project is due to commence in early 2024 , and we look forward to welcoming residents soon.

Scan here to learn more

TAYLOR AND SCULLIN - FOSTERING COMMUNITY FOR THE ELDERLY AND THOSE WITH DISABILITIES

CHC's commitment to providing housing for the elderly and individuals with disabilities continues with the Taylor and Scullin developments. Taylor, with its six social housing units for the elderly, and Scullin, with its six three-bedroom units for people with disabilities, are in the process of becoming a reality. Planning approvals have been received, and builder procurement is underway. CHC expects construction to commence in Q1 2024, with completion scheduled for Q4 2024.

Taylor social housing units sketch.

Sculin units render.

10 REDUCED INEQUALITIES

CHC Work

- Reducing inequalities by providing a range of additional social and affordable housing in the ACT.
- Promoting social and economic inclusion, including people with disabilities, elderlies, and other vulnerable people.

Impact

- Additional 157 social and affordable dwellings.
- 185 total additional dwellings managed by CHC and HomeGround.

11 SUSTAINABLE CITIES AND COMMUNITIES

CHC Work

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

Impact

- 24% growth in the number of social and affordable homes managed by CHC and HomeGround.

BUILD-TO-RENT-TO-BUY WOMEN'S HOUSING INITIATIVE PILOT

In a world where homeownership remains an elusive dream for many, CHC has embarked on an innovative journey to make this dream a reality for cohorts of women.

Many young women in secure employment, including essential workers, are in rental stress when renting in the private rental market, and struggle to enter the housing market due to the high costs associated with traditional homeownership.

Eligibility for the pilot is single women aged between 25-45 years, with or without children, who are in secure work but face rental stress or are at risk of homelessness. The project aims to help empower these women through providing a viable pathway to home ownership and a more secure and stable future.

The Women's Housing Initiative pilot program includes 22 townhouses to be developed in the Canberra suburb of Strathnairn. Pending Development Application approval, construction is set to commence in the first half of 2024.

The program will avail eligible single women to a safe, secure, and affordable rental home, with a built-in pathway to own the home via an option to purchase. To support the ability to exercise the option to purchase and secure their own home loan, the project has been designed to help support tenants to accumulate a 20% deposit, primarily through availing tenants to a portion of the capital growth during the rental period. Tenant's own savings through the affordable rental period would also contribute to accumulation of the required deposit for each tenant to secure their own home loan.

Technology and sustainability

This development will boast a range of environmentally friendly features, including solar photovoltaic (PV) and battery storage, electric vehicular charging stations, all-electric heating and cooking, and a Nathers, Energy Efficiency Rating (EER) of 7+ stars.

A Model for the Future

The social impact of this pilot project is expected to be far greater than the up to 22 households that the project will support. Lessons learnt from the pilot we hope will enable refinement of the model, and lead to the creation of a replicable and scalable model adopted by registered community housing providers Australia-wide that can leverage institutional capital in place of Government grants, and thus create more opportunities for moderate-income earners to achieve homeownership.

Thank you to our partners

This pilot would not be possible without the generous $4.5m grant provided from the ACT Government, concessional debt finance to be made available through Housing Australia, and Housing Australia's original idea to test such a model. A massive thank you to both levels of Government for recognising the merits of such an investment, and supporting the development of innovative models to support home ownership aspirations of this cohort of women. Thanks also to the Ginninderry Joint Venture for its active involvement since inception, work on identifying and agreeing to sell a suitable development site and leading the design and development application process.

Build-to-Rent-to-Buy Women's Housing Initiative render, mock-up and surrounding area.

Federal Housing Minister Julie Collins, CHC CEO Andrew Hannan, ACT Housing Minister Yvette Berry and Ginninderry Project Director Stephen Harding at the announcement of the Build-to-Rent-to-Buy pilot program. Photos: Claire Fenwicke (Riotact).

Scan here to learn more

KEY

- Cost
- Partner
- Land
- Subsidy
- Impact

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
- 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
- LDA, Defence Housing Authority, Tatebrook
- Purchased from LDA
- Total dwellings **56**
  Retained affordable rentals **56**

A summary of smaller-scale developments

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

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
- 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**
  Retained affordable rentals **3**
  Sold as affordable **26**

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

157 additional social and affordable tenancies delivered through CHC's fee-for-service program. Three developments approved to commence in Q4 2023, delivering additional 36 combined social and affordable dwellings.

11 SUSTAINABLE CITIES AND COMMUNITIES

CHC Work

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

Impact

24% growth in the total number of homes managed by CHC and HomeGround.

COMMUNITY HOUSING CANBERRA LIMITED

(A company limited by guarantee)

ACN 081 354 752

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

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 H Pawson (appointed on 31 January 2023)
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 158 Canberra ACT 2601

Directors' qualifications, experience and special responsibilities

Name	Qualifications	Experience	Special responsibilities
Paul Green	MG, BA, LLB (Hons)	Previously provides legal advice to property developers and major builders nationally and internationally on project delivery including structure, tax, acquisition, construction and financing. Retired from full time employment in January 2023 but continues to provide legal consultancy services to some clients. 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 since October 2011.	Chair 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 2022.	Director Member (Community Committee)
Alice Tay	LLB Sydney University, GAICD, 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 2022.	Director Member (Audit & Risk Committee)
Hal Pawson	BSc (Hons) MPPS FCIH	Is an expert in housing management, access to housing (including homelessness), housing privatisation, urban regeneration. Manager of numerous commissioned projects for the UK government and Scottish Government. Has held numerous relevant posts including Board Member Port of Leith HA, Edinburgh (1998-2011); Australasian Editor, *Housing Studies* (2011-2019); Managing Editor, *Housing Studies* (2019-ongoing); Convenor, Master of Urban Renewal and Housing (2016-2018). Board member since January 2023.	Director (from 31 January 2023) Member (Development Committee)

Directors' report for the financial year ended 30 June 2023

The Directors present this report to the members of Community Housing Canberra Limited ("the Company") for the year ended 30 June 2023 and the auditor's report thereon.

Directors

The Directors of the Company during the 2022-23 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	6	4	5
Ms Clare Wall	8-Sep-15	-	6	6	-	-
Mr Paul Carmody	2-Aug-16	-	6	6	-	-
Ms Jill Divorty	7-Dec-17	-	6	6	5	5
Mr James Douglas	24-Jan-19	-	6	6	-	-
Ms Alice Tay	1-Jul-21	-	6	6	4	5
Mr Hal Pawson	31-Jan-23	-	3	6		

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 2022. 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 in 2019 and was employed as a consultant. Legal services were provided by Lexmerca Lawyers to the Company during the year, regarding several development projects and the discharge of the Company's debt to the Territory, totalled $115,820 (2022: $6,281).

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. Real Mastery Consulting has not provided services in the last 2 financial years but the Company engaged them for training programs in the 2023-24 financial year. 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 2022-23 financial year, the Company continued to implement the five year Strategic Plan for 2018-2023. 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*

Directors' Report for the Financial Year Ended 30 June 2023 – continued

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 2023;
2. ***Outstanding tenant experience*** – Top quartile tenant satisfaction; and
3. ***Increased impact*** – 2000 Canberrans housed by 2023 in appropriate, safe and secure homes, with $30 million direct rental subsidy to tenants by 2023.

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 achieved underlying net surplus 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

In the opinion of the Directors, there were no significant changes in the nature of the Company's activities during the year.
The Company undertook the following principal activities to achieve its objectives and strategies:

1. Provided rental rebates to Rebated Rent and Affordable Rent tenants;
2. Provided rental rebates to National Rental Affordability Scheme (NRAS) tenants;
3. Continual improvement of stock through either refurbishment or redevelopment;
4. Increase the supply of affordable housing properties available for rent from private landlords through HomeGround Real Estate Canberra;
5. 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;
6. Increase the supply of affordable housing properties available for rent by eligible applicants through a capital works program, this year including;
   i. Commenced construction of 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;
   ii. Received development applications for 6 SDA properties in Scullin, 6 social housing units in Taylor and a knock down rebuild development to build 1 SDA unit and 1 affordable rental unit in Wanniassa;
7. Increase the supply of affordable housing through acquisition and strategic partnerships, this year including:
   i. Achieved financial close of a transaction with the ACT Government ("the Territory") entailing transfer of properties owned by CHC and payment of cash in extinguishment of $63,112,000 of loans, and the entry by CHC into a Management Agreement for the provision of tenancy and property management services over the same dwellings for their continued use as social and affordable rental dwellings. Refer also to Note 4;
   ii. Executed a Services Agreement and a License Agreement ("the CGD Agreements") with Housing ACT to provide Tenancy and Management Services at Common Ground Dickson on behalf of the ACT Government;
   iii. Purchased 4 properties in the Woodberry development in Coombs;
   iv. Tenancy and property management contracts for Justice Housing Program and Yeddung Mura; and
   v. Obtained regulatory approval to provide affordable housing through a Build-to-Rent Scheme in partnership with Canberra Southern Cross Club.

Performance measures

The Company's primary performance measure reflects its mission to provide affordable homes, principally for rent, to individuals and families. During the 2022-23 financial year, a total of 802 (2021-22: 645) tenancies were supported, of which 369 (2021-22: 483) tenancies were supported directly by the Company and 433 (2021-22: 162) tenancies were from properties under management through HomeGround Real Estate Canberra and through contracts with Territory and other fee-for-service ("FFS") agreements. A total direct rental subsidy of $2.8 million (2022: $3.5 million) was provided by the Company. However, there is a reduction in the rental subsidy as a result of the Company transferring a portfolio of properties to the Territory as part of the ACT Government loan extinguishment per the Agreement executed by Territory and 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 2022-23 as follows:

Tenancy model	2022-23 $	2022-23 Tenantable areas	2021-22 $	2021-22 Tenantable areas
Rebated Rental Rebate	894,507	86	1,174,773	107
Affordable Rental Rebate	1,883,541	283	2,291,207	376
Rebated or Affordable Rental – HomeGround	N/A	253	N/A	162
Rebated or Affordable Rental – Other managed properties	N/A	180	N/A	N/A
Total Rebate	**2,778,048**	**802**	**3,465,980**	**645**

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 (2022: $1,500).

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial year and the date of the report, any item, transaction or event of a material and unusual nature that in the opinion of the Directors is likely to substantially affect the operations of the Company, the results of those operations, or the Company's state of affairs in future financial years.

Directors' Report for the Financial Year Ended 30 June 2023 – continued

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 $22,000 (2022: $22,139) 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 2023.

Signed in accordance with a resolution of the Directors:

Paul Green
Chair
Canberra 30 October 2023

Alice Tay
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 as at 30 June 2023 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

Alice Tay
Director

Canberra 30 October 2023

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 2023, 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 PSM
Assistant Auditor-General, Financial Audit
20 October 2023

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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 2023 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 2023 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 2023

Statement of comprehensive income
For the year ended 30 June 2023

	Note	2023 $	2022 $
INCOME			
Revenue from contracts with customers:			
Rental and Management Revenue	5 (a)	8,248,648	9,374,957
Development sales revenue	5 (b)	295,318	23,993,758
Other income	5 (c)	118,830	37,952
TOTAL INCOME		**8,662,796**	**33,406,667**
EXPENSES			
Asset management expenses	6 (a)	(2,056,346)	(2,380,180)
Cost of developments sold	6 (b)	(233,984)	(19,594,825)
Administrative expenses	6 (c)	(1,123,359)	(994,806)
Depreciation and amortisation	6 (d)	(2,747,378)	(3,279,463)
Employee expenses	7	(2,858,138)	(2,726,030)
Selling expenses		-	(431,868)
Net loss on disposal, transfer or impairment of assets	6 (e)	(254,037)	-
Bad debts	12(b)	(82,755)	(88,075)
TOTAL EXPENSES		**(9,355,997)**	**(29,495,247)**
NET SURPLUS/(DEFICIT) FROM OPERATIONS		**(693,201)**	**3,911,420**
Finance income	8 (a)	492,340	130,831
Finance expenses	8 (b)	(90,760)	(145,469)
Investment income	9 (a)	784,919	-
Other investment income	9 (b)	686,661	-
Interest on lease liabilities	20	(80,796)	(142,295)
NET FINANCE INCOME/(EXPENSE)		**1,792,364**	**(156,933)**
NET SURPLUS FOR THE PERIOD		**1,099,163**	**3,754,487**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Increase/(decrease) in asset revaluation surplus	23	(76,490)	30,311,271
Other comprehensive income for the period		**1,022,673**	**30,311,271**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,022,673**	**34,065,758**

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

Statement of financial position

As at 30 June 2023

	Note	2023 $	2022 $
CURRENT ASSETS			
Cash and investments	11	15,812,936	39,740,210
Trade and other receivables	12	247,806	236,020
Inventories	13	-	233,964
Other financial assets	14	22,564,384	-
Other assets	15	902,273	1,714,694
Non-current assets held for transfer	24	-	62,070,000
TOTAL CURRENT ASSETS		**39,527,399**	**103,994,888**
NON-CURRENT ASSETS			
Capital works in progress	16	1,645,593	1,377,611
Other financial assets	14	3,049,111	
Property, plant and equipment	10	184,581,467	185,496,828
Intangible assets	17	176,196	447,866
Right-of-use assets	20	5,164,505	4,875,180
TOTAL NON-CURRENT ASSETS		**194,616,872**	**192,197,485**
TOTAL ASSETS		**234,144,271**	**296,192,373**
CURRENT LIABILITIES			
Trade and other payables	18	519,163	310,232
Employee benefits	19	498,882	412,081
ACT Government loan	4	-	63,112,000
Lease liabilities	20	195,097	194,694
Other provisions	21	23,607	311,663
Other liabilities	22	209,234	274,786
TOTAL CURRENT LIABILITIES		**1,445,983**	**64,615,456**
NON- CURRENT LIABILITIES			
Lease liabilities	20	3,787,584	3,688,886
TOTAL NON-CURRENT LIABILITIES		**3,787,584**	**3,688,886**
TOTAL LIABILITIES		**5,233,567**	**68,304,342**
NET ASSETS		**228,910,704**	**227,888,031**
EQUITY			
Asset revaluation surplus	23	123,658,319	144,088,286
Retained earnings		105,252,385	83,799,745
TOTAL EQUITY		**228,910,704**	**227,888,031**

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 2023

	Note	Retained Earnings $	Asset Revaluation Surplus $	Total Equity $
Opening balance at 1 July 2022		**83,799,745**	**144,088,286**	**227,888,031**
Net surplus for the period		1,099,163	-	1,099,163
Other comprehensive income				
Impairment loss on land and buildings	23	-	(76,490)	(76,490)
Total comprehensive income for the period		**1,099,163**	**(76,490)**	**1,022,673**
Transfer of revaluation increment for assets disposed	23	20,353,478	(20,353,478)	-
Closing balance at 30 June 2023		**105,252,386**	**123,658,318**	**228,910,704**

	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	23	-	(143,401)	(143,401)
Increase in asset revaluation surplus	23	-	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	23	(19,500)	19,500	-
Closing balance at 30 June 2022		**83,799,745**	**144,088,286**	**227,888,031**

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 2023

	Note	2023 $	2022 $
Cash Flows from Operating Activities			
Cash receipts from customers		8,897,126	9,551,775
Cash payments to suppliers and employees		(5,971,076)	(6,164,334)
Interest received		492,340	130,831
Interest and lease interest paid		(171,556)	(295,314)
Proceeds from the sale of inventory and properties		295,318	26,103,333
Construction of inventory and new properties		(250,608)	(9,358,312)
Grant Funding		31,554	31,370
Goods and Services Tax collected from customers		233,722	2,063,303
Goods and Services Tax input tax credits paid to/received from the Australian Taxation Office		149,450	(1,619,156)
Goods and Services Tax paid to suppliers		(353,591)	(1,065,451)
Net cash inflows from operating activities		**3,352,679**	**19,378,045**
Cash Flows from Investing Activities			
Investment income received		714,219	-
Payments for other financial assets		(24,926,834)	-
Payments for property, plant and equipment		(1,830,781)	(15,961,078)
Net cash outflows from investing activities		**(26,043,396)**	**(15,961,078)**
Cash Flows from Financing activities			
Lease liabilities principal paid		(194,557)	(453,183)
Repayment of loans		(1,042,000)	(6,421,192)
Net cash outflows used in financing activities		**(1,236,557)**	**(6,874,375)**
Net increase in cash and cash equivalents		(23,927,274)	(3,457,408)
Cash and cash equivalents at the beginning of the year		39,740,210	43,197,618
Cash and cash equivalents at the end of the year	**11**	**15,812,936**	**39,740,210**

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 2023

Notes to the financial statements for the year ended 30 June 2023 - continued

1 Corporate information

The financial statements of Community Housing Canberra Ltd (the Company) for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 30 October 2023.

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;
- Other financial assets are measured at fair value through the statement of income and expenditure;
- 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 and other financial assets 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 and concluded that there has not been any material impact on the Company.

(c) Changes in accounting policies

There were no changes to the Company's accounting policies during the year ended 30 June 2023.

However, *AASB 9 Financial Instruments* was adopted for the first time to account for the Company's new managed investment portfolios.

(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.

Notes to the financial statements for the year ended 30 June 2023 - 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 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.

Notes to the financial statements for the year ended 30 June 2023 - continued

2 Summary of accounting policies – continued

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

(g) Cash and investments

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents comprise cash on hand and cash at bank and cash investments. 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.

Notes to the financial statements for the year ended 30 June 2023 - continued

2 Summary of accounting policies – continued

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.

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:

	2023 Years	2022 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 2022-23 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 2022-23 as 4 years (2021-22: 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 for the year ended 30 June 2023 - continued

2 Summary of accounting policies – continued

(l) Leases - continued

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the 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 and employees who have reached 5-7 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 for the year ended 30 June 2023 - 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) Other financial assets

Other financial assets are measured at fair value thorough the statement of income and expenditure.

(iii) 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.

Notes to the financial statements for the year ended 30 June 2023 - continued

2 Summary of accounting policies – continued

(iv) 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.

(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.

(s) Capital and other expenditure commitments

Commitments are a firm intention, but not a present obligation, at the end of the reporting period to incur future expenditure. As such, commitments do not constitute a liability. Commitments usually arise from contracts, but can arise from other things like placing an order.

Commitments are measured at their nominal value and are exclusive of GST.

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) Financial assets

Financial assets measured at fair value is based on the following level of inputs in measurement:

- Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets.
- Level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly.
- Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

The Company has only the following financial assets measured at fair value based on Level 1:

	2023 $	2022 $
Other financial assets - Current	22,564,384	-
Other financial assets – Non Current	3,049,111	-

Notes to the financial statements for the year ended 30 June 2023 - continued

3 Determination of Fair Value – continued

(b) 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 2023.

(c) 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

	2023 $	2022 $
Property, plant and equipment Net fair value of land and buildings	183,656,802	184,430,941
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	2023 $	2022 $
Current		
- ACT Government loan	-	63,112,000
Total current loans	**-**	**63,112,000**

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.

During the financial year, The ACT Government ("Territory") and the Company executed a Management Agreement ("the Agreement") which resulted in the ACT Government Loans been fully extinguished through the transfer of a portfolio of properties to the value of $62,070,000, with the shortfall of $1,042,000 settled in cash.

These properties were reflected in Note 24 as Assets held for transfer and all ACT Government Loans were reclassified to current liability in the 2021-22 financial year.

The Agreement also appoints the Company to act as the Territory's agent and provide Tenancy and Property Management Services.

After the full extinguishment of the loan, the mortgages that the Territory held over a portfolio of the Company's properties of over $75 million in value, were also discharged.

Total interest incurred for the financial year was $90,760 (2022: $53,481) being the interest incurred prior to the full extinguishment of the loans. Of this amount, $Nil (2022: $7,549), being approximately 0% (2022: 14%) of the interest incurred, has been capitalised to inventory and capital works in progress.

Notes to the financial statements for the year ended 30 June 2023 - continued

4 Loans and borrowings – continued

(a) Financing facilities available

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

	2023 $	2022 $
Total facilities:		
- ACT Government facility (4.02.08)	-	50,000,000
- ACT Government facility (28.06.11)	-	20,000,000
Total facilities	**-**	**70,000,000**
Facilities used at reporting date:		
- ACT Government loans (4.02.08)	-	*45,000,000*
- ACT Government loans (28.06.11)	-	*18,112,000*
Total facilities used		**63,112,000**
Facilities unused at reporting date:		
- ACT Government facility (28.06.11)	-	*6,888,000*
Total facilities unused*	**-**	**6,888,000**

*Facilities have now been repaid and no longer available. 2021-22 financial statements included a Beyond Bank facility of $12,635,943, which had been fully repaid in the 2021-22 financial year and was no longer available.

(b) Other items held as security

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.

5 Income

(a) Rental Revenue and Property Management Fees

		2023 $	2022 $
Public rebated rental income	i	823,284	938,418
Affordable housing rental income	ii	3,526,028	3,500,020
NRAS housing rental income *	iii	804,892	1,214,547
NRAS land rent housing rental income *	iv	1,442,556	2,710,502
Other rental income	v	739,098	730,568
Property management fees	vi	912,790	280,902
Total Rental Revenue and Property Management Fees		**8,248,648**	**9,374,957**

** National Rental Affordability Scheme (NRAS)*

(b) Development sales revenue

		2023 $	2022 $
Sales proceeds – Downer Stage 2		-	5,148,667
Sales proceeds – Throsby		295,318	18,811,563
Other development income		-	33,528
Total Development Sales Revenue		**295,318**	**23,993,758**

(c) Other income

		2023 $	2022 $
Grants and Contributions:			
- The Big Issue - Homes for Homes grant	vii	45,000	-
- Other grants		10,188	31,370
Other income		63,642	6,582
Total Other Income		**118,830**	**37,952**

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.

Notes to the financial statements for the year ended 30 June 2023 - continued

5 Income – continued

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.

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 Property management fees relate to fee for service revenue earned the tenancy and property management of third-party properties. This includes fees derived from the Company's HomeGround Real Estate Canberra business, which includes strata services and property management services, from the Agreement with the Territory to manage the properties transferred to fully extinguish the Company's ACT Government loans and from the CGD Agreements to manage the Common Ground Dickson site. Management fees from the CGD Agreements are net of contracted expenses paid in the provision of tenancy and property services as part of the contract price.

vii The Company secured the Big Issue Homes for Homes grant for $100,000 in 2020-21 to build a 2-bedroom second dwelling in Holt, for women exiting the Justice system. The grant is recognized in line with the completed stages of the construction, which commenced during the financial year.

6 Expenses

		2023 $	2022 $
(a) Asset management expenses			
Asset management expenses	i	2,056,346	2,380,180
Total Asset Management Expenses		**2,056,346**	**2,380,180**
(b) Cost of developments sold			
Downer Stage 2		-	3,826,839
Throsby		233,984	15,767,986
Total Cost of Developments Sold	ii	**233,984**	**19,594,825**
(c) Administrative expenses			
Audit Fees		70,830	68,600
Directors' fees		97,926	91,256
Information technology		256,363	173,342
Professional services	iii	197,256	234,519
Other administrative expenses		500,984	427,089
Total Administrative Expenses		**1,123,359**	**994,806**
(d) Depreciation and amortisation			
Depreciation	9	2,471,375	3,003,460
Depreciation of right-of-use assets	18	4,333	4,333
Amortisation	15	271,670	271,670
Total Depreciation and Amortisation		**2,747,378**	**3,279,463**
(e) Net Loss/(gain) on disposal, transfer or impairment of assets			
Loss on disposal of land & building	iv	254,037	-
Total Net Loss/(Gain) on Disposal, Transfer or Impairment of Assets		**254,037**	**-**

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.

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

iv. Relates to gains on disposal of land and building and associated components from the transfer of the properties to the Territory under the Agreement..

7 Employee expenses

		2023 $	2022 $
Salaries and wages	i	2,430,436	2,328,622
Superannuation contributions		259,846	237,084
Provision for annual and long service leave		86,801	110,642
Other employee expenses		81,055	49,682
Total Employee Expenses		**2,858,138**	**2,726,030**

Notes to the financial statements for the year ended 30 June 2023 - continued

7 *Employee expenses – continued*

i As at 30 June 2023, the Company has 30 staff (2022: 32). This included 2 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 & finance expenses

(a) Finance income

		2023 $	2022 $
Interest earned on cash and cash equivalents		492,340	130,831
Total Finance Income		**492,340**	**130,831**

(b) Finance expenses

		2023 $	2022 $
Interest expense on ACT Government loans		90,760	53,481
Interest expense on ACT Government loans capitalised		-	(7,549)
Interest expense on Beyond Bank loans	i	-	99,537
Total Finance Expenses		**90,760**	**145,469**

i The ACT Government loans were fully extinguished during the 2022-23 financial year and the Beyond Bank loan was fully repaid during the 2021-22 financial year.

9 Investment income / Other investment income

(a) Investment income

	2023 $	2022 $
Investment income earned on managed investment portfolios	784,919	-
Total Investment Income	**784,919**	**-**

(b) Other investment income

	2023 $	2022 $
Net fair value gains/(losses) on investment portfolios and other financial assets (Unrealised)	686,661	-
Total Finance Expenses	**686,661**	**-**

10 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 2021-22 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, hence 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 required 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 for the year ended 30 June 2023 – continued

10. Property, plant and equipment – continued

(b) Property, plant and equipment carrying amount

Carrying amount	TOTAL $
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**
2023	
Land and Buildings	
Cost or fair value	185,827,725
Less: Accumulated depreciation	(2,170,923)
	183,656,802
Plant and Equipment	
Cost	2,434,421
Less: Accumulated depreciation	(1,509,756)
	924,665
Carrying amount at 30 June 2023	**184,581,467**

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

Reconciliation to carrying amount	*Note*	*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	ii	1,224,954	-	1,224,954
Assets held for transfer	24	(62,070,000)	-	(62,070,000)
Impairment of land and buildings		(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**

Notes to the financial statements for the year ended 30 June 2023 – continued

10. Property, plant and equipment – continued

Reconciliation to carrying amount	*Note*	*Land and Buildings at fair value*	*Plant and Equipment at cost*	*Total Property, Plant and Equipment*
2023				
Carrying amount at 1 July 2022		**184,430,941**	**1,065,887**	**185,496,828**
Additions - Asset purchases	iii	1,524,000	268,885	1,792,885
Additions – Transfers from capital works in progress/Inventory		-	-	-
Assets held for transfer	24	-	-	-
Disposal of assets		-	(248,790)	(248,790)
Impairment of assets		(130,000)	-	(130,000)
Write back of accumulated depreciation on disposals		56,350	85,569	141,919
Depreciation for the year		(2,224,489)	(246,886)	(2,471,375)
Balance at 30 June 2023		**183,656,802**	**924,665**	**184,581,467**

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 completed in 2021-22.
iii. Relates to the purchase of 4 apartments in the Woodberry development in Coombs.

11 Cash and investments

		2023 $	2022 $
Petty cash		500	406
Cash investments	i	682,301	-
Cash at bank		15,130,135	39,739,804
Total cash and cash equivalents		**15,812,936**	**39,740,210**

i. Relates to the cash accountd held with external fund managers of the Company's managed investment portfolios.

12 Trade and other receivables

(a) Current

		2023 $	2022 $
Trade debtors	i	309,692	316,144
Less: Allowance for expected credit losses		(80,000)	(80,000)
		229,692	236,144
Other debtors		18,114	(124)
Total trade and other receivables		**247,806**	**236,020**

i. Trade debtors is comprised of rent and non-rent charges from tenants of $309,692 (2021-22: $316,144) of which $177,660 (2021-22: $115,054) is considered overdue (30 days +).

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

	2023 $	2022 $
Carrying amount at the beginning of year	**(80,000)**	**(50,000)**
Reduction in allowance arising from write-off of unrecoverable debt	82,755	58,075
Additional allowance recognised	(82,755)	(88,075)
Carrying amount at the end of the year	**(80,000)**	**(80,000)**

Notes to the financial statements for the year ended 30 June 2023 – continued

13 Inventory

Current		2023 $	2022 $
Available for Sale			
Developments – construction costs	i	-	233,964
Total current inventory under construction		**-**	**233,964**

i. Available for sale refers to 1 land rent house in Throsby, which remained unsold in 2021-22.

14 Other financial assets

Current		2023 $	2022 $
Financial assets at fair value through income and expenditure	i	22,564,384	-
Total current other financial assets		**22,564,384**	**-**

Non Current		2023 $	2022 $
Financial assets at fair value through income and expenditure	i	3,049,111	-
Total non current other financial assets		**3,049,111**	**-**

i These relate to the Company's funds that are not required in the short-term but will be required for future development or partnership opportunities, invested in 2 managed investment portfolios, with a mix of fixed interest securities, Australian shares, international shares and other managed funds. All investment income derived from these assets are used to further the Company's mission to provide affordable housing.

15 Other assets

Current		2023 $	2022 $
Accrued income	i	600,730	1,209,406
Other receivables	ii	-	75,099
Prepayments		209,845	263,489
Deposits		91,698	166,700
Total current other assets		**902,273**	**1,714,694**

i Relates to NRAS incentives which are acquitted annually to the Department of Social Services on a May to April basis and accrued investment income.

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.

16 Capital works in progress

(a) Capital works in progress

		2023 $	2022 $
IT System Upgrade	i	99,301	67,531
Developments – land and construction costs	ii	1,546,291	1,310,080
Total Non-current Capital works in progress		**1,645,592**	**1,377,611**

i Relates to the Company's Agile IT program system which was in progress 2020 but has currently stalled. The project is currently being assessed.

ii. Relates to development projects for supported housing in Scullin, Taylor and Whitlam for 2022-23 and development of a second dwelling in Holt, which is partially funded by The Big Issue's Homes for Homes to the amount of $100,000. These will be retained as part of the Company's affordable rental portfolio.

Notes to the financial statements for the year ended 30 June 2023 – continued

16. Capital works in progress – continued

(b) Reconciliation of capital works in progress carrying amounts

2022	Developments $	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**

2023	Developments $	IT System Upgrade $	Total Capital Works in Progress $
Carrying amount at 1 July 2022	**1,310,080**	**67,532**	**1,377,612**
Additions	236,211	31,769	267,980
Transfers to property, plant and equipment and intangible assets	-	-	-
Carrying amount at 30 June 2023	**1,546,291**	**99,301**	**1,645,592**

17 Intangible assets

(a) Intangible assets

		2023 $	2022 $
At cost		1,407,947	1,407,947
Add: Additions – transfers from capital works-in-progress		-	-
Less: Accumulated amortisation		(1,231,751)	(960,081)
Carrying amount at the end of the year	i	**176,196**	**447,866**

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

	2023 $	2022 $
Carrying amount at the beginning of year	**447,866**	**719,536**
Additions	-	-
Amortisation	(271,670)	(271,670)
Carrying amount at the end of the year	**176,196**	**447,866**

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.

18 Trade and other payables

		2023 $	2022 $
Trade creditors		136,492	140,738
Accrued expenses	i	340,582	156,986
GST payable/(receivable) to/from the Australian Taxation Office		(2,244)	(28,987)
Pay as you go withholding (PAYG) payable to the Australian Taxation Office		44,333	41,495
Total Trade and other payables		**519,163**	**310,232**

i Accrued expenses largely relates to accrued construction costs and audit fees for the ACT Audit Office for the audit of the financial statements.

Notes to the financial statements for the year ended 30 June 2023 – continued

19 Employee benefits

Current	2023 $	2022 $
Annual leave	287,785	284,551
Long service leave	211,097	127,530
Total current employee benefits	**498,882**	**412,081**

No provision is made for employees with less than minimum period of qualifying service per Note 2(n)(ii) and the probability that these employees will reach the minimum period is considered to be nil (2022: Nil) and for employees who have reached 5 – 7 years, probability is considered to be 97% (2022: 97%).

20 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) – Discontued in the 2021-22 financial year.
- Office Equipment – 4 years

Right-of-use assets

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**

2023		LRHS $	LRDS $	Office Equipment $	Total $
Carrying amount at 1 July 2022		**4,870,847**	**-**	**4,333**	**4,875,180**
Add: Lease Re-measurement Adjustment		293,658	-		293,658
Less: Leases discontinued	i	-	-		-
Less: Depreciation for the year	6(d)	-	-	(4,333)	(4,333)
Carrying amount at 30 June 2023		**5,164,505**	**-**	**-**	**5,164,505**

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

	2023 $	2022 $
As at 1 July	**3,883,580**	**6,798,729**
Add: Lease Re-measurement Adjustment	246,369	639,282
Add: Accretion of interest on lease liabilities	124,089	142,295
Less: Leases discontinued	-	(3,101,248)
Less: Lease payments	(271,357)	(595,478)
As at 30 June	**3,982,681**	**3,883,580**

Notes to the financial statements for the year ended 30 June 2023 – continued

20. Leases – continued

Comprises		2023 $	2022 $
Current		195,097	194,694
Non-Current		3,787,584	3,688,886
Total lease liabilities		**3,982,681**	**3,883,580**

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

	2023 $	2022 $
Depreciation of right-of-use assets	4,333	4,333
Interest on lease liabilities	80,796	142,295
Total amount recognised in statement of comprehensive income	**85,129**	**146,628**

21 Other provisions

(a) Other Provisions

		2023 $	2022 $
Project Retention Provision	i	**23,607**	**311,662**

(b) Reconciliation of Provisions

	2023 $	2022 $
Balance at the beginning of the year	**311,662**	**433,125**
Additions made during the year	10,393	1,055,215
Reductions due to payments made during the year	(298,448)	(1,176,677)
Balance at the end of the year	**23,607**	**311,663**

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)).

22 Other liabilities

Revenue received in advance		2023 $	2022 $
Income received in advance	i	209,234	251,151
Other		-	23,635
Total other liabilities		**209,234**	**274,786**

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

23 Equity

Asset revaluation surplus

	2023 $	2022 $
Balance at the beginning of the year	**144,088,286**	**113,757,515**
Disposals		
- Land and buildings	(20,353,478)	-
Total Disposals	**(20,353,478)**	-
Impairment Losses		
- Land and buildings	(76,489)	(123,901)
Total Impairment Losses	**(76,489)**	(123,901)
Revaluation adjustments of		
- Income based Buildings	-	5,508,493
- Affordable Buildings	-	21,158,561
- NRAS Buildings	-	2,901,968
- Land Rent Buildings	-	437,000
- Special Disability Buildings	-	235,000
- Commercial (includes office) Buildings	-	213,650
Total revaluation increments on valuation adjustments	**-**	**30,454,672**
Balance at the end of the year	**123,658,319**	**144,088,286**

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

24 Assets held for transfer

	2023 $	2022 $
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 were transferred in settlement of the ACT Government loans (See Note 4).

25 Commitments and contingencies

Capital expenditure commitments

At the reporting date, the Company has capital expenditure commitments totalling $192,967 (2022: Nil). These commitments relate to:

Project	Cost Type	2023 $	2022 $
Holt	Construction	192,967	-
Total Capital Expenditure Commitments		**192,967**	**-**

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

26 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 (Chief Operating Officer)
Ms. Cathi Moore	Ms. Fiona Dearden (Head of People/Company Secretary)
Ms. Clare Wall	Mr. Michael Montelibano (Chief Financial Officer)(Appointed on 30/1/2023)
Mr. Paul Carmody	
Mr. James Douglas	
Ms. Alice Tay	
Mr. Hal Pawson (Appointed on 31/1/2023)	

(b) Transactions with Directors

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

Director	2023 $	2022 $
Mr. Paul Green	33,150	33,000
Ms. Cathi Moore	11,050	11,000
Ms. Clare Wall	11,050	11,000
Mr. Paul Carmody	11,050	11,000
Ms. Jill Divorty	11,050	11,000
Mr. James Douglas	11,050	11,000
Ms. Alice Tay	11,050	10,084
Mr Hal Pawson (Appointed on 31/1/2023)	5,525	-
	104,975	**98,084**

(c) Key management personnel remuneration

	2023 $	2022 $
Short-term employment benefits	772,171	653,357
Post-employment benefits (superannuation)	75,295	62,170
Total key management personnel remuneration	**847,466**	**715,527**

Included in the remuneration is $21,581 (2022: $20,558), which relates to Ms. Fiona Dearden's role as Company Secretary. In addition to salaries, the Company also provides salary sacrifice options to executives and contributes amounts to nominated superannuation funds.

(d) Key management personnel transactions with the Company

Lexmerca Lawyers
Mr Paul Green joined Lexmerca Lawyers in 2019 and was employed as a consultant but retired from January 2023. Legal services provided by Lexmerca Lawyers to the Company during the year regarding several development projects and the discharge of the Company's debt to the Territory, totalled $115,820 (2022: $6,281).

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. He stepped aside in November 2022 and was replaced by Megan Ward. 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 $4,721 (2022: $3,933).

Notes to the financial statements for the year ended 30 June 2023 – continued

26. 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 (2022: $Nil). The director was not involved with the procurement process. Real Mastery Consulting was contracted to provide services prior to the appointment of the director.

27 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 2023 the number of members was 15 (2022: 15).

chc
25 YEARS
Homes for
the community

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